

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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2023

or

O 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: 001-39139



CURIOSITYSTREAM INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

8484 Georgia Ave., Suite 700
Silver Spring, Maryland
(Address of principal executive offices)

84-1797523
(I.R.S. Employer
Identification Number)

20910
(Zip Code)

(301) 755-2050
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.0001	CURI	NASDAQ
Warrants, each exercisable for one share of Common stock at an exercise price of \$11.50 per share	CURIW	NASDAQ

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

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

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

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

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 x No o

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 type="checkbox"/>
Non-accelerated filer	<input checked="" 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. o

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

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

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

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

As of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting common stock

held by non-affiliates, computed by reference to the closing sales price of \$1.69 reported on The NASDAQ Capital Market, was approximately \$47.8 million.
As of March 18, 2024, there were 53,306,291 shares of the registrant's common stock, \$0.0001 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its annual meeting of stockholders to be held in 2024 (the "2024 Annual Meeting"), expected to be filed with the Securities and Exchange Commission (the "SEC") on or before April 29, 2024 (and, in any event, not later than 120 days after the close of our last fiscal year), are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, such proxy statement is not deemed to be filed as part hereof.

**CURIOSITYSTREAM INC.
QUARTERLY REPORT ON FORM 10-K**

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain forward-looking statements. All statements, other than statements of present or historical fact included in this Annual Report on Form 10-K, regarding the Company's future financial performance, as well as the Company's strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Annual Report on Form 10-K, the words "could," "should," "will," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of the Company, incident to its business.

These forward-looking statements are based on information available as of the date of this Annual Report on Form 10-K, and current expectations, forecasts and assumptions, and involve a number of risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date. Although the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws, you are advised to consult any additional disclosures the Company makes in its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about the ability of the Company to:

- suggest and serve content to its subscriber base;
- meet the needs of distributor partners;
- increase and retain its subscriber base and increase subscriber hours;
- enter into integrated partnerships with corporate partners and advertisers;
- develop integrated brand partnerships;
- attract and retain sponsors;
- anticipate trends in video consumption;
- compete for subscribers and sponsorship spending with other content services;
- protect against the loss, misuse, and alteration of customers' personally identifiable information;
- meet future liquidity requirements;
- continue operating under existing laws and licensing regimes;
- license content at favorable rates;
- realize the intended efficiencies and benefits from our business strategies and cost savings initiatives;
- achieve positive net cash flow and profitability;
- identify, recruit, retain, incentivize and integrate existing and new employees, advisors and consultants;
- attract, train and retain effective officers, key employees and directors;
- compete in the factual subscription video on-demand category;
- acquire, and enhance the capabilities of, its intellectual property;
- protect its intellectual property by relying on confidentiality and license agreements with our employees, consultants and third parties, and on trademark and copyright laws;

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- broaden and stabilize its sources of revenue;
- obtain additional capital, including use of the debt market and through the issuance of various types of securities;
- enhance future operating and financial results;
- meet international and education market expansion plans, including by managing and adjusting its business to address varying international markets;
- comply with laws and regulations applicable to its business;
- stay abreast of modified or new laws and regulations applying to its business, including copyright and privacy regulation;
- negotiate content and other licensing agreements;
- invest in content and marketing, including investments in original programming;
- invest in our corporate governance, including adding personnel and systems to its administrative and revenue-generating functions;
- maintain the listing of our securities with NASDAQ
- anticipate and respond to uncertainties associated with product and service development and market acceptance; and
- anticipate the impact of new U.S. federal, state and international income tax laws, including the impact on deferred tax assets.

As a result of a number of known and unknown risks and uncertainties, the Company's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- an inability to maintain and develop new and existing revenue-generating relationships and partnerships or to significantly increase the Company's subscriber base and retain customers;
- a failure to develop, acquire and maintain an adequate breadth and depth of content;
- the Company's inability to protect its intellectual property;
- the impact of content and pricing changes on subscriber growth;
- increased competition in the subscription video on-demand market segment;
- the possibility that the Company may be unable to access financing sources;
- a failure to attract new and qualified personnel in a timely and effective manner and retain existing personnel;
- adverse changes in applicable laws or regulations, including but not limited to privacy laws, tax laws, securities regulations and accounting standards;
- a failure to maintain adequate privacy and data security systems and protocols;
- general economic conditions and economic conditions specific to the internet, online commerce and the media industry; and
- other risks and uncertainties set forth in *Risk Factors*.

RISK FACTOR SUMMARY

Our business operations are subject to numerous risks and uncertainties, including those outside of our control, that could cause our results to vary from expectations. You should carefully consider these risks and uncertainties when investing in our securities. The principal risks and uncertainties affecting our business include, but are not limited to, the following:

- If our efforts to attract and retain users are not successful, our business will be adversely affected;
- If we do not continuously provide value to our users, including making improvements to our service in a manner that is favorably received by them, our revenue, results of operations and business will be adversely affected;
- We have a history of net losses, and we anticipate that we will experience net losses for the foreseeable future;
- Our operating results are expected to be difficult to predict based on a number of factors that also may affect our long-term performance;
- If we are not able to manage our growth, our business could be adversely affected;
- We may be unable to realize intended efficiencies and benefits from our ongoing cost-savings initiatives, which may adversely affect our profitability, financial condition or our business.
- Our business could be adversely impacted by costs and challenges associated with strategic acquisitions and investments, including joint ventures;
- Certain of our growth strategies are untested, unproven or not yet fully developed;
- If we experience excessive rates of user churn, our revenues and business will be harmed;
- If our efforts to build a strong brand identity and improve user satisfaction and loyalty are not successful, we may not be able to attract or retain users, and our operating results may be adversely affected;
- We may be unable to compete successfully against current and future competitors, and competitive pressures could harm our business and prospects;
- We face risks, such as unforeseen costs and potential liability, in connection with content we acquire, produce, license and/or distribute through our service;
- We rely upon a number of partners to make our service available on their platforms and devices;
- Distributors' failure to promote our content could adversely affect our revenue and could adversely affect our business results;
- If we fail to maintain or, in newer markets establish, a positive reputation with consumers concerning our service and the content we offer, we may not be able to attract or retain users, we may face regulatory scrutiny and our operating results may be adversely affected;
- Changes in competitive offerings for video entertainment, including the potential rapid adoption of piracy-based video offerings, could adversely impact our business;
- Changes in how we market our service, or increases in our advertising rates, could adversely affect our marketing expenses and user levels may be adversely affected;
- Emerging industry trends in digital advertising may pose challenges for our ability to forecast or optimize our advertising inventory, which may adversely impact our ability to capture advertising spend;
- Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may seriously harm and negatively affect our reputation and our business;

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- We rely on subscription data provided by our third-party distributors and platform partners that has not been independently verified, and inaccuracies in that data may seriously harm and adversely affect our reputation and our business;
- Our business emphasizes rapid innovation and prioritizes long-term user engagement over short-term financial condition or results of operations, which strategy could have an adverse impact on our business, operating results and financial condition;
- If content providers or other rights holders refuse to license streaming content or other rights upon terms acceptable to us, our business could be adversely affected;
- We may find it difficult to successfully compete without significant capital investment or loans beyond what is available to us in current and future capital raising efforts
- We may not be able to generate sufficient cash to service our obligations and any debt we may incur in the future;
- Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized access, harm to our reputation, disclosure or destruction of data, including user and corporate information, or theft of intellectual property, including digital content assets, which could adversely impact our business;
- NASDAQ may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions; and
- Our stock price may change significantly and you could lose all or part of your investment as a result

PART I
CERTAIN DEFINED TERMS

Each of the terms the “Company,” “we,” “our,” “us,” and similar terms used herein refer collectively to CuriosityStream Inc., a Delaware corporation, and its consolidated subsidiaries, unless otherwise stated.

In this Annual Report on Form 10-K, unless otherwise stated or unless the context otherwise requires:

- “App Services” means applications developed for iOS, Android, streaming media players and smart television operating systems.
- “Board” means the board of directors of the Company.
- “Bundled MVPD Business” refers to our ability to convey a broad scope of rights, including 24/7 “linear” channels, on-demand content library, mobile rights and/or pricing and packaging flexibility, in exchange for an annual fixed fee or fee per subscriber as part of a multi-year agreement.
- “Bundled MVPD Partners” means affiliate relationships with MVPDs, broadband and wireless companies in the U.S. and international territories.
- “Business Combination” means the acquisitions and transactions contemplated by that certain Agreement and Plan of Merger, dated August 10, 2020.
- “Bylaws” means the Amended and Restated Bylaws of CuriosityStream Inc.
- “Charter” means the Second Amended and Restated Certificate of Incorporation of CuriosityStream Inc.
- “Common Stock” means the Common Stock of the Company, par value \$0.0001 per share.
- “Code” means the Internal Revenue Code of 1986, as amended.
- “Content Licensing Business” means CuriosityStream’s licensing of existing content to certain media companies in a traditional content licensing deal or selected rights to content prior to production.
- “DGCL” means the Delaware General Corporation Law.
- “Direct Business” means Direct-to-Consumer and Partner Direct.
- “Direct-to-Consumer” or “DTC” means App Services together with O&O Consumer Service.
- “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- “GAAP” means United States generally accepted accounting principles, consistently applied, as in effect from time to time.
- “IPO” means SAQN’s initial public offering of Units consummated on November 22, 2019.
- “JOBS Act” means the Jumpstart Our Business Startups Act of 2012, as amended.
- “Legacy CuriosityStream” means Curiosity Inc., a Delaware corporation (formerly named CuriosityStream Operating Inc., and prior to the consummation of the Business Combination, CuriosityStream Inc.).
- “MVPDs” means multichannel video programming distributors.
- “NASDAQ” means The NASDAQ Capital Market.
- “Nebula” means Watch Nebula LLC.
- “O&O Consumer Service” means our owned and operated platform.
- “Omnibus Incentive Plan” means our 2020 Omnibus Incentive Plan.

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- “Partner Direct Business” means, collectively, MVPDs that include Comcast and Cox, and vMVPDs and digital distributors that include Amazon Prime Video Channels, Roku Channels, Sling TV and YouTube TV.
- “PIPE” means the issuance and sale to the PIPE Investors, an aggregate of 2,500,000 shares of Common Stock for an aggregate purchase price of \$25,000,000 pursuant to Subscription Agreements between the Company and the PIPE Investors.
- “PIPE Investors” means certain third-party investors in the PIPE.
- “PIPE Warrants” means the 353,000 warrants issued to PIPE Investors in connection with our Business Combination.
- “Private Placement Warrants” means the 3,676,000 warrants issued to Software Acquisition Holdings LLC in a private placement that closed concurrently with our IPO.
- “Public Warrants” means the 7,475,000 warrants sold as part of the Units in the IPO.
- “SAQN” means Software Acquisition Group Inc. prior to the consummation of the Business Combination.
- “Sarbanes-Oxley Act” means the Sarbanes-Oxley Act of 2002, as amended.
- “SEC” means the U.S. Securities and Exchange Commission.
- “Securities Act” means the Securities Act of 1933, as amended.
- “SVOD” means subscription video on-demand.
- “Units” means the units of SAQN, each consisting of one share of Common Stock and one-half of one Warrant, with each such Public Warrant entitling the holder thereof to purchase one share of Common Stock at a price of \$11.50 per share, subject to certain adjustments. On October 14, 2020, the Company’s Common Stock and Public Warrants were listed on NASDAQ under the new trading symbols of “CURI” and “CURIW,” respectively, and all of SAQN’s units separated into their component parts of (i) one share of Common Stock and (ii) one-half (1/2) of one warrant and ceased trading on NASDAQ.
- “vMVPDs” means virtual MVPDs.
- “Warrants” means the Private Placement Warrants, the PIPE Warrants and Public Warrants.

ITEM 1. BUSINESS

Unless the context otherwise requires, all references in this section to “we,” “us,” “our,” the “Company,” or “CuriosityStream” refer to CuriosityStream Inc. and its subsidiaries prior to and following the consummation of the Business Combination.

CORPORATE HISTORY AND BACKGROUND

On October 14, 2020, Software Acquisition Group Inc., a special purpose acquisition company and a Delaware corporation (“SAQN”), and CuriosityStream Operating Inc., a Delaware corporation (“Legacy CuriosityStream”), consummated a reverse merger pursuant to the Agreement and Plan of Merger, dated August 10, 2020 (the “Business Combination”). Upon the consummation of the Business Combination, Legacy CuriosityStream became a wholly owned subsidiary of SAQN and the registrant changed its name from “Software Acquisition Group Inc.” to “CuriosityStream Inc.” Following the consummation of the Business Combination, Legacy CuriosityStream changed its name from “CuriosityStream Operating Inc.” to “Curiosity Inc.”

SAQN, a blank check company, was incorporated as a Delaware corporation on May 9, 2019, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

CuriosityStream LLC, Legacy CuriosityStream’s predecessor, was formed in the State of Delaware in June 2008. CuriosityStream LLC officially launched its subscription service to U.S. based customers in March 2015 and to international customers in September 2015.

BUSINESS OVERVIEW

Founded by John Hendricks, founder of the Discovery Channel and former Chairman of Discovery Communications, CuriosityStream is a media and entertainment company that offers premium video and audio programming across the principal categories of factual entertainment, including science, history, society, nature, lifestyle and technology. Our mission is to provide premium factual entertainment that informs, enchants and inspires.

We seek to meet demand for high-quality factual entertainment via SVOD platforms, content licensing, bundled content licenses for SVOD and linear offerings, talks and courses and partner bulk sales.

Through the expansion of our library of high-quality titles and by exploiting multiple channels to monetize our programming, we believe that we have achieved global leadership in factual content streaming and are well positioned to capitalize on favorable ongoing industry trends to create value for our shareholders and other stakeholders.

CuriosityStream's award-winning content library features more than 17,000 programs that explore topics ranging from space engineering to ancient history to the rise of Wall Street and includes shows and series from leading nonfiction producers. Our library includes:

- An extensive catalog of originally produced and owned content of approximately 10,000 short-, mid- and long-form video and audio titles, including Curiosity University recorded lectures that are led by some of the most acclaimed college and university professors in the world.
- A rotating catalog of nearly 7,000 internationally licensed videos and audio programs.
- More than 6,000 on-demand and ad-free productions available on-demand through our SVOD offerings.

Each week we launch new video titles, which are available on-demand in high- or ultra-high definition. Through new and long-standing international partnerships, we have localized a large portion of our video library from English to ten different languages.

Our programs are produced, co-produced or commissioned by us, or licensed through one of our content partnerships, such as with NHK in Japan, ZED in France and Terra Mater in Austria. Our programs are hosted by and feature scientists, experts and celebrities, such as Stephen Hawking, Sir David Attenborough, Sigourney Weaver, Patrick Aryee and James Burke. Our programs have received four Emmy nominations, including an Emmy Award win for Stephen Hawking's *Favorite Places*. Every video title on our platform is available on-demand and, other than historical footage or classic documentaries, in high definition or 4K quality.

Through our acquisition of One Day University in 2021, we acquired more than 500 lectures from some of the most popular and acclaimed college and university professors in the U.S., on topics ranging from American history to Broadway shows. In addition, through our acquisition of Learn25, we acquired approximately 5,000 episodes of audio content and about 1,250 video episodes, packaged as courses on factual topics ranging from religion to biographies to psychology. These acquisitions enabled us to expand our offering of factual content into audio and educational courses, as well as package our products in special bundles for consumers and business customers. In January 2024, we rebranded our service that offers these audio and video courses and talks "Curiosity University."

In 2021, the Company invested in Watch Nebula LLC ("Nebula"), an SVOD streaming service owned by Standard Broadcast LLC and its affiliated YouTube creators.

Also in 2021, the Company partnered with Spiegel TV to accelerate international expansion of CuriosityStream services, taking a one-third stake in the German venture owned by a German media company, Spiegel, and a German documentary producer, Autentic. The joint venture, Spiegel TV Geschichte und Wissen GmbH & Co. KG (the "Spiegel Venture"), operates two documentary channels (including one branded as "Curiosity Channel"), together with an SVOD service and a FAST channel, as well as revenue sharing on a localized CuriosityStream SVOD service in German-speaking Europe.

Business Model and Services

Our business model relies on the collaboration of (i) our content team, which works with more than 150 production companies and distributors across the world to create and acquire programming, (ii) our legal and finance teams, which structure and formalize agreements, (iii) our creative services and content operations teams, which develop all of the marketing materials, metadata and other assets associated with a piece of content, and (iv) our content operations and technology teams, which then deliver our content and services to all manner of devices and streaming platforms for our consumers directly or through our relationships with third parties.

Direct Business

Through our Direct-to-Consumer ("DTC") business, our video content is available to subscribers through our owned and operated platform (O&O Consumer Service) and App Services. Our O&O Consumer Service is available in more than 175 countries to any household with a broadband connection. Our App Services enable access to CuriosityStream on almost every major consumer device, including streaming media players like Roku, Apple TV and Amazon Fire TV, major smart television brands (e.g., LG, Vizio, Samsung) and gaming consoles like Xbox.

We are currently in the process of raising the prices for our legacy subscribers in our U.S. dollar-based markets, which represent the vast majority of our Direct Business revenue. These legacy subscribers previously paid \$2.99 per month or \$19.99 per year. As of March 27, 2023, we increased our standard pricing for new subscribers to this service to \$4.99 per month or \$39.99 per year. We also provide a Smart Bundle service for \$9.99 per month or \$69.99 per year. Our Smart Bundle membership currently includes our standard service, plus subscriptions to third-party platforms *Tastemade*, *Topic*, *Kidstream* (added in January 2024), *SommTV*, *Da Vinci Kids*, and our *Curiosity University* stand-alone service. Our Smart Bundle pricing remains unchanged. However, we may in the future increase the price of these existing subscription plans, which may have a positive effect on our revenue from this line of our business.

Through our Partner Direct Business, we have affiliate agreement relationships with, and our service is available directly from, MVPDs that include Comcast and Cox, and vMVPDs and digital distributors that include Amazon Prime Video Channels, Roku Channels, Sling TV, Apple Channel and YouTube TV, which constitute our Partner Direct Business. The MVPD, vMVPD and digital distributor partners making up our Partner Direct Business pay us a license fee for sales to individuals who subscribe to CuriosityStream via the partners' respective platforms.

The technology associated with our Partner Direct Business is designed to facilitate a consistent user experience across the different interface platforms and operating system applications. We provide value for both our users and ourselves through our analytics algorithm and data collection system. Leveraging our database of anonymized user preferences, ratings and behavior, we are constantly refining our content recommendation engine to suggest and serve content to our customers.

Content Licensing

Our Content Licensing business is focused on providing factual content to entertainment media companies. We have the opportunity to provide a turnkey, financially attractive "factual solution" to meet this business demand. We are able to license to certain media companies a collection of our existing titles in a traditional content licensing deal. We are also able to sell selected rights (such as in territories or on platforms that are lower priority for us) to content we create before we even begin production. This latter model reduces risk in our content development decisions and creates content licensing revenue.

Bundled Distribution

We have affiliate relationships with our bundled MVPD partners (including Multichoice, FuboTV and Izzi, among others) and vMVPDs, which are broadband and wireless companies in the US and international territories to whom we can offer a broad scope of rights, including 24/7 “linear” channels, our on-demand content library, mobile rights and pricing and packaging flexibility, in exchange for an annual fixed fee or fee per subscriber as part of a multi-year agreement. As such, our Bundled Distribution business offers us the advantages of long-cycle and recurring revenue and the potential to access hundreds of millions of paying subscribers globally.

Enterprise

Our Enterprise business is comprised primarily of selling subscriptions in bulk to companies and organizations that in turn offer these subscriptions to their employees and members as an employment benefit or “gift of curiosity.”

Other

We provide advertising and sponsorships services through developing integrated digital brand partnerships designed to offer the chance to be associated with CuriosityStream content in a variety of forms, including short- and long-form program integration; branded social media promotional videos; broadcast advertising spots in our video and audio programs that are made available on our linear programming channels or in front of the payroll; and our increasing focus on digital display ads while delivering our content through advertising-based video-on-demand (AVOD), transactional video-on-demand (TVOD), free advertising-supported streaming television (FAST), YouTube and other similar distribution channels.

Summary of Results

For the year ended December 31, 2023, we reported revenue of \$56.9 million and a net loss of \$48.9 million. Please see “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations*” of this Annual Report on Form 10-K for a more detailed discussion of our product and service lines and channels through which we generate revenue.

COMPETITION

We compete for the time and attention of our users across different forms of media, including traditional broadcast, cable, satellite and internet-delivered video, other providers of SVOD services (e.g., Amazon Prime Video, Hulu, Netflix), other providers of in-home and mobile entertainment such as radio, music streaming services, and social media and networking websites. Many consumers maintain simultaneous relationships with multiple in-home entertainment providers and can easily shift spending from one provider to another.

We compete with other content providers to attract, engage, and retain users based on several factors, including: the user experience, content range and quality, ease of use of our platform, price, accessibility, perceptions of advertising load, brand awareness and reputation.

Many of our competitors enjoy competitive advantages such as greater brand recognition, legacy operating histories and larger marketing and content budgets, as well as greater financial, technical, human and other resources.

SEASONALITY

Our overall revenue does not exhibit a consistent seasonal pattern. Our DTC membership growth may reflect variations when consumers buy internet-connected screens and when they tend to increase their viewing, although these trends are generally immaterial for our business. In most years, the first quarter, on a relative percentage basis, has represented our greatest streaming membership growth. In addition, our membership growth can be impacted by our content release schedule and changes to pricing.

INTELLECTUAL PROPERTY

Our success depends upon our ability to protect our technologies and intellectual property. To accomplish this, we rely on a combination of intellectual property rights, including trade secrets, copyrights and trademarks, as well as contractual restrictions. We have confidentiality and proprietary rights arrangements with our employees, consultants and business partners, and we control access to, and distribution of, our proprietary information. Our registered trademarks in the U.S. include “Curiosity,” “CuriosityStream” among others.

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We are the registrant of the internet domain name for our website, www.curiositystream.com, as well as others. We own rights to proprietary processes and trade secrets, including those underlying the CuriosityStream service.

GOVERNMENT REGULATION

As a company conducting business on the internet, we are subject to several foreign and domestic laws and regulations relating to information and network security, data protection, privacy, and governmental access to data, among other things. Many of these laws and regulations are still evolving and could be interpreted, updated, or new laws passed in ways that could harm our business. In the area of information and network security and data protection, the laws in the U.S., the European Union (the "EU"), and other jurisdictions globally can require specified actions to maintain the confidentiality, integrity and availability of networks and data. Additionally, laws in many U.S. states require companies to implement specific information security controls to protect certain types of personally identifiable information. Likewise, U.S. states, the EU, China, and other jurisdictions have laws in place requiring companies to notify users, regulators, and sometimes law enforcement if there is a security breach that compromises certain categories of information, including personal information and personally identifiable information.

We are also subject to U.S. federal and state, EU and other foreign laws regarding privacy, the collection of data of minors, and the privacy of customer data. Our privacy policy and terms of use describe our practices concerning the use, transmission and disclosure of customer information and are posted on our website. Any failure to comply with our posted privacy policy or privacy-related laws, obligations, or regulations globally could result in proceedings against us by governmental authorities, individuals, or others. Further, any failure by us to adequately protect the privacy or security of our customers' information could result in a loss of confidence in our service among existing and potential customers, and ultimately, in a loss of customers and advertisers.

PRIVACY POLICY

We collect and use certain types of information from our customers in accordance with the privacy policy that is posted on our website. We collect personally identifiable information directly from customers when they register to use our service and sign up to receive email newsletters. We may also obtain information about our customers from other customers and third parties. Our policy is to use the collected information to customize and personalize advertising and content for customers and to enhance the customer experience when using our service.

We also use automated data collection technology, such as tracking cookies, to collect online usage information to help us track customer interactions with our service. Third-party advertisers and service partners may also use tracking technologies to collect information regarding use of our platforms.

We have implemented commercially reasonable physical and electronic security measures to protect against the loss, misuse, and alteration of personally identifiable information. No security measures are perfect or impenetrable, and we may be unable to anticipate or prevent unauthorized access to our customers' personally identifiable information.

HUMAN CAPITAL

We employed approximately 57 and 78 full-time employees on average, during 2023 and 2022, respectively. As of December 31, 2023, we employed 48 full-time employees, all of whom were located in the U.S. During 2023, we eliminated 20 positions, including 13 positions eliminated as part of a December 2023 restructuring. Our eliminated roles during the year were primarily in the areas of technology, operations and programming.

We have one location, a corporate office, plus filming studio and edit suites, in Silver Spring, Maryland (the "Office"). Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. Our ability to attract, retain and improve the effectiveness of our employees is a critical factor for executing our growth strategy. We strive to recruit the best people for the job regardless of race, sexual orientation, gender, religion, or other factors.

We are committed to diversity and inclusion as well as equitable pay within our workforce. To further some of these initiatives, following our Business Combination, we retained Willis Towers Watson, a leading global advisory firm, to review our compensation structure. Our compensation program is designed to attract, retain, and motivate highly qualified employees and executives and is comprised of a mix of competitive base salary, bonus and equity compensation awards, as well as other employee benefits. Almost all current employees have received equity grants with vesting conditions designed to facilitate the retention of personnel and the opportunity to benefit financially from our potential future growth and profitability. Our 401(k) retirement plan contributions include a 100% match of contributions for the first 3% of the employee's base salary and a 50% match of contributions between 3% and 5% of the employee's base salary.

Our human resources strategy is overseen by our executive team, which aims to provide regular updates to our Board. Our employees are not covered by a collective bargaining agreement, and we consider our relations with our employees to be good.

ITEM 1A. RISK FACTORS

If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.

RISKS RELATED TO THE COMPANY'S BUSINESS

If our efforts to attract and retain users are not successful, our business will be adversely affected.

We have experienced significant user growth over the past several years. Our ability to continue to attract users will depend in part on our ability to effectively market our service, consistently provide our users with compelling content choices that keep our users engaged with our service, as well as a quality experience for selecting and viewing factual entertainment. Furthermore, the relative service levels, content offerings, pricing and related features of competitors to our service may adversely impact our ability to attract and retain users.

Competitors include other entertainment video providers, such as MVPDs and SVOD services. Users may cancel our service for many reasons, including: a perception that they do not use the service sufficiently, the need to cut household expenses, selection of content is unsatisfactory, competitive services provide a better value or experience and customer service issues are not satisfactorily resolved. Membership may also be impacted by our business relationships with our MVPDs, vMVPDs or other affiliates. For example, when one of our agreements with a Bundled Distribution partner was terminated in the third quarter of 2022, we experienced a decline in subscribers as a result of such termination. Adverse macroeconomic conditions, including inflation, may also adversely impact our ability to attract and retain users.

We must continually add new users both to replace cancelled users and to grow our business beyond our current user base. If we do not grow as expected, we may not be able to adjust our expenditures or increase our per-user revenues, including by adjusting membership pricing, commensurate with the lowered growth rate, such that our margins, liquidity and results of operations may be adversely impacted, and our ability to operate at a net-loss may be strained. If we are unable to successfully compete with current and new competitors in providing compelling content, retaining our existing users and attracting new users, our business will be adversely affected. Further, if excessive numbers of users cancel our service, we may be required to incur significantly higher marketing expenditures than we currently anticipate to replace these users with new users.

If we do not continuously provide value to our users, including making improvements to our service in a manner that is favorably received by them, our revenue, results of operations and business will be adversely affected.

If consumers do not perceive our service offering to be of value, including if we introduce new or adjust existing features, adjust pricing or service offerings or change the mix of or our investment into our content in a manner that is not favorably received by them, we may not be able to attract and retain users, and accordingly, our revenue, including revenue per paying membership, and result of operations may be adversely affected. For example, in 2022, in an attempt to expand our service offerings, we introduced a new, free ad-supported streaming channel on the LG channel platform, Curiosity Now, and our Smart Bundle plan. In addition, we may, from time to time, adjust our membership pricing, our membership plans, or our pricing model itself. These and other adjustments we have made or may make in the future may not be well-received by consumers and could negatively impact our ability to attract and retain members, revenues per paying membership, revenue and our

results of operations. In addition, we believe that many of our users rejoin our service or originate from word-of-mouth advertising from existing users. If our efforts to satisfy our existing users or adjustments to our service are not successful, we may not be able to attract or retain users, and as a result, our ability to maintain and/or grow our business will be adversely affected.

We may be unable to realize intended efficiencies and benefits from our ongoing cost-savings initiatives, which may adversely affect our profitability, financial condition or our business.

To operate more efficiently and control our expenditures, we have undertaken cost-savings initiatives, which have included workforce reductions and other cost reduction initiatives. We also periodically choose to discontinue certain operations and business partnerships that we no longer believe are additive or complementary to our business or strategic direction. These initiatives are intended to reduce operating costs [and to strengthen focus on our core business]. If we do not successfully manage our current cost-savings activities, our expected efficiencies, benefits and cost savings might be delayed or not realized, and our operations and business could be disrupted. In addition, we may incur additional impairment charges related to fixed assets, goodwill and other intangibles, which may be material and may exceed our estimates. Furthermore, a disruption to our operations or business may cause employee morale and productivity to suffer and may result in unwanted employee attrition. Such disruptions require substantial management time and attention and may divert management from other important work or result in a failure to meet operational targets. Moreover, we could make changes to, or experience delays in executing, any cost-savings initiatives, any of which could cause further disruption and additional unanticipated expense.

We have a history of net losses, and we anticipate that we will experience net losses for the foreseeable future.

Since our inception, we have incurred significant operating losses, and as of December 31, 2023, we had an accumulated deficit of \$290.0 million. Given the significant operating and capital expenditures associated with our business plan, we anticipate continuing to incur net losses for the foreseeable future. If we do achieve profitability, we cannot be certain that we will be able to sustain or increase such profitability. We incurred a net loss of \$48.9 million for the year ended December 31, 2023, and we have not generated positive cash flow from operations since our inception. We may not be able to operate at a net loss indefinitely, and we cannot be certain that we will be able to generate positive cash flow from operations in the future.

To achieve and sustain profitability, we must accomplish numerous objectives, including broadening and stabilizing our sources of revenue, increasing the number of paying subscribers to our service and increasing the price subscribers pay to access our service. Accomplishing these objectives will require significant rationalization of costs. We cannot assure you that we will be able to achieve these objectives.

Our operating results are expected to be difficult to predict based on a number of factors that also may affect our long-term performance.

We expect our operating results to fluctuate significantly in the future based on a variety of factors, many of which are outside our control and difficult to predict. As a result, period-to-period comparisons of our operating results may not be a good indicator of our future or long-term performance. The following factors may affect us from period-to-period and may affect our long-term performance:

- our ability to maintain and develop new and existing revenue-generating relationships;
- our ability to improve or maintain gross margins in our business;
- the amount and timing of operating costs and capital expenditures relating to expansion of our business, operations and governance;
- our ability to significantly increase our subscriber base and retain customers;
- our ability to enforce our contracts and collect receivables from third parties;
- our ability to develop, acquire and maintain an adequate breadth and depth of content via original productions, co-productions, commissions and/or licenses;
- changes by our competitors to their product and service offerings;
- increased competition;

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- our ability to detect and comply with data collection and privacy regulation and customer questions related thereto in every jurisdiction in which we operate;
- changes in promotional support or other aspects of our relationships with our partners through which we make our service available, including the MVPDs and/or the vMVPDs, through which we offer our content;
- our ability to effectively manage the development of new business segments and markets, and determine appropriate contract and licensing terms;
- our ability to maintain and develop new and existing marketing relationships;
- our ability to maintain, upgrade and develop our website, our applications through which we offer our service on our customers' devices and our internal computer systems;
- fluctuations in the use of the internet for the purchase of consumer goods and services such as those we offer;
- technical difficulties, system downtime or internet disruptions;
- our ability to attract new and qualified personnel in a timely and effective manner and retain existing personnel;
- conflicts of interest involving our founder and principal stockholder, John Hendricks;
- our ability to attract and retain sponsors and prove that our sponsorship offerings are effective enough to justify a pricing structure that is profitable for us;
- the success of our content licensing to other media companies;
- our ability to successfully manage the integration of operations and technology resulting from possible future acquisitions;
- governmental regulation and taxation policies; and
- general economic conditions and economic conditions specific to the internet, online commerce and the media industry.

If we are not able to manage our growth, our business could be adversely affected.

We have expanded significantly since we launched our subscription service in March 2015. We anticipate that further expansion of our operations will be required to achieve significant growth in our products, lines of business and user base and to take advantage of favorable market opportunities. Any future expansion will likely place significant demands on our managerial, operational, administrative and financial resources. If we are unable to respond effectively to new or increased demands that arise because of our growth, or, if in responding, our management is materially distracted from our current operations, our business may be adversely affected. In addition, if we do not have sufficient breadth and depth of content necessary to satisfy increased demand arising from growth in our user base, our user satisfaction may be adversely affected.

We have expanded our operations internationally, seeking to effectively and reliably handle anticipated growth in both users and features related to our service. As our offerings evolve, we are managing and adjusting our business to address varied content offerings, consumer customs and practices, different technology infrastructure, different markets for factual video content, as well as differing legal and regulatory environments. As we expand our service and introduce new features such as our free streaming channel, Curiosity Now, and our Smart Bundle plan, we are developing technology and utilizing third-party "cloud" computing, technology and other services. These efforts require significant resources, operational efficiency and management attention. If we are not able to manage the growing complexity of our business in an efficient manner, including improving, refining or revising our systems and operational practices related to our operations and content development, our business may be adversely affected.

Our business could be adversely impacted by costs and challenges associated with strategic acquisitions and investments, including joint ventures.

From time to time, we acquire or invest in businesses, content, and technologies that support our business. The risks associated with such acquisitions or investments (some of which may be unforeseen) include the difficulty of integrating solutions, operations, and personnel; inheriting liabilities and exposure to litigation; failure to realize anticipated benefits and expected synergies; and diversion of management's time and attention, among other acquisition- and/or investment-related risks. We may not be successful in overcoming such risks, and such acquisitions and investments may negatively impact our business.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill, which must be assessed for impairment at least annually. If our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, as was the case in 2022. Acquisitions also could result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results.

Furthermore, if we do not integrate an acquired business successfully and in a timely manner, we may not realize the benefits of the acquisition to the extent anticipated. If an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer. Acquisitions and investments may contribute to fluctuations in our quarterly financial results. These fluctuations could arise from transaction-related costs and charges associated with eliminating redundant expenses or write-offs of impaired assets recorded in connection with acquisitions and investments, which could negatively impact our financial results.

We are currently party to a joint venture, and our participation in such joint venture is subject to risks, including, among other things: (i) shared approval rights over certain major decisions affecting the ownership or operation of the joint venture and any assets owned by the joint venture; (ii) our joint venture counterparts being subject to different laws or regulations than us, which could create conflicts of interest; (iii) our ability to sell our interest in the joint venture, or the joint venture's ability to sell additional interests of, or assets owned by, the joint venture, being limited to that set forth under the terms of the governing agreements; (iv) the terms of the governing agreements providing our joint venture counterparts the right to exclude us from the joint venture under certain circumstances; (v) the terms of the governing agreements containing non-compete provisions, which may limit other potential business opportunities for us; (vi) a put option that permits our joint venture counterparts to require us to purchase their interest, subject to certain conditions, which, if exercised, would expose us to the full economics and risks of such joint venture, rather than only our proportionate interest therein; and (vii) disagreements with our joint venture counterparts, which may result in arbitration that could be expensive and distracting to management and could delay important decisions. Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

Certain of our growth strategies are untested, unproven or not yet fully developed.

We intend to increase our revenues through expanding our subscriber base by, among other things, continuing to expand into international markets, expanding into the mobile video market, expanding into the corporate social responsibility market, expanding into the branded partnerships market, developing our Content Licensing business and developing our in-house production studio, Curiosity Studios, as well as our increasing focus on AVOD, TVOD and FAST channels. Our content is primarily in the English language with subtitling or dubbing in Spanish, Mandarin, Russian, Swedish, German, Dutch, Danish, Finnish, Norwegian and Slovenian in parts of our library and the world where demand exists and we have the language version rights. Our rights to the international distribution of portions of our co-produced or licensed content are subject to certain geographic and platform or media restrictions. However, we intend to seek partnerships with strong platforms in international territories, subject, in each case, to any then-existing geographic and media restrictions on the distribution of any of our content. There can be no assurance that these international partnerships will be successful or result in our meeting revenue targets.

We believe there is an opportunity for us to commission or create content for other program providers. However, there can be no assurance that these partners will, or will continue to, engage us for co-productions or commissioned content, or that we will earn the margins that we expect on such projects.

If we expand into new markets or increase certain operations in connection with our growth strategies, we may be required to comply with new regulatory requirements that could cause us to incur additional expenses, increase our cost of doing business, impose additional burdens on us or otherwise negatively affect our business. In pursuing these growth strategies, we expect to incur significant operating and capital expenditures and, as a result, we expect to continue to experience net losses in the future. It is possible that we will not be able to grow our revenues through these strategies, or if growth is achieved, that it will be maintained for any significant period, or at all.

If we experience excessive rates of user churn, our revenues and business will be harmed.

In order to increase our revenues, we must minimize the rate of loss of existing users while adding new users to our multiple subscription services. Our experience during our operating history indicates that many variables impact churn, including the type of plan selected, user engagement with the platform, length of a user's subscription to date and subscription pricing. As a result, in periods of rapid user growth, we believe that our average churn is likely to increase as the average length of subscription to date decreases. Similarly, in periods of slow user growth, we believe that our average churn is likely to decrease since our average user duration is longer. However, these estimates are subject to change based on a number of factors, including the percentage of users selecting monthly vs. annual plans, increased rates of subscription cancellations and decreased rates of user acquisition. We cannot assure you that these estimates will be indicative of future performance or that the risks related to these estimates will not materialize.

Users may cancel their subscription to our service for many reasons, including, among others, a perception that they do not use the service sufficiently, or the belief that the service is a poor value, an increase in the price of the service or that customer service issues are not satisfactorily resolved. We must continually add new users both to replace users who cancel and to continue to grow our business beyond our current user base.

From August 2021 through the end of 2023, we included access to Nebula's SVOD service as a part of a combined *CuriosityStream / Watch Nebula* subscription offer and as part of our *Smart Bundle* subscription package. On September 26, 2023, Nebula provided us with a notice of non-renewal, which resulted in Nebula's SVOD service leaving our platform, including our *Smart Bundle* package. We have shared a number of subscribers with Nebula during the term of this relationship. Since terminating this agreement, we have experienced a decline in the number of subscribers and are at risk of further churn from those subscribers who may only wish to access the Nebula service directly following the expiration of their CuriosityStream/Watch Nebula or Smart Bundle subscription.

If too many of our users cancel our service, or if we are unable to attract new users in numbers sufficient to grow our business, our operating results will be adversely affected. Further, if excessive numbers of users cancel our service, we may be required to incur significantly higher marketing expenditures than we currently anticipate in order to replace these users with new users.

If our efforts to build a strong brand identity and improve user satisfaction and loyalty are not successful, we may not be able to attract or retain users, and our operating results may be adversely affected.

The CuriosityStream brand is only nine years old, and we must continue to build a strong brand identity. To succeed, we must continue to attract and retain a large number of new users which require us to make significant advertising and promotional expenditures. We believe that the importance of brand loyalty will increase with the continued proliferation of SVOD subscription services. If our branding efforts are not successful, however, our ability to attract and retain users will be adversely affected, which may negatively impact our future operating results.

We may be unable to compete successfully against current and future competitors, and competitive pressures could harm our business and prospects.

Our industry is intensely competitive, and we expect competition to increase in the future as current competitors improve their content offerings and as new participants enter the market. Competition may result in pricing pressures, reduced profit margins, loss of market share or greater difficulty in acquiring attractive content, any of which could substantially harm our business and results of operations. Many of the companies that are participating in the U.S. and global SVOD media sector have longer operating histories, larger and broader user bases, significantly greater financial, human, technical and other resources and greater name recognition than we do. These companies, which include Netflix, Amazon.com, Hulu, Paramount, Comcast, BBC, PBS, Fox Networks, Warner Bros. Discovery, Disney and others, provide a broader range of content, and could redirect and apply considerable resources to acquired and original factual content.

During the COVID-19 pandemic, both established companies and new competitors began developing and creating their own original factual content. In addition, many titles in our content library are subject to non-exclusive licenses, and as a result, our competitors may be able to license many of our popular titles to expand their reach into factual entertainment. If this were to occur, users that already subscribe to these services for other types of content may determine that they do not need to also subscribe to our service.

There may also be other competitors, including non-profit and educational organizations and other knowledge-sharing focused institutions, that choose to focus on factual content that could directly compete with our SVOD offerings. Well-funded competitors may be better able to withstand economic downturns and periods of slow economic growth and the associated periods of reduced customer spending and increased pricing pressures. Some competitors are able to devote substantially more resources to website and systems development or to investments or partnerships. We may be unable to compete successfully against current and future competitors, and competitive pressures could harm our business and prospects.

We face risks, such as unforeseen costs and potential liability, in connection with content we acquire, produce, license and/or distribute through our service.

As a producer and distributor of content, we face potential liability for negligence, copyright and trademark infringement, or other claims based on the nature and content of materials that we acquire, produce, license and/or distribute. We also may face potential liability for content used in promoting our service, including marketing materials. We believe that original programming can help differentiate our service from other offerings, enhance our brand and otherwise attract and retain users. Consequently, we continue to devote resources toward the development, production, marketing and distribution of our original programming. To the extent our original programming does not meet our expectations, in particular, in terms of costs, viewing and popularity, our business, including our brand and results of operations, may be adversely impacted.

As a content producer, we are responsible for production costs and other expenses. We also take on risks associated with production, such as completion risk. To the extent we create and sell physical or digital merchandise relating to our original programming, and/or license such rights to third parties, we could become subject to product liability, intellectual property or other claims related to such products. We may decide to remove content from our service, not to place licensed or produced content on our service or discontinue or alter production of original content if we believe such content might not be well received by our users, is prohibited by law or could be damaging to our brand.

To the extent we do not accurately anticipate costs or mitigate risks, including for content that we obtain but ultimately does not appear on or is removed from our service, or if we become liable for content we acquire, produce, license and/or distribute, our business may suffer. Litigation to defend these claims could be costly and the expenses and damages arising from any liability or unforeseen production risks could harm our results of operations. We may not be indemnified against claims or costs of these types and we may not have insurance coverage for these types of claims.

We rely upon a number of partners to make our service available on their platforms and devices.

We currently offer users the ability to receive streaming content through a host of screens and devices, including televisions, set-top boxes, computers, streaming media players, game consoles and mobile devices. We have executed a number of distribution and licensing agreements with MVPDs, vMVPDs and digital distributors including Amazon.com, YouTube TV, Roku, Comcast, Cox Communications, Sling TV, Dish and others, as well as with our Bundled Distribution partners, including Multichoice, FuboTV and Izzi, among others.

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The future performance of our distribution partners under these distribution agreements is uncertain and we can provide no assurance that our distribution partners can generate the number of paying subscribers to our SVOD service in an amount adequate to produce the revenue required to maintain business operations. In many instances, our agreements also include provisions by which the distribution partner bills consumers directly for the CuriosityStream service or otherwise offers services or products in connection with offering our service.

We intend to continue to broaden our relationships with existing partners and to increase our capability to stream our content to other platforms, partners and territories over time. If we are not successful in maintaining existing and creating new relationships, or if we encounter technological, content licensing, regulatory, business or other impediments to delivering our streaming content to our users via these devices and platforms and in these territories, our ability to increase our subscriber base and grow our business, as well as retain existing users, could be adversely impacted.

Our agreements with our partners are typically between one and three years in duration and our business could be adversely affected if, upon expiration, a number of our partners do not continue to provide access to our service or are unwilling to do so on terms acceptable to us, which terms may include the degree of accessibility and prominence of our service. Furthermore, while devices are manufactured and sold by entities other than CuriosityStream, the connection between these devices and CuriosityStream may nonetheless result in consumer dissatisfaction toward CuriosityStream and such dissatisfaction could result in claims against us or otherwise adversely impact our business. In addition, technology changes to our streaming functionality may require that partners update their devices. If partners do not update or otherwise modify their devices, our service and our users' use and enjoyment of our content could be negatively impacted.

We are subject to payment processing risk.

Our users pay for our service using a variety of different payment methods, including credit and debit cards, gift cards, direct debit and online wallets. We rely on third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules, regulations, and industry standards, including data storage requirements, additional authentication requirements for certain payment methods, and require payment of interchange and other fees. To the extent there are disruptions in our payment processing systems, increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors and/or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operations could be adversely impacted.

In addition, the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U.S. and other nations on Russia, Belarus and certain Russian organizations and individuals may disrupt payments we receive for distribution of our content in Russia.

In certain instances, we leverage third parties such as our MVPDs and other partners to bill subscribers on our behalf. If these third parties become unwilling or unable to continue processing payments on our behalf, we would have to find alternative methods of collecting payments, which could adversely impact user acquisition and retention. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operation and if not adequately controlled and managed could create negative perceptions of our service. If we are unable to maintain our fraud and chargeback rate at acceptable levels, card networks may impose fines, our card approval rate may be impacted and we may be subject to additional card authentication requirements. The termination of our ability to process payments on any major payment method would significantly impair our ability to operate our business.

Distributors' failure to promote our content could adversely affect our revenue and could adversely affect our business results.

We will not always control the timing and manner in which our licensed distributors distribute our content offerings. However, their decisions regarding the timing of release and promotional support are important in determining success. Any decision by those distributors not to distribute or promote our content or to promote our competitors' content to a greater extent than they promote our content could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

If we fail to maintain or, in newer markets establish, a positive reputation with consumers concerning our service and the content we offer, we may not be able to attract or retain users, we may face regulatory scrutiny and our operating results may be adversely affected.

We believe that a positive reputation with consumers concerning our service is important in attracting and retaining users who have many choices when it comes to where to obtain video entertainment. To the extent our content is perceived as low quality, offensive or otherwise not compelling to consumers, our ability to establish and maintain a positive reputation may be adversely impacted. To the extent our content is deemed controversial or offensive by government regulators, we may face direct or indirect retaliatory action or behavior, including being required to remove such content from our service, and our entire service could be banned and/or become subject to heightened regulatory scrutiny across our business and operations.

In light of the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U.S. and other nations on Russia, Belarus and certain Russian organizations and individuals, our contracts to sell and distribute our content to Russian distributors in Russia may cast us in a negative light with consumers, governmental authorities, business partners or other stakeholders and injure our reputation. Furthermore, to the extent our marketing, customer service and public relations efforts are not effective or result in negative consumer reaction, our ability to establish and maintain a positive reputation may likewise be adversely impacted.

Lastly, to the extent we suffer any security vulnerabilities, bugs, errors or other performance failures, our ability to establish and maintain a positive reputation may be adversely impacted. With newer markets, we also need to establish our reputation with consumers and to the extent we are not successful in creating positive impressions, our business in these newer markets may be adversely impacted. In addition, there is an increasing focus from regulators, investors, members and other stakeholders on environmental, social, and governance (“ESG”) matters, both in the U.S. and internationally, including the adoption of new disclosure and regulatory frameworks. To the extent the content we distribute and the manner in which we produce content creates ESG related concerns, our reputation may be harmed.

Changes in competitive offerings for video entertainment, including the potential rapid adoption of piracy-based video offerings, could adversely impact our business.

The market for video entertainment is intensely competitive and subject to rapid change. Through new and existing distribution channels, consumers have increasing options to access video entertainment. The various economic models underlying these channels include subscription, transactional, ad-supported and piracy-based models. All of these have the potential to capture meaningful segments of the video entertainment market. Piracy, in particular, threatens to damage our business. Piracy’s fundamental proposition to consumers is compelling and difficult to compete against, as virtually all content is free. Further, in light of the compelling consumer proposition, piracy services are subject to rapid global growth.

In addition, traditional providers of video entertainment, including broadcasters and cable network operators, as well as internet-based e-commerce or video entertainment providers, are increasing their internet-based video offerings. Several of these competitors have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may secure better terms from suppliers, adopt more aggressive pricing and devote more resources to product development, technology, infrastructure, content acquisitions and marketing. New entrants may enter the market or existing providers may adjust their services with unique offerings or approaches to providing video entertainment. In addition, new technological developments, including the development and use of generative artificial intelligence, are rapidly evolving. If our competitors gain an advantage by using such technologies, our ability to compete effectively and our results of operations could be adversely impacted. Companies also may enter into business combinations or alliances that strengthen their competitive positions.

Companies also may enter into business combinations or alliances that strengthen their competitive positions. If we are unable to successfully or profitably compete with current and new competitors, our business will be adversely affected, and we may not be able to increase or maintain market share and revenues or achieve profitability.

If government regulations relating to the internet or other areas of our business change, we may need to alter the manner in which we conduct our business or incur greater operating expenses.

The adoption or modification of laws or regulations relating to the internet, telecommunications or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. As our service and others like us gain traction in international markets, governments are increasingly looking to introduce new or extend legacy regulations to these services, in particular those related to broadcast media, content obligations or restrictions, treatment of intellectual property, net neutrality or payment for transmission and tax. For example, recent changes to European law enable individual member states to impose levies and other financial obligations on media operators located outside their jurisdiction.

It is also currently unknown how the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U.S. and other nations on Russia, Belarus and certain Russian organizations and individuals may affect us in the future. We anticipate that several jurisdictions may, over time, impose greater financial and regulatory obligations on us. In addition, the continued growth and development of the market for online commerce may lead to more stringent consumer protection laws, which may impose additional burdens on us. If we are required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, this compliance could cause us to incur additional expenses or alter our business model.

Changes in laws or regulations that adversely affect the growth, popularity or use of the internet, including laws impacting net neutrality or requiring payment of network access fees, could decrease the demand for our service and increase our cost of doing business. Certain laws intended to prevent network operators from discriminating against the legal traffic that traverse their networks have been implemented in many countries, including across the EU. In others, the laws may be nascent or non-existent. Furthermore, favorable laws may change, including for example, in the U.S. where net neutrality regulations were somewhat recently repealed. Given uncertainty around these rules, including changing interpretations, amendments or repeal, coupled with potentially significant political and economic power of local network operators, we could experience discriminatory or anti-competitive practices that could impede our growth, cause us to incur additional expense or otherwise negatively affect our business.

Changes in how we market our service, or increases in our advertising rates, could adversely affect our marketing expenses and user levels may be adversely affected.

We utilize a broad mix of marketing and public relations programs, including social media sites, to promote our service to potential new users. We may limit or discontinue use or support of certain marketing sources or activities if advertising rates increase or if we become concerned that users or potential users deem certain marketing practices intrusive or damaging to our brand. If the available marketing channels are curtailed, our ability to attract new users may be adversely affected.

Companies that promote our service and/or host our advertisements may decide that we negatively impact their business or may make business decisions that in turn negatively impact us. For example, if they decide that they want to compete more directly with us, enter a similar business or exclusively support our competitors, we may no longer have access to their marketing channels or they may charge us higher advertising rates, preventing us from advertising at competitive and/or reasonable rates. We also acquire a number of users who rejoin our service after having previously cancelled their subscription. If we are unable to maintain or replace our sources of subscriptions with similarly effective sources, or if the cost of our existing subscription increases, our subscription levels and marketing expenses may be adversely affected.

We utilize marketing to promote our content and drive viewing by our users. To the extent we promote our content inefficiently or ineffectively, we may not obtain the expected acquisition and retention benefits and our business may be adversely affected.

Emerging industry trends in digital advertising may pose challenges for our ability to forecast or optimize our advertising inventory, which may adversely impact our ability to capture advertising spend.

The digital advertising industry is introducing new ways to measure and price advertising inventory. For example, a significant portion of advertisers are in the process of moving from purchasing advertisement impressions based on the number of advertisements served by the applicable ad server to a new “viewable” impression standard (based on number of pixels in view and duration) for select products.

In the absence of a uniform industry standard, agencies and advertisers have adopted several different measurement methodologies and standards. In addition, measurement services may require technological integrations, which are still being evaluated by the advertising industry without an agreed-upon industry standard metric. As these trends in the industry continue to evolve, our sponsorship and advertising fees may be adversely affected by the availability, accuracy and utility of the available analytics and measurement technologies as well as our ability to successfully implement and operationalize such technologies and standards.

Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may seriously harm and negatively affect our reputation and our business.

We regularly review key metrics related to the operation of our business, including, but not limited to monthly active users (“MAUs”) and user churn, to evaluate growth trends, measure our performance, and make strategic decisions. These metrics are calculated using internal company data and have not been validated by an independent third party. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our service is used across populations globally.

Errors or inaccuracies in our metrics or data could result in incorrect business decisions and inefficiencies. For instance, if a significant understatement of churn or overstatement of MAUs were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to attract a sufficient number of users to satisfy our growth strategies.

Some of our demographic data also may be incomplete or inaccurate because users self-report their personal information. Consequently, the personal data we have may differ from our users’ actual information. If sponsors, advertisers, partners or investors do not perceive our user, geographic or other demographic metrics to be accurate representations of our user base, or if we discover material inaccuracies in our user, geographic, or other demographic metrics, our reputation may be seriously harmed. See “*We are at risk of attempts at unauthorized access to our service through cyberattacks, and failure to effectively prevent and remediate such attempts could have an adverse impact on our business, operating results and financial condition.*”

We rely on subscription data provided by our third-party distributors and platform partners that has not been independently verified, and inaccuracies in that data may seriously harm and adversely affect our reputation and our business.

Our calculation of total paying subscribers includes the subscribers who are accessing our service via a third-party distributor or platform partner. We rely on these third-party distributors and platform partners to provide us with subscriber data. This data may be based on verbal, unpublished or confidential reports and may not have been validated by us or an independent third party. We use this data, among other things, to evaluate growth trends, measure our performance and make strategic decisions. Reliance on such unconfirmed or unpublished data could lead us to make incorrect calculations or business decisions or incur inefficiencies, particularly if these third parties provide inaccurate or incomplete data. If any of the foregoing were to occur, our reputation and business could be seriously harmed or adversely affected.

Our business emphasizes rapid innovation and prioritizes long-term user engagement over short-term financial condition or results of operations, which strategy could have an adverse impact on our business, operating results and financial condition.

Our business is evolving and has become more complex, and our success depends on our ability to quickly develop and launch new and innovative services. We believe our culture fosters this goal. Our focus on complexity and quick reactions could result in unintended outcomes or decisions that are poorly received by our users, advertisers, sponsors or partners. Our culture also prioritizes our long-term user engagement over short-term financial condition or results of operations. We also regularly run promotions discounting our service plans from their published prices. No assurance can be provided that such price reductions will produce an increase in subscribers to a level adequate to support sponsorship sales or generate revenue in an amount required to maintain business operations. These decisions may not produce the long-term benefits that we expect, in which case, our user growth and engagement, our relationships with advertisers, sponsors and partners, as well as our business, operating results and financial condition could be seriously harmed.

We may incur non-cash impairment charges for our content assets, goodwill, other intangible assets and equity method investments which would negatively impact our business, financial condition and operating results.

It is possible that we may never realize the full value of our intangible assets. We regularly review our long-lived assets, including our content assets, goodwill and other finite-lived intangible assets for impairment. Goodwill is subject to impairment review on an annual basis and whenever potential impairment indicators are present. Other long-lived assets, including our content assets, and finite-lived intangible assets are reviewed when there is an indication that an impairment may have occurred.

We test goodwill for impairment at least annually, or more frequently if indicators of impairment exist, and other finite-lived intangible assets whenever events or changes in circumstances indicate that the varying value of the assets may not be recoverable. Impairment may result from, among other indicators, a decline in the share price of the Common Stock or market capitalization and negative industry or economic trends. As a result of a sustained decrease in our share price during the second quarter of 2022, we concluded that a triggering event had occurred, conducted impairment testing of our goodwill balance and recognized an impairment charge to goodwill.

Also during the second quarter of 2022, we determined that impairment indicators existed with respect to certain of our finite-lived intangible assets. As a result, we performed an impairment test by comparing the carrying values of the intangible assets to their respective fair values, which were determined based on forecasted future cash flows. As a result of this impairment test, we recorded an impairment charge to those finite-lived intangible assets during the second quarter of 2022.

We also regularly review our investments in equity method investees for impairment, including when the carrying value of an investment exceeds its related market or fair value. If we determine that an investment has sustained an “other-than-temporary” decline in value, the investment is written-down to its fair value. The factors we consider in making this determination include, but are not limited to, (i) the determined market value of the investee in relation to its cost basis, (ii) the financial condition and operating performance of the investee, and (iii) our intent and ability to retain the investment for a sufficient period of time to allow for recovery in the market value of the investment. Accordingly, we recognized impairments to our equity method investments in the Spiegel Venture and Nebula in the second and third quarters of 2023, respectively.

In addition, companies in the streaming industry experienced a decline in market valuations during 2023, and the market price of our common shares declined significantly through the third quarter. Reflecting this market trend and due to the continued adverse macro and microeconomic conditions, including the competitive environment and its impact on our subscriber growth, we revised our forecasted subscriber growth and cash flow assumptions. Given these factors, as well as our continuing operating losses, we identified an indicator of impairment related to our content asset group and performed an analysis of content assets to assess if the fair value was less than unamortized cost. As a result of this impairment analysis of content assets, we recorded an impairment during the third quarter of 2023.

If the decline in our share price continues in 2024, we would be required to further test our content assets, finite-lived intangible assets, and equity method investments, which may result in an impairment. The impairment of all or part of our content assets, finite-lived intangible assets or equity method investments may have a material adverse effect on our business, financial condition or results of operations. The amount of impairment determined reduces the carrying value of the asset and is expensed in that period as a charge to our results of operations.

The fair value determinations underlying the quantitative aspect of our impairment testing require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. Estimating the fair value of our reporting unit and intangible assets requires us to make assumptions and estimates regarding our future plans, as well as industry, economic and regulatory conditions. If current expectations are not met, or if market factors outside of our control change significantly, then our reporting unit or intangible assets might become impaired in the future, adversely affecting our operating results and financial position. The carrying amounts of our content assets and finite-lived intangible assets are susceptible to impairment risk if there are unfavorable changes in such assumptions, estimates and market factors. To the extent that business conditions deteriorate or key assumptions and estimates differ significantly from our management’s expectations, it may be necessary to recognize additional impairment charges in the future.

RISKS RELATED TO INTELLECTUAL PROPERTY

If content providers or other rights holders refuse to license streaming content or other rights upon terms acceptable to us, our business could be adversely affected.

Our ability to provide our users with content they enjoy depends on content providers and other rights holders' licensing rights to distribute such content and certain related elements thereof, such as the public performance of music contained within the content we distribute, upon terms acceptable to us. While the license periods and the terms and conditions of such licenses vary, a significant portion of our content is subject to license for a given period. As of December 31, 2023, approximately 81% of our SVOD titles were subject to licenses, approximately 39% of which expire in 2024 and approximately 46% of which expire in 2025. Of the titles that expire in 2024 and 2025, some may be renewed for a one- or two-year term at our unilateral option. If the content providers and other rights holders are not or are no longer willing or able to license us content upon terms acceptable to us, our ability to deliver particular items of content to our subscribers will be adversely affected and/or our costs could increase.

Certain licenses for content provide for the content providers to withdraw content from our service relatively quickly, and such content providers could decide that we negatively impact their business or may make business decisions that in turn negatively impact us. For example, certain content providers could decide that they want to compete more directly with us, enter a similar business or exclusively support our competitors, and in such event we may no longer have access to their content at all or only at higher rates. Because of these provisions as well as other actions we may take, content available through our service can be withdrawn on short notice. As competition increases, we may see the cost of programming increase. As we seek to differentiate our service, we are increasingly focused on securing certain exclusive rights when obtaining content, including original content. We are also focused on programming an overall mix of content appealing to our users in a cost-efficient manner. Within this context, we are selective about the titles we add and renew to our service. If we do not maintain a compelling mix of content, our user acquisition and retention may be adversely affected.

Music and certain authors' performances contained within content we distribute may require us to obtain licenses for such distribution. In this regard, we engage in negotiations with collection management organizations ("CMOs") that hold certain rights to music and/or other interests in connection with streaming content into various territories. If we are unable to reach mutually acceptable terms with these organizations, we could become involved in litigation and/or could be enjoined from distributing certain content, which could adversely impact our business. Additionally, pending and ongoing litigation, as well as negotiations between certain CMOs and other third parties in various territories, could adversely impact our negotiations with CMOs, or result in music publishers represented by certain CMOs unilaterally withdrawing rights, thereby adversely impacting our ability to negotiate licensing agreements reasonably acceptable to us. Failure to negotiate such licensing agreements could expose us to potential liability for copyright infringement or otherwise increase our costs. Additionally, as the market for the digital distribution of content grows, a broader role for CMOs in the remuneration of authors, performers and other beneficiaries of neighboring rights is likely to expose us to greater distribution expenses in certain markets.

If our trademarks and other proprietary rights are not adequately protected to prevent use or appropriation by our competitors, the value of our brand and other intangible assets may be diminished and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality and license agreements with our employees, consultants and third parties with whom we have relationships, as well as trademark and copyright laws, to protect our proprietary rights. We may also seek to enforce our proprietary rights through court proceedings or other legal actions. We have filed and we expect to file from time to time for trademark applications. Nevertheless, these applications may not be approved, third parties may challenge any copyrights or trademarks issued to or held by us, third parties may knowingly or unknowingly infringe our intellectual property rights, and we may not be able to prevent infringement or misappropriation without substantial expense to us. If the protection of our intellectual property rights is inadequate to prevent use or misappropriation by third parties, the value of our brand and other intangible assets may be diminished, competitors may be able to more effectively mimic our service and methods of operations, the perception of our business and service to users and potential users may become confused in the marketplace, and our ability to attract users may be adversely affected. In addition, the use or adoption of new and emerging technologies may increase our exposure to intellectual property claims, and the availability of copyright and other intellectual property protection for artificial

intelligence-generated material is uncertain. Further, new technologies such as generative artificial intelligence and their impact on our intellectual property rights remain uncertain, and development of the law in this area could impact our ability to protect against infringing uses or result in infringement claims against us.

We currently hold various domain names relating to our brand, including *www.curiositystream.com*. Failure to protect our domain names could adversely affect our reputation and brand and make it more difficult for users to find our website and our service. We may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights.

Intellectual property claims against us could be costly and result in the loss of significant rights related to, among other things, our website, streaming technology, our recommendation and promotion capabilities, title selection processes and marketing activities.

Trademark, copyright and other intellectual property rights are important to us and other companies. Our intellectual property rights extend to our technology, business processes and the content we produce and distribute through our website. We use the intellectual property of third parties in creating some of our content and marketing our service through contractual and other rights. From time to time, third parties may allege that we have violated their intellectual property rights. If we are unable to obtain sufficient rights, successfully defend our use, or develop non-infringing technology or otherwise alter our business practices on a timely basis in response to claims against us for infringement, misappropriation, misuse or other violation of third-party intellectual property rights, our business and competitive position may be adversely affected.

Many companies are devoting significant resources to developing patents that could potentially affect many aspects of our business. There are numerous patents that broadly claim means and methods of conducting business on the internet. We have not searched patents relative to our technology. Defending ourselves against intellectual property claims, whether they are with or without merit or are determined in our favor, could result in significant costs to our business and diversion of technical and management personnel. It also may result in our inability to use our current website, streaming technology, our recommendation and promotion capability or inability to market our service. We may also have to remove content from our service. As a result of a dispute, we may have to develop non-infringing technology, enter into royalty or licensing agreements, adjust our content, marketing activities or take other actions to resolve the claims. These actions, if required, may be costly or unavailable on terms acceptable to us.

RISKS RELATED TO LIQUIDITY

We may find it difficult to successfully compete without significant capital investment or loans beyond what is available to us in current and future capital raising efforts.

Competing in the global media marketplace requires considerable financial resources, especially in the direct-to-consumer SVOD business sector, which requires substantial advertising and marketing expenditures to build widespread brand awareness to a level that produces subscribers and continuous investment in our content offerings. In a global media marketplace with competitors spending greater amounts on programming and marketing and/or content than we do, we may find it difficult to successfully compete without significant capital investment or loans beyond what is available to us in current and future capital raising efforts. No assurance can be provided that we will be able to successfully maintain the amount of capital resources required to successfully compete and survive as a business.

We may not be able to generate sufficient cash to service our obligations and any debt we may incur in the future.

Our ability to make payments on our obligations and any debt we incur in the future will depend on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. Since inception, our cash flows from operating activities have been negative. We may be unable to attain a level of cash flows from operating activities or maintain the level of liquidity sufficient to permit us to pay our obligations, including amounts due under our streaming content obligations, and the principal, premium, if any, and interest on any debt we incur. We may or may not be able to accurately predict the ultimate impact on our levels of liquidity from our cash flows and such predictions are subject to change.

If we are unable to service our obligations, including any debt we may incur in the future, from cash flows, we may need to refinance or restructure all or a portion of such obligations prior to maturity. Our ability to refinance or restructure obligations, including any debt we may incur in the future, will depend upon the condition of the capital markets and our financial condition at such time. If the financial markets become difficult or costly to access, including due to higher interest rates, fluctuations in foreign currency exchange rates or other changes in economic conditions, our ability to raise additional capital may be negatively impacted, and any refinancing or restructuring could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. If our cash flows are insufficient to service our then-existing debt and other obligations, we may not be able to refinance or restructure any of these obligations on commercially reasonable terms or at all and any refinancing or restructuring could have a material adverse effect on our business, results of operations or financial condition.

If our cash flows are insufficient to service our obligations, including any debt we may incur in the future, and we are unable to refinance or restructure these obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures or to sell material assets or operations to meet our then-existing debt and other obligations. We cannot assure you that we would be able to implement any of these alternative measures on satisfactory terms or at all or that the proceeds from such alternatives would be adequate to meet any debt or other obligations then due. If we were required to implement any of these alternative measures, our business, results of operations or financial condition could be materially and adversely affected.

Our cash and cash equivalents could be adversely affected if the financial institutions in which we hold our cash and cash equivalents fail.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. If we were unable to access all or a significant portion of the amounts we have deposited at financial institutions for any extended period of time, we may not be able to pay our operational expenses or make other payments until we are able to move our funds to accounts at one or more other financial institutions, which process could cause a temporary delay in making payments to our vendors and employees and cause other operational challenges.

We have a substantial amount of obligations, including streaming content obligations, which, together with any debt we may incur in the future, could adversely affect our financial position, and we may not be able to generate sufficient cash to service our obligations.

We have a substantial amount of obligations, including streaming content obligations. Moreover, we may incur substantial indebtedness in the future and expect to incur other obligations, including additional streaming content obligations. As of December 31, 2023, we had \$0.4 million of total content liabilities as reflected in our consolidated balance sheet. Such amount did not include content commitments that did not meet the criteria for liability recognition. For more information on our content obligations, including those not in our balance sheet, see *Note 14 - Commitments and Contingencies* in the *Notes to Consolidated Financial Statements*.

Our obligations, including content obligations, may:

- make it difficult for us to satisfy our other financial obligations;
- limit our ability to use our cash flow, borrow additional funds or obtain other additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments and pay our other obligations when due;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

The long-term and fixed cost nature of our content commitments may limit our operating flexibility and could adversely affect our liquidity and results of operations.

In connection with licensing content, we typically enter into multi-year commitments with content providers. We also enter into multi-year commitments for content that we produce, either directly or through third parties, including elements associated with these productions such as non-cancellable commitments under talent agreements. The payment terms of these agreements are not tied to usage or the size of our user base but may be determined by costs of production or tied to such factors as titles licensed. Such commitments, to the extent estimable under accounting standards, are included in *Note 14 - Commitments and Contingencies* in the *Notes to Consolidated Financial Statements*.

Given the multi-year duration and largely fixed-cost nature of our content commitments, if user acquisition and retention do not meet our expectations, our margins may be adversely impacted. Payment terms for certain content commitments, such as content we directly produce, will typically require more up-front cash payments than other content licenses or arrangements where we do not fund the production of such content. To the extent user and/or revenue growth do not meet our expectations, our liquidity and results of operations could be adversely affected as a result of content commitments and accelerated payment requirements of certain agreements.

In addition, the long-term and largely fixed-cost nature of our content commitments may limit our flexibility in planning for or reacting to changes in our business and the markets in which we operate. If we license and/or produce content that is not favorably received by consumers in a territory, or is unable to be shown in a territory, acquisition and retention may be adversely impacted, and given the long-term and fixed-cost nature of our content commitments, we may not be able to adjust our content offerings quickly, and our results of operations may be adversely impacted.

RISKS RELATED TO INFORMATION TECHNOLOGY

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

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

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

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

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

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

We utilize a combination of proprietary and third-party technology to operate our business. This includes the technology that we have developed to recommend and promote content to our consumers as well as enable fast and efficient delivery of content to our users and their various consumer electronic devices. If our recommendation and promotion capabilities do not enable us to predict and recommend titles that our users will enjoy, our ability to attract and retain users may be adversely affected. We also utilize third-party technology to help market our service, process payments and otherwise manage the daily operations of our business. If our technology or that of third parties we utilize in our operations fails or otherwise operates improperly, including as a result of “bugs” in our development and deployment of software, our ability to operate our service, retain existing users and add new users may be impaired. In addition, any harm to our users’ personal computers or other devices caused by software used in our operations could have an adverse effect on our business, results of operations and financial condition.

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

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

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

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

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

Some of our services and technologies may use open-source software, which may restrict how we use or distribute our service or require that we release the source code of certain services subject to those licenses.

Some of our services and technologies may incorporate software licensed under open-source licenses. Such open-source licenses often require that source code subject to the license be made available to the public and that any modifications or derivative works to open-source software continue to be licensed under open-source licenses. Few courts have interpreted open-source licenses, and the manner in which these licenses may be interpreted and enforced is therefore subject to some uncertainty. We rely on multiple employee and non-employee software programmers to design our proprietary technologies, and since we may not be able to exercise complete control over the development efforts of all such programmers we cannot be certain that they have not incorporated open-source software into our products and services without our knowledge, or that they will not do so in the future. In the event that portions of our proprietary technology are determined to be subject to certain open source licenses, we may be required to publicly release the affected portions of our source code, be forced to re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce the value of our services and technologies and materially and adversely affect our ability to sustain and grow our business.

Changes in how network operators handle and charge for access to data that travel across their networks could adversely impact our business.

We rely upon the ability of consumers to access our service through the internet. If network operators block, restrict or otherwise impair access to our service over their networks, our service and business could be negatively affected. To the extent that network operators implement usage-based pricing, including meaningful bandwidth caps, or otherwise try to monetize access to their networks by data providers, we could incur greater operating expenses and our user acquisition and retention could be negatively impacted. Furthermore, to the extent network operators create tiers of internet access service and either charge us for or prohibit us from having our content available through these tiers, our business could be negatively impacted.

Most network operators that provide consumers with access to the internet also provide these consumers with multichannel video programming. As such, many network operators have an incentive to use their network infrastructure in a manner adverse to our continued growth and success. To the extent that network operators are able to provide preferential treatment to their data as opposed to ours or otherwise implement discriminatory network management practices, our business could be negatively impacted.

We are at risk of attempts at unauthorized access to our service through cyberattacks, and failure to effectively prevent and remediate such attempts could have an adverse impact on our business, operating results and financial condition.

We may be impacted by attempts of third parties to manipulate and exploit our software for the purpose of gaining unauthorized access to our service. If in the future we fail to successfully detect and address such issues, it may have artificial effects on our key performance indicators, such as advertising reach. Since unauthorized access to our service may in the future happen through exploitation of software vulnerabilities, once a new method of doing so is developed by third parties, the level of unauthorized access (and attendant negative financial impact described above, if at all) may increase over time as third parties share the method until we find a way to prevent the unauthorized access, assuming we are able to do so at all. Additionally, individuals using unauthorized versions of our application are unlikely to subscribe to our paid CuriosityStream service. Moreover, once we detect and correct such unauthorized access and any key performance indicators it affects, investor confidence in the integrity of our key performance indicators could be undermined. All of the above consequences of unauthorized access to our service could have material and adverse effects on our business, operating results and financial condition.

RISKS RELATED TO INTERNATIONAL OPERATIONS

We could be subject to economic, political, regulatory and other risks arising from our international operations.

Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks that may be different from or incremental to those in the U.S. In addition to the risks that we face in the U.S., our international operations involve risks that could adversely affect our business, including:

- new and different sources of competition;
- different and more stringent user protection, data protection, privacy and other laws, including data localization requirements;
- adverse tax consequences such as those related to changes in tax laws or tax rates or their interpretations, and the related application of judgment in determining our global provision for income taxes, deferred tax assets or liabilities or other tax liabilities given the ultimate tax determination is uncertain;
- different or more onerous or costly rights society collection royalties and charges;
- the need to adapt our content and user interfaces for specific cultural and language differences, including in-licensing a certain portion of our content assets before we have developed a full appreciation for its performance within a given territory;
- difficulties in complying with territorial licenses;
- difficulties and costs associated with staffing and managing foreign operations;
- management distraction;
- political or social unrest, global hostilities and economic instability, including the Israel-Hamas war, as well as the military invasion of Ukraine by Russian forces and the economic sanctions imposed by the U.S. and other nations on Russia, Belarus and certain Russian organizations and individuals;
- compliance with U.S. laws such as the Foreign Corrupt Practices Act, export controls and economic sanctions, and local laws prohibiting corrupt payments to government officials;
- difficulties in understanding and complying with local laws, regulations and customs in foreign jurisdictions;
- regulatory requirements or government action against our service, whether in response to enforcement of actual or purported legal and regulatory requirements or otherwise, that results in disruption or non-availability of our service or particular content in the applicable jurisdiction;

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- foreign intellectual property laws, such as the EU copyright directive, or changes to such laws, which may be less favorable than U.S. law and, among other issues, may impact the economics of creating or distributing content, anti-piracy efforts, or our ability to protect or exploit intellectual property rights;
- fluctuations in currency exchange rates, which have and may continue to impact revenues and expenses of our international operations and expose us to foreign currency exchange rate risk, which we do not currently hedge against but may do so in the future;
- profit repatriation and other restrictions on the transfer of funds;
- differing payment processing systems as well as consumer use and acceptance of electronic payment methods, such as payment cards;
- censorship requirements that cause us to remove or edit content or make other accommodations that lead to consumer disappointment or dissatisfaction with our service;
- low usage and/or penetration of internet-connected consumer electronic devices;
- availability of reliable broadband connectivity and wide area networks in targeted areas for expansion;
- integration and operational challenges as well as potential unknown liabilities in connection with companies we may acquire or control;
- differing, and often more lenient, laws and consumer understanding/attitudes regarding the illegality of piracy;
- negative impacts from trade disputes; and
- implementation of regulations designed to stimulate the local production of film and television series in order to promote and preserve local culture and economic activity, including local content quotas, investment obligations, and levies to support local film funds. For example, the EU recently revised its Audio Visual Media Services Directive to require that European works comprise at least thirty (30) percent of media service providers' catalogs, and to require prominence of those works.

These and other factors may cause us to adjust our business plans, including expanding or ceasing certain operations in certain countries, and the execution of our strategies. Our failure to manage any of these risks successfully could harm our international operations and could have an adverse effect on our overall business and results of operations.

We are potentially subject to taxation related risks in multiple jurisdictions, and changes in U.S. and non-U.S. tax laws could have a material adverse effect on our business, cash flow, results of operations or financial condition.

We are a U.S.-based company potentially subject to tax in multiple U.S. and non-U.S. tax jurisdictions. Significant judgment will be required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be overturned by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes.

Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Proposals to reform U.S. tax laws could significantly impact how U.S. companies are taxed and may increase our U.S. corporate effective tax rate. Although we cannot predict whether or in what form any such proposals will pass, certain proposals under consideration, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense, and cash flows. In addition, governmental tax authorities are increasingly scrutinizing the tax positions of companies. Many countries in the EU, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development, are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. If U.S. or non-U.S. tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted.

In particular, taxing authorities in many jurisdictions have targeted online platforms as a means to collect indirect taxes in connection with transactions taking place over the internet. An increasing number of jurisdictions are considering or have adopted new tax measures, such as digital services taxes or online sales taxes, targeting online commerce. Such taxes generally are imposed on digital transactions executed by a non-resident entity with a local end-user or local end-consumer. If enacted and applicable, such taxes may increase our worldwide effective tax rate, create tax and compliance obligations in jurisdictions in which we previously had none and adversely affect our financial position. Proliferation of these or similar unilateral tax measures may continue unless broader international tax reform is implemented.

RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

NASDAQ may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

Our Common Stock and Warrants are listed on NASDAQ. We cannot assure you that our securities will continue to be listed on NASDAQ in the future. In order to continue listing our securities on NASDAQ, we must maintain certain financial, distribution and stock price levels. Generally, we must maintain a minimum amount in stockholders' equity (generally \$2,500,000 for companies trading on NASDAQ), a minimum number of holders of our securities (generally 300 public holders) and a \$1.00 minimum share price.

On September 19, 2023, we received written notice from the Nasdaq Stock Market, LLC ("Nasdaq") indicating that we were not in compliance with the \$1.00 minimum bid price requirement for the continued listing on the Nasdaq Capital Market. On March 19, 2024, we received written notification from the Listing Qualifications Department of Nasdaq, granting our request for a 180-day extension to regain compliance with the minimum bid price rule. We now have until September 16, 2024 to meet the requirement. To regain compliance, the closing bid price of our Common Stock must meet or exceed \$1.00 per share for a minimum of ten consecutive business days during this 180-day period.

If we fail to regain compliance during the second compliance period, then Nasdaq will notify us of its determination to delist our Common Stock, at which point we would have an option to appeal the delisting determination to a Nasdaq hearings panel. We intend to actively monitor the closing bid price of our Common Stock and may, if appropriate, consider implementing available strategies to regain compliance with the minimum bid price requirement under the Nasdaq Listing Rules.

If NASDAQ delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Common Stock is a "penny stock" which will require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Since our Common Stock and Warrants are listed on NASDAQ, they are covered securities. Although the states are preempted from regulating the sale of covered securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. If we were to be no longer listed on NASDAQ, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

Our stock price may change significantly and you could lose all or part of your investment as a result.

The trading price of our Common Stock is likely to be volatile. The stock market has experienced extreme volatility at times since the COVID-19 pandemic. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at an attractive price due to a number of factors such as those listed in *Risks Relating to the Company's Business* and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- declines in the market prices of stocks generally;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments;
- any significant change in our management;
- changes in general economic or market conditions or trends in our industry or markets;
- changes in business or regulatory conditions, including new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- future sales of our Common Stock or other securities;
- investor perceptions or the investment opportunity associated with our Common Stock relative to other investment alternatives;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- the development and sustainability of an active trading market for our Common Stock;
- actions by institutional or activist stockholders;
- changes in accounting standards, policies, guidelines, interpretations or principles; and
- other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events.

These broad market and industry fluctuations may adversely affect the market price of our Common Stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our Common Stock is low. Declines in the market price of our Common Stock or failure of the market price to increase could also harm our ability to retain key employees, reduce our access to capital, cause us to incur impairment charges and otherwise harm our business.

During the year ended December 31, 2023, there was a decline in the Company's market capitalization, based upon the Company's publicly quoted share price, below the Company's carrying or book value. As a result of the sustained decline in our share price, we were required to perform impairment testing of our content assets, definite-lived intangible assets, and other long-lived assets, which resulted in impairment charges being recorded in the period related to our content assets, which is discussed in further detail under *Note 2 - Summary of Significant Accounting Policies* in the *Notes to Consolidated Financial Statements*.

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In the past, following periods of market volatility, stockholders of other companies have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our Common Stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. In addition, some financial analysts may have limited expertise with our model and operations. Furthermore, if one or more of the analysts who do cover us downgrade our stock or industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

There can be no assurance that we will continue to declare cash dividends.

On March 13, 2024, we announced the initiation of our first-ever quarterly cash dividend. The payment of any cash dividends in the future is subject to financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law, and other factors our Board deems relevant, and our Board continuing to determine that the declaration of dividends are in the best interests of our stockholders. We may be unable to maintain a level of cash flow from operating activities sufficient to permit us to pay dividends. If our cash flow and capital resources are insufficient, payment of declared dividends could be left unpaid. The declaration and payment of any dividend may be discontinued or reduced at any time, and there can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all. To the extent that expectations by market participants regarding the potential payment, or amount, of any regular dividend prove to be incorrect, the price of our common stock may be materially and negatively affected, and investors that bought shares of our common stock based on those expectations may suffer a loss on their investment. There can be no assurance that the declaration and payment of dividends will be fully consummated or that it will enhance long-term stockholder value.

Future sales, or the perception of future sales, by us or our stockholders in the public market could cause the market price for our Common Stock to decline.

The mass sale of shares of our Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Common Stock. These sales, or the possibility that these sales may occur, also might impede our ability to sell equity securities in the future at a time and at a price that it deems appropriate.

In particular, the shares of our Common Stock reserved for future issuance under our Omnibus Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements (if any) and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable, and the general availability of Rule 144 to such affiliates. A total of 7,725,000 shares of our Common Stock were reserved for issuance under our Omnibus Incentive Plan at inception. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our Common Stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of Common Stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our stockholders.

Certain of our stockholders may engage in business activities that compete with us or otherwise conflict with our interests.

Certain of our stockholders are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our Charter provides that none of the stockholder parties, any of their respective affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The stockholder parties also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

We are an “emerging growth company,” and the reduced disclosure requirements applicable to emerging growth companies may make our Common Stock less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and may remain an emerging growth company for up to five years following our initial public offering. For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of the Sarbanes-Oxley Act Section 404, not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, reduced disclosure obligations regarding executive compensation, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

As a result, the information we provide to stockholders will be different than the information that is available with respect to other public companies. For example, in the proxy statement for the 2024 Annual Meeting, we will not include all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our Common Stock less attractive if we rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock, and our stock price may be more volatile. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) following the fifth anniversary of the completion of the IPO, or (b) in which we have total annual gross revenue of at least \$1.235 billion, (ii) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period and (iii) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards.

An active, liquid trading market for our Common Stock may not be sustained, which may make selling the Common Stock you purchased more difficult.

We cannot predict the extent to which investor interest in us will sustain a trading market or how active and liquid that market would remain. If an active and liquid trading market is not sustained, you may have difficulty selling any shares of our Common Stock that you purchase at a price above the price you purchased it or at all. The failure of an active and liquid trading market to continue would likely have a material adverse effect on the value of our Common Stock. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our Charter and Bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- the ability of our Board to issue one or more series of preferred stock;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;
- limiting the ability of stockholders to act by written consent;
- providing that our Board is expressly authorized to make, alter or repeal our Bylaws;

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- the removal of directors only for cause and only upon the affirmative vote of holders of at least a majority of the shares of Common Stock entitled to vote generally in the election of directors; and
- that certain provisions may be amended only by the affirmative vote of at least 66.7% of the shares of Common Stock entitled to vote generally in the election of directors.

These anti-takeover provisions could make it more difficult for a third-party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

Our Charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our Charter provides that, subject to limited exceptions, any (i) derivative action or proceeding brought on our behalf, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder or employee to us or our stockholders, (iii) action asserting a claim arising pursuant to any provision of the DGCL or our Charter or Bylaws, or (iv) action asserting a claim governed by the internal affairs doctrine shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, another state or federal court located within the State of Delaware. Our Charter provides that the federal district courts of the U.S. shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Notwithstanding the foregoing, the exclusive forum provision shall not apply to claims seeking to enforce any liability or duty created by the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our Charter described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

RISKS RELATED TO PRIVACY

Privacy concerns could limit our ability to collect and leverage our user data and disclosure of user data could adversely impact our business and reputation.

In the ordinary course of business and in particular in connection with content acquisition and merchandising our service to our users, we collect and utilize personal data supplied by or obtained from our users. We are subject to laws, rules and regulations in the United States and in other jurisdictions relating to the privacy and security of personal information, including, but not limited to, the EU's General Data Protection Regulation or the "GDPR," the United Kingdom's GDPR, the U.S. Video Privacy Protection Act ("VPPA"), the U.S. Children's Online Privacy Protection Act ("COPPA"), the California Consumer Privacy Act ("CCPA") (as amended by the California Privacy Rights Act ("CPRA")) and other state laws designed primarily to protect consumer's personal data as collected online. Credit card networks may also require us to employ certain security and privacy controls, and failure to comply with these obligations may lead to significant liabilities.

The GDPR imposes strict requirements for processing personal data of individuals within the European Economic Area ("EEA"). Companies subject to the GDPR have substantial data protection obligations and face significant risk, including potential fines for noncompliance. In addition, the transfer of personal data from the EU and the UK to countries such as the United States, which have not been granted "adequacy" status for EU or UK GDPR purposes, are impermissible absent commitments by the receiving party to protect the data on terms substantially equivalent to those prescribed by the GDPR, generally made in contracts between the data transferring entity in the EU/UK and the data recipient in the "inadequate" jurisdiction. Given our receipt of personal data in United States, these requirements complicate our operations and make them more expensive to implement.

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Within the United States, we and several of our competitors have been sued and/or threatened with arbitration under the VPPA, a statute enacted in 1988 to prohibit video rental stores from disclosing customers' video rental records without the customers' consent. We cannot reliably predict the courts' or arbitrators' views of the theories asserted in the cases brought against online streaming services under the VPPA, and thus we cannot predict the likely outcome of the claims against ourselves and other streaming services that are defendants in these cases. The plaintiffs in these cases are seeking damages for class members, including statutory damages of up to \$2,500 per violation, as well as other potential relief.

The U.S. Federal Trade Commission (the "FTC") has in recent years increased its focus on data privacy and security and used its broad authority under Section 5 of the Federal Trade Commission Act to sue companies for allegedly unfair and/or deceptive practices involving personally identifiable data. Among other claims, the FTC has asserted that the sharing of website and mobile application users' IP addresses or browsing history without user consent constitutes an unfair and/or deceptive practice. The FTC has imposed consent orders on defendants in such cases that include prohibitions on sharing any personal information with third parties for advertising purposes, and as part of one recent consent order, obtained a fine from the defendant for \$7.8 million.

With respect to state law in the United States, the CCPA's amendment by the CPRA has resulted in significant new compliance obligations for companies that collect personal information about California residents. The CCPA provides for civil penalties for violations, as well as a private right of action with statutory damages for certain data security breaches, which may increase the frequency and likelihood of data breach litigation. The statute is now enforceable by a new California data protection agency, the California Privacy Protection Agency, which has issued detailed implementing regulations and signaled intent to use its enforcement authority aggressively. The Agency's latest set of regulations are detailed and complex, and create significant administrative and operational burdens for our Company.

Since the enactment of the CCPA in 2018, more than a dozen other U.S. states have enacted similar laws to protect consumers' personal information. Although these laws have common objectives, they also have many differences and apply based on specific, state-by-state, jurisdictional parameters. Compliance with these various laws is and will continue to be a challenge, which will be exacerbated as additional states adopt their own data privacy laws and regulations.

Both within and outside of the United States, the data protection regulatory landscape is rapidly evolving. Given the rapid expansion of state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal data, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. We cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. Among the possible impacts could be: limitations on our ability to operate in certain jurisdictions; restrictions on our practices that involve collecting and using personal information, contractual requirements, liability exposure, and the need for investments in data protection measures.. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any actual or perceived failure to comply with data privacy laws or regulations, or related contractual or other obligations, or any perceived privacy rights violation, could lead to investigations, claims, and proceedings by governmental entities and private parties, damages for contract breach, and other significant costs, penalties, and other liabilities, as well as harm to our reputation and market position.

Other businesses have been criticized by privacy groups and governmental bodies for attempts to link personal identities and other information to data collected on the internet regarding users' browsing and other habits. Increased regulation of data utilization practices, including new and evolving laws globally, self-regulation, or findings under existing laws that limit our ability to collect, transfer and use information and other data, could have an adverse effect on our business. In addition, if we were to disclose information and other data about our users in a manner that was objectionable to them, our business reputation could be adversely affected, and we could face potential legal claims, reputational loss, or enforcement actions that could impact our operating results. Internationally, we may become subject to additional and/or more stringent legal obligations concerning our treatment of customer and other personal information, and data generally, such as laws regarding data localization and/or restrictions on data export. Failure to comply with these obligations could subject us to liability, and to the extent that we need to alter our business model or practices to adapt to these obligations, we could incur additional expenses.

Our reputation and relationships with users would be harmed if our user data, particularly billing data, were to be accessed by unauthorized persons.

We maintain personal data regarding our users, including names and email addresses. This data is maintained on our own systems as well as that of third parties we use in our operations. With respect to billing data, such as credit card numbers, we and our subscribers rely on third parties to collect and secure such information. We take measures to protect against unauthorized intrusion into our users' data. Despite these measures we, our payment processing services or other third-party services we use such as AWS, Stripe or PayPal, could experience an unauthorized intrusion into our users' data. We also may be required to notify regulators about any actual or perceived data breach (including the EU Lead Data Protection Authority) as well as the individuals who are affected by the incident within strict time periods.

In the event of such a breach, current and potential users may become unwilling to provide the information to us necessary for them to become users. Additionally, we could face legal claims or regulatory fines or penalties for such a breach. The costs relating to any data breach could be material, even though we currently carry insurance against the risk of a data breach. We also maintain employment and personal information concerning our employees. Should an unauthorized intrusion into our users' or employees' data occur, our business could be adversely affected and our broader reputation with respect to data protection could be negatively impacted. See *Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized access, harm to our reputation, disclosure or destruction of data, including user and corporate information, or theft of intellectual property, including digital content assets, which could adversely impact our business.*

RISKS RELATED TO HUMAN RESOURCES

We may lose key employees or may be unable to hire qualified employees, and the failure to maintain and improve our company culture may adversely affect our business.

We rely on the continued service of our senior management and other key individuals, our Chairman and the founder of our predecessor CuriosityStream LLC, John Hendricks, and our President and Chief Executive Officer, Clint Stinchcomb, members of our executive team and other key employees and the hiring of new qualified employees. In our industry, there is substantial and continuous competition for highly skilled business, product development, technical and other personnel. We may not be successful in recruiting new personnel and in retaining and motivating existing personnel, which may be disruptive to our operations. Our effort to retain and develop personnel may also result in significant additional expenses, which could affect our profitability. In addition, there may be changes in our management team that may be disruptive to our business.

In 2022, we experienced the turnover of our Chief Financial Officer and Chief Strategy Officer. If our management team, including any new hires we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. If we experience high executive turnover, fail to adapt our business practices to industry expectations, fail to implement succession plans for key employees, encounter difficulties associated with the transition of members of our management team, are not successful in recruiting new personnel or in retaining and motivating existing personnel, in instilling our culture in new employees, or maintaining and improving our culture as we grow, our operations may be disrupted, which could adversely affect our results of operations.

During 2023, we initiated a plan to eliminate 20 full time positions or about 30% of our December 31, 2022, workforce. These reductions may negatively affect our culture or create uncertainty regarding our future operations or employment needs, and may therefore limit our ability to retain or hire qualified personnel or may contribute to the unplanned loss of highly skilled employees through attrition.

GENERAL RISK FACTORS

Our Private Placement Warrants are accounted for as liabilities and the changes in value of our Private Placement Warrants could have a material effect on our financial results.

Accounting Standards Codification (“ASC”) Topic 815-40, *Derivatives and Hedging, Contracts in Entity’s Own Equity*, provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the consolidated statements of operations. As a result of the recurring fair value measurement, our consolidated financial statements and results of operations may fluctuate quarterly, based on factors which are outside of our control. Due to the recurring fair value measurement, we recognize the non-cash gains or losses on our Private Placement Warrants each reporting period, and the amount of such gains or losses could be material.

From time to time, we may be engaged in legal proceedings that could cause us to incur unforeseen expenses and could occupy a significant amount of our management’s time and attention.

From time to time, we may be subject to litigation or claims that could negatively affect our business operations and financial position. As we have grown, we have seen a rise in the number of litigation matters brought against us. These matters have included or could in the future include patent infringements, copyright infringement and other claims related to our content, use of music, employment claims, claims about our platform’s compliance with disability accommodation, data collection and privacy law, as well as consumer and securities class actions, each of which are typically expensive to defend. Litigation disputes could cause us to incur unforeseen expenses, result in content unavailability, service disruptions and otherwise occupy a significant amount of our management’s time and attention, any of which could negatively affect our business operations and financial position.

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

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

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

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

We cannot assure you that there will not be additional material weaknesses in our internal control over financial reporting now or in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness in our internal control over financial reporting,

investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, and we could be subject to sanctions or investigations by NASDAQ, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We have established a comprehensive, enterprise-wide information security program designed to identify, protect against, detect, respond to, and manage reasonably foreseeable cybersecurity risks and threats. This program is seamlessly integrated into our overall risk management and internal control systems, subject to regular reviews by senior management. It significantly enhances the security, confidentiality, integrity, and availability of the personal and sensitive information we collect, create, use, and maintain.

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

We also assess and manage cybersecurity risks associated with our third-party service providers. We require the implementation of security measures that align with our established security policies and protocols as well as compliance with applicable legal requirements.

The ongoing improvement of our cybersecurity measures is overseen by our Vice President of Engineering, who is part of our Chief Operating Officer organization and manages the Information Technology team, and the designated Data Security Coordinator, encompassing regular program reviews, risk assessments, and employee training sessions to fortify our proactive security posture. We do not employ or engage any third parties to assist with cybersecurity consulting or monitoring other than technical support teams from our application vendors.

In the normal course of business, we proactively manage and monitor cybersecurity activities. To date, these efforts have successfully prevented any incidents that could materially affect our business strategy, operational results, or financial condition. We remain vigilant and are not currently aware of any threats that pose a material risk.

We believe our detailed incident response procedures enable us to effectively manage and mitigate the impacts of security breaches. Continuous monitoring and post-incident analysis further refine our security strategies, enhancing our protective measures. Our Board and the Audit Committee provide oversight over our cybersecurity efforts and stay regularly informed on cybersecurity matters, including emerging risks and mitigation strategies, to ensure informed governance over our enterprise risk assessments and cybersecurity approach. Cybersecurity matters are discussed regularly with senior management, and any significant cybersecurity events are promptly reported to the Board.

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

ITEM 2. PROPERTIES

Our principal operational offices are located in Silver Spring, Maryland, where we lease approximately 15,500 square feet of office space, under a lease expiring in February 2033, pursuant to which we currently pay approximately \$45,000 per month escalating annually to \$57,000 per month through the end of the lease term. We believe that this facility is adequate to meet our current and near-term needs.

Our computing needs are primarily serviced from our cloud infrastructure provided by Amazon Web Services. We retain backup copies of our content on our own data center infrastructure. The backup sites enable additional fault tolerance and will support our continued growth.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or in the aggregate have a material adverse effect on our business, results of operations, financial condition or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

MARKET INFORMATION

Our Common Stock and Warrants are traded on NASDAQ under the symbols "CURI" and "CURIW," respectively.

DIVIDENDS

We have not declared or paid any cash dividends on our Common Stock from the time we incorporated through December 31, 2023.

On March 13, 2024, the Board declared a regular quarterly cash dividend of \$0.025 per share of Common Stock, equivalent to \$0.10 per share of Common Stock on an annual basis. The first cash dividend will be paid on April 30, 2024, to all holders of record of Common Stock at the close of business on April 12, 2024.

Payment of future dividends, if any, will be at the discretion of and subject to future declaration by the Board and will depend on our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law, and other factors our Board deems relevant.

HOLDERS

As of March 18, 2024, there were approximately 206 holders of record of our Common Stock, and 9 holders of record of our Warrants. The actual number of holders of our Common Stock is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares of our Common Stock are held in street name by banks, brokers and other nominees.

RECENT SALES OF UNREGISTERED EQUITY SECURITIES

None.

USE OF PROCEEDS

Not Applicable.

ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 6.

[RESERVED]

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

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our results of operations and financial condition. The following discussion should be read in conjunction with the Company's consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in *Risk Factors* and elsewhere in this Annual Report on Form 10-K. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we," "us," "our," and "the Company" are intended to mean the business and operations of CuriosityStream Inc.

OVERVIEW

Founded by John Hendricks, founder of the Discovery Channel and former Chairman of Discovery Communications, CuriosityStream is a media and entertainment company that offers premium video and audio programming across the principal categories of factual entertainment, including science, history, society, nature, lifestyle and technology. Our mission is to provide premium factual entertainment that informs, enchants and inspires.

We seek to meet demand for high-quality factual entertainment via SVOD platforms, content licensing, bundled content licenses for SVOD and linear offerings, talks and courses and partner bulk sales.

The main sources of our revenue are:

1. Subscription and license fees earned from our Direct-to-Consumer business and Partner Direct subscribers ("Direct Business"),
2. License fees from content licensing arrangements ("Content Licensing"),
3. Bundled license fees from distribution affiliates ("Bundled Distribution"),
4. Subscriber fees from our Enterprise business ("Enterprise"), and
5. Other revenue, including advertising and sponsorships ("Other").

We operate our business as a single operating segment that provides premium streaming content through multiple channels, including the use of various applications, partnerships and affiliate relationships.

CuriosityStream's award-winning content library features more than 17,000 programs that explore topics ranging from space engineering to ancient history to the rise of Wall Street and includes shows and series from leading nonfiction producers. Our library includes:

- An extensive catalog of originally produced and owned content of approximately 7,000 short-, mid- and long-form video and audio titles, including Curiosity University recorded lectures that are led by some of the most acclaimed college and university professors in the world.
- A rotating catalog of nearly 7,000 internationally licensed videos and audio programs.
- More than 6,000 on-demand and ad-free productions available on-demand through our SVOD offerings.

Each week we launch new video titles, which are available on-demand in high- or ultra-high definition. Through new and long-standing international partnerships, we have localized a large portion of our video library from English to ten different languages.

RESULTS OF OPERATIONS

The following table represents a summary of our Consolidated Statements of Operations for the years ended December 31, 2023, and 2022, and the discussion that follows compares the financial results for year ended December 31, 2023, to the year ended December 31, 2022:

(in thousands)	Year Ended December 31,				\$ Change	% Change
	2023		2022			
Revenues						
Direct Business	\$ 34,592	61 %	\$ 34,120	44 %	\$ 472	1.4 %
Content Licensing	14,047	25 %	24,691	32 %	(10,644)	(43 %)
Bundled Distribution	6,316	11 %	11,726	15 %	(5,410)	(46 %)
Enterprise	141	— %	5,520	7 %	(5,379)	(97 %)
Other	1,793	3 %	1,986	3 %	(193)	(10 %)
Total revenues	\$ 56,889	100 %	\$ 78,043	100 %	\$ (21,154)	(27 %)
Operating expenses						
Cost of revenues	\$ 35,553	35 %	\$ 51,536	39 %	(15,983)	(31 %)
General and administrative	29,447	29 %	37,479	28 %	(8,032)	(21 %)
Advertising and marketing	17,390	17 %	40,709	31 %	(23,319)	(57 %)
Impairment of content assets	18,970	19 %	—	0 %	18,970	n/m*
Impairment of goodwill and intangible assets	—	— %	3,603	3 %	(3,603)	n/m*
Total operating expenses	\$ 101,360	100 %	\$ 133,327	100 %	\$ (31,967)	(24 %)
Operating loss	(44,471)		(55,284)		10,813	(20 %)
Other income (expense)						
Change in fair value of warrant liability	213		5,404		(5,191)	(96 %)
Interest and other income	1,272		176		1,096	623 %
Equity interests loss	(5,404)		(846)		(4,558)	539 %
Loss before income taxes	\$ (48,390)		\$ (50,550)		\$ 2,160	(4 %)
Provision for income taxes	506		367		139	38 %
Net loss	\$ (48,896)		\$ (50,917)		\$ 2,021	(4 %)

* Percentage not meaningful

Operating loss for the years ended December 31, 2023, and 2022, was \$44.5 million and \$55.3 million, respectively. The decline in operating loss of \$10.8 million, or 20%, primarily resulted from the decreases to our operating expenses of \$32.0 million, or 24%, which more than offset the decline in revenues of \$21.2 million, or 27%, for the year ended December 31, 2023, compared to the year ended December 31, 2022.

Net loss for the years ended December 31, 2023, and 2022, was \$48.9 million and \$50.9 million, respectively, a decrease in net loss of \$2.0 million, or 4%. The \$10.8 million decline in operating loss for 2023 was almost entirely offset by a decline in change in value of warrant liability and an increase in our equity interest loss.

Our future operating results and cash flows are dependent upon a number of opportunities, challenges, and other factors, including our ability to efficiently grow our subscriber base, increase our prices and expand our service offerings to maximize subscriber lifetime value.

Revenue

Since the Company was founded in 2015, we have generated the majority of our revenues from consumers directly accessing our content in the form of monthly or annual subscription plans.

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For the years ended December 31, 2023, and 2022, revenues totaled \$56.9 million and \$78.0 million, respectively, a decrease of \$21.2 million, or 27%. This decline was primarily driven by declines in Content Licensing, Enterprise services and Bundled Distribution of \$10.6 million, \$5.4 million and \$5.4 million, respectively, while our Direct Business revenue increased by \$0.5 million or approximately 1%.

Companies in the media industry utilize trade and barter agreements in the normal course of business to reduce cash outlays for new content assets or other expenditures by exchanging existing content assets, advertising and other services. In the second quarter of 2023, we began entering into trade and barter transactions primarily for the purpose of exchanging content assets through licensing agreements with media counterparties, reported as content licensing revenue. Certain transactions may also include the exchange of advertising, whereby we exchange media campaigns or other promotional services, reported as other revenue.

For more information, see *Note 5 - Revenue* in the *Notes to Consolidated Financial Statements*.

Direct Business

Our Direct Business revenue is derived from consumers subscribing directly through our O&O Consumer Service and App Services and through Partner Direct relationships. Our O&O Consumer Service is available in more than 175 countries to any household with a broadband connection. Our App Services enable access to CuriosityStream on almost every major consumer device, including streaming media players like Roku, Apple TV and Amazon Fire TV, major smart TV brands (e.g., LG, Vizio, Samsung) and gaming consoles.

We are currently in the process of raising the prices for our legacy subscribers in our U.S. dollar-based markets, which represent the vast majority of our Direct Business revenue. These legacy subscribers previously paid \$2.99 per month or \$19.99 per year. As of March 27, 2023, we increased our standard pricing for new subscribers to this service to \$4.99 per month or \$39.99 per year. We also provide a Smart Bundle service for \$9.99 per month or \$69.99 per year. Our Smart Bundle membership currently includes our standard service, plus subscriptions to third-party platforms *Tastemade*, *Topic*, *Kidstream* (added in January 2024), *SommTV*, *Da Vinci Kids*, and our *Curiosity University* stand-alone service. Our Smart Bundle pricing remains unchanged. However, we may in the future increase the price of these existing subscription plans, which may have a positive effect on our revenue from this line of our business.

The multichannel video programming distributors (“MVPDs”), virtual MVPDs (“vMVPDs”) and digital distributor partners making up our Partner Direct Business pay us a license fee for sales to individuals who subscribe to CuriosityStream via the partners’ respective platforms. We have affiliate agreement relationships with, and our service is available directly from, major MVPDs that include Comcast, Cox, Dish and vMVPDs and digital distributors that include Amazon Prime Video Channels, Apple Channel, Roku Channel, Sling TV and YouTube TV.

The following table details our Direct Business for the years ended December 31, 2023, and 2022:

(in thousands)	Year Ended December 31,				\$ Change	% Change			
	2023		2022						
Direct-to-Consumer:									
O&O Consumer Service	\$	26,502	77 %	\$	25,549	75 %	\$	953	4 %
App Services		3,384	10 %		3,940	12 %		(556)	(14 %)
Total Direct-to-Consumer		29,886	86 %		29,489	86 %		397	1 %
Partner Direct Business		4,706	14 %		4,631	14 %		75	2 %
Total Direct Business	\$	34,592	100 %	\$	34,120	100 %	\$	472	3 %

For the year ended December 31, 2023, our O&O Consumer Service increased by \$1.0 million, or 4%, which was partially offset by a decline in App Services of \$0.6 million, or 14%. Although our DTC subscriber count declined during 2023, our O&O Consumer Service revenue reflected the higher pricing that we began to roll out ahead of higher pricing for App Services during the year.

Content Licensing

Through our Content Licensing business, we license to certain media companies a collection of existing titles from our content library in a traditional content licensing deal. We also pre-sell selected rights (such as in territories or on platforms that are lower priority for us) to content we create before we even begin production. This latter model reduces risk in our content development decisions and creates content licensing revenue. The following table details our Content Licensing results for the years ended December 31, 2023, and 2022:

(in thousands)	Year Ended December 31,				\$ Change	% Change
	2023		2022			
Library sales*	\$ 11,739	84 %	\$ 6,131	25 %	\$ 5,608	91 %
Presales	2,308	16 %	18,560	75 %	(16,252)	(88 %)
Total Content Licensing	<u>\$ 14,047</u>	<u>100 %</u>	<u>\$ 24,691</u>	<u>100 %</u>	<u>\$ (10,644)</u>	<u>(43 %)</u>

* The 2023 amount includes \$9.9 million from trade and barter transactions.

For the year ended December 31, 2023, Content Licensing reflected our change in focus as we attempted to acquire content for lower costs during the year. Library sales were higher by 91%, due mostly to trade and barter transactions whereby we licensed our content to counterparties in the media industry and acquired their content for no cash outlay. Presales declined by 88% as we began to focus more on acquiring content for lower investment cost while reducing our overall spending on new content.

Bundled Distribution

Our Bundled Distribution business includes affiliate relationships with our Bundled MVPD Partners and vMVPDs, which are broadband and wireless companies in the U.S. and international territories to whom we can offer a broad scope of rights, including 24/7 “linear” channels, our video-on-demand content library, mobile rights and pricing and packaging flexibility, in exchange for an annual fixed fee or fee per subscriber.

For the years ended December 31, 2023, and 2022, our Bundled Distribution revenue was \$6.3 million and \$11.7 million, respectively. This 46% decline was primarily due to the non-renewal of a bundled distribution agreement in the third quarter of 2022.

Enterprise

Our Enterprise business is comprised primarily of providing subscriptions in bulk to companies and organizations that in turn offer these subscriptions to their employees and members as an employment benefit or “gift of curiosity.”

For the years ended December 31, 2023, and 2022, our Enterprise revenue was \$0.1 million and \$5.5 million, respectively. This decline was due to the expiration of certain Enterprise subscription agreements.

Other

We provide advertising and sponsorships services through developing integrated digital brand partnerships designed to offer the chance to be associated with CuriosityStream content in a variety of forms, including short- and long-form program integration; branded social media promotional videos; broadcast advertising spots in our video and audio programs that are made available on our linear programming channels or in front of the paywall; and our increasing focus on digital display ads while delivering our content through advertising-based video-on-demand (AVOD), transactional video-on-demand (TVOD), free advertising-supported streaming television (FAST), YouTube and other similar distribution channels.

In the future, we hope to continue developing integrated digital brand partnerships with advertisers. These sponsorship campaigns offer companies the chance to be associated with CuriosityStream content in the forms described above. We believe the impressions accumulated in these multi-faceted campaigns would roll up to verifiable metrics for the clients.

For the year ended December 31, 2023, other revenue was \$1.8 million, a decline of \$0.2 million or 10% from 2022. This decline was largely due to the expiration of certain marketing arrangements during 2022 and the early part of 2023, partially offset by new marketing services we provided as part of trade and barter transactions, which totaled \$1.1 million for 2023.

Operating Expenses

Our primary operating costs relate to the cost of producing and acquiring our content, the costs of advertising and marketing our service, personnel costs, and distribution fees.

For the years ended December 31, 2023, and 2022, our operating expenses were 101.4 million and 133.3 million, respectively, a decrease of \$32.0 million, or 24%.

Cost of Revenues

Cost of revenues encompasses content amortization, distribution fees, revenue sharing arrangements, hosting and streaming delivery costs, payment processing costs, commission costs, and subtitling and broadcast costs. Producing and co-producing content and commissioned content is generally more costly than content acquired through licenses.

Distribution fees include payment processing fees and revenue share arrangements with Smart Bundle and digital distributor partners, as well as fees owed to the Spiegel Venture related to our German SVOD service. We pay a fixed percentage distribution fee to our partners for subscribers accessing our platform via App Services to compensate these partners for access to their customer and subscriber bases. The MVPD, vMVPD and digital distributor partners making up our Partner Direct business pay us a license fee, and host and stream our content to their customers via their own platforms, such as set top boxes in the case of most MVPDs. We do not incur billing, streaming or backend costs associated with content distribution through our MVPD, vMVPD and digital distributor partners.

The following table details cost of revenues for the years ended December 31, 2023, and 2022:

(in thousands)	Year Ended December 31,				\$ Change	% Change
	2023		2022			
Content amortization	\$ 22,905	64 %	\$ 39,291	76 %	\$ (16,386)	(42 %)
Other*	12,648	36 %	12,245	24 %	\$ 403	3 %
Total cost of revenues	\$ 35,553	100 %	\$ 51,536	100 %	\$ (15,983)	(31 %)

* Includes commissions, distribution, production and broadcast, promotions and sponsorships, and other expenses.

For the year ended December 31, 2023, cost of revenues decreased to \$35.6 million from \$51.5 million, a 31% reduction. This decrease was mostly driven by a 42% decline in content amortization due to fewer presale agreements, as discussed above, a reduction in content acquisitions and releases during the year and the content impairment that we recorded in the third quarter of 2023. This decline was partially offset by an increase in other cost of revenues, resulting mainly from new promotional arrangements that we entered into during the year.

Advertising and Marketing

Our advertising and marketing expenditures are a primary operating cost for our business. While these costs may fluctuate based on advertising and marketing objectives, we generally focus marketing dollars on efficient customer acquisition methods. For the year ended December 31, 2023, advertising and marketing expenses decreased to \$17.4 million from \$40.7 million in 2022. This decrease of \$23.3 million, or 57%, is primarily due to fewer contractual marketing commitments during 2023, as we ended partnerships with significant marketing commitments and refocused on lower-cost paid-marketing campaigns.

General and Administrative

Our general and administrative costs are associated with certain administrative functions, including corporate governance, executive management, information technology, finance and human resources. These costs consist largely of compensation expense, subscriptions that support our business, professional services, licenses and rent. While personnel levels may fluctuate based on our needs, we tend to focus on hiring and retaining revenue-generating personnel, such as sales staff and roles that support the improvement, maintenance and marketing of our different revenue streams.

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The following table details general and administrative costs for the years ended December 31, 2023, and 2022:

(in thousands)	Year Ended December 31,				\$ Change	% Change
	2023		2022			
Payroll and related	\$ 12,186	41 %	\$ 15,016	40 %	\$ (2,830)	(19 %)
Professional services	6,295	21 %	8,145	22 %	(1,850)	(23 %)
Stock-based compensation	3,999	14 %	6,644	18 %	(2,645)	(40 %)
Restructuring ¹	819	3 %	—	— %	819	n/m ²
Other ³	6,148	21 %	7,674	20 %	(1,526)	(20 %)
Total general and administrative	<u>\$ 29,447</u>	100 %	<u>\$ 37,479</u>	100 %	<u>(8,032)</u>	(21 %)

¹ Comprised primarily of severance and workforce optimization costs resulting from a December 2023 reduction in workforce.

² Percentage not meaningful.

³ Includes facilities costs, depreciation and amortization, insurance, technology and subscriptions, travel and other expenses.

For the year ended December 31, 2023, general and administrative expenses decreased to \$29.4 million from \$37.5 million for the year ended December 31, 2022. This decrease of \$8.0 million, or 21%, was primarily the result of lower stock-based compensation and payroll and related costs of a \$2.6 million and \$2.8 million, driven by our smaller average workforce size in 2023 as well as reduced incentive compensation. Professional services costs also declined 23% as we streamlined various outside services during the year and brought certain finance and operations functions internal.

Impairment of Content Assets, Goodwill and Intangible Assets

The Company's primary business model is subscription-based as opposed to a model based on generating revenues at a specific title level. Content assets are predominantly monetized as a group and therefore are reviewed in aggregate at a group level when an event or change in circumstances indicates a change in the expected usefulness of the content or that the fair value may be less than unamortized cost. If such changes are identified, the aggregated content library will be stated at the lower of unamortized cost or fair value. In addition, unamortized costs are written off for content assets that have been, or are expected to be abandoned. For a discussion of the accounting policies for content impairment write-down and management estimates involved therein, see *Critical Accounting Policies and Estimates* below.

During the three months ended September 30, 2023, we identified certain indicators of impairment related to content assets and performed an analysis of these assets to assess if their fair value was less than their unamortized costs. Refer to *Note 4 - Balance Sheet Components* for further discussion. As a result of this analysis, we incurred an impairment charge of \$19.0 million related to our content assets for the year ended December 31, 2023. In comparison, no such impairment of content assets was incurred during 2022.

In addition, during the year ended December 31, 2023, we separately performed an analysis of our investments in equity method investees to determine if an "other-than-temporary" impairment existed. During the year ended December 31, 2022, we recorded a goodwill and intangibles asset impairment charge of \$3.6 million as a result of the impairment analyses performed. The impairment charge was applied against the entire balance of goodwill and substantially all of the intangible assets balance.

Fair Value of Warrant Liability, Interest and Other Income and Equity Method Investment Loss

Change in Fair Value of Warrant Liability

The fair value of our warrant liability is estimated using the Black-Scholes valuation model that takes into account a number of economic assumptions, including the market price of our Common Stock and its expected volatility. Changes in these inputs from period to period may significantly affect changes in fair values. For the year ended December 31, 2023, the Company recognized a \$0.2 million gain in the fair value of our warrant liability, compared to a \$5.4 million gain recognized in 2022. These gains are primarily the result of decreases in the fair value of the liabilities related to the Private Placement Warrants for the respective periods. For additional information, including the significant assumptions used to determine fair value, see *Note 7 - Stockholders Equity*, in the Notes to Consolidated Financial Statements.

Interest and Other Income

For the year ended December 31, 2023, interest and other income increased by \$1.1 million, primarily due to our cash and cash equivalents accounts benefiting from higher market interest rates.

Equity Method Investment Loss

During the year ended December 31, 2023, we recorded a \$5.4 million equity interests loss related to the equity investments in the Spiegel Venture and Nebula, compared to a \$0.8 million loss in 2022. The increase in loss in 2023 was primarily the result of impairment charges we recorded during the year for the Spiegel Venture and Nebula of \$2.0 million and \$2.3 million, respectively.

Income Taxes

For the years ended December 31, 2023, and 2022, we had a provision for income taxes of \$0.5 million and \$0.4 million, respectively, due to generating losses before income taxes in each year. The provision for income taxes is primarily related to foreign withholding income taxes. Our provision for income taxes differs from the federal statutory rate primarily due to the Company being in a full valuation allowance position and not recognizing a tax benefit attributable to generated losses for either federal or state income tax purposes.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of December 31, 2023, our cash and cash equivalents, including restricted cash, totaled \$38.2 million. Our cash and cash equivalents mainly consist of investments in institutional money market funds and short-term deposits held at major global financial institutions. We continuously monitor the creditworthiness of the financial institutions and money market fund asset managers with whom we invest our funds, and we maintain a level of liquidity sufficient to allow us to meet our cash needs in both the short term and long term.

We believe that our current cash levels, including investments in money market funds that are readily convertible to cash, will be adequate to support our ongoing operations, capital expenditures and working capital for at least the next twelve months. We believe that we have access to additional funds in the short term and the long term, if needed, through the capital markets to obtain further financing.

We use cash principally to acquire content, promote our service through advertising and marketing, and provide for working capital to operate our business. We have experienced significant net losses since our inception, and, given the significant operating and capital expenditures associated with our business plan, we anticipate that we will continue to incur net losses.

As previously discussed, we began entering into trade and barter transactions in the second quarter of 2023 primarily for the purpose of exchanging content assets through licensing agreements with media counterparties. Our use of these transactions has enabled us to acquire quality content that we can monetize through various distribution channels while preserving our liquidity.

Cash Flow Analysis

The following table presents our cash flows from operating, investing and financing activities for the years ended December 31, 2023 and 2022:

(in thousands)	Year Ended December 31,	
	2023	2022
Net cash used in operating activities	\$ (16,172)	\$ (39,523)
Net cash provided by investing activities	14,003	62,701
Net cash used in financing activities	(123)	(218)
Net (decrease) increase in cash, cash equivalents and restricted cash	\$ (2,292)	\$ 22,960

Operating Activities

Cash flow from operating activities primarily consists of net losses, changes to our content assets (including additions and amortization), and other working capital items. The following table presents a summary of our cash flows from operating activities for the years ended December 31, 2023, and 2022:

(in thousands)	Year Ended December 31,	
	2023	2022
Net loss	(48,896)	(50,917)
Adjustments to reconcile net loss to net cash used in operating activities		
Change in fair value of warrant liability	(213)	(5,404)
Additions to content assets	(18,316)	(34,771)
Change in content liabilities	(2,455)	(6,822)
Amortization of content assets	22,905	39,291
Impairment of content assets, goodwill and intangible assets	18,970	3,603
Stock-based compensation	3,999	6,644
Equity interests loss	5,404	846
Other non-cash items	1,003	3,031
Changes in operating assets and liabilities	1,427	4,976
Net cash used in operating activities	(16,172)	(39,523)

During the years ended December 31, 2023, and 2022, we recorded a net cash outflow from operating activities of \$16.2 million and \$39.5 million, respectively, or a decline in outflow in 2023 of \$23.4 million, or 59%.

Our 2023 net cash outflow was primarily due to the \$48.9 million net loss, additions to content assets and change in content liabilities of \$18.3 million and \$2.5 million, respectively, as well as changes in accrued expenses and other liabilities and accounts payable of \$4.5 million and \$1.3 million, respectively. This was partially offset by noncash items such as amortization of content assets of \$22.9 million, impairment of content assets of \$19.0 million, stock-based compensation of \$4.0 million and equity method investment loss of \$5.4 million. Additionally, the change in accounts receivable was \$6.1 million. Of the \$18.3 million in additions to content assets for the year ended December 31, 2023, \$9.5 million was attributable to non-cash trade and barter arrangements.

For the year ended December 31, 2022, net cash used by operating activities was primarily driven by our \$50.9 million net loss, \$6.4 million addback of net non-cash expenses net of content additions, and \$5.0 million of net cash provided by changes in operating assets and liabilities. The most significant components of net non-cash expenses include amortization of content assets of \$39.3 million and stock-based compensation expense of \$6.6 million, substantially offset by additions to content assets of \$34.8 million and the change in the fair value of warrant liability of \$5.4 million. The components of changes in operating assets and liabilities were primarily attributed to an increase in accounts receivable of \$11.9 million and increase in other assets of \$3.4 million, partially offset by a decrease in deferred revenue of \$8.3 million, increase in accounts payable of \$2.7 million and decrease in accrued expenses and other liabilities of \$4.6 million.

Investing Activities

Cash flow from investing activities consists of purchases, sales and maturities of investments, business acquisitions and equity investments and purchases of property and equipment.

For the years ended December 31, 2023, and 2022, we recorded net cash inflows from investing activities of \$14.0 million and \$62.7 million, respectively, or a decrease of cash inflow of \$48.7 million, or 78%.

Our 2023 cash inflow was primarily due to maturities of investments in debt securities of \$15.0 million, offset by our investment in the Spiegel Venture of \$1.0 million.

For the year ended December 31, 2022, we recorded a net cash inflow from investing activities of \$62.7 million. The net cash inflow provided by investing activities was primarily due to the sale and maturities of investments in debt securities of \$66.8 million, partially offset by purchases of investments in debt securities of \$1.5 million and investments in Nebula of \$2.4 million.

Financing Activities

For the years ended December 31, 2023, and 2022, net cash used in financing activities was \$0.1 million and \$0.2 million, respectively, primarily due to payments related to tax withholding.

Capital Expenditures

Going forward, we expect to continue making expenditures for additions to our content assets and purchases of property and equipment, although at a slower rate than in previous periods. The amount, timing and allocation of capital expenditures are largely discretionary and within management's control. Depending on market conditions, we may choose to defer a portion of our budgeted expenditures until later periods to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns and potential to generate cash flow. Subject to financing alternatives, we may also increase our capital expenditures significantly to take advantage of opportunities we consider to be attractive.

OFF BALANCE SHEET ARRANGEMENTS

As of December 31, 2023, we had no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operation is based upon our financial statements, which have been prepared in accordance with U.S. GAAP. Certain amounts included in or affecting the financial statements presented in this Annual Report and related disclosures must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. Management believes that the accounting policies set forth below comprise the most important "critical accounting policies" for the Company. A critical accounting policy is one which is both important to the portrayal of a company's financial condition and results of operations and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such policies on an ongoing basis, based upon historical results and experience, consultation with experts and other methods that management considers reasonable in the particular circumstances under which the judgments and estimates are made, as well as management's forecasts as to the manner in which such circumstances may change in the future.

Content Assets

The Company acquires, licenses and produces content, including original programming, in order to offer customers unlimited viewing of factual entertainment content. Content license terms generally include a fixed fee and specific windows of availability. Payments for content, including additions to content assets and the changes in related liabilities, are classified within "Net cash used in operating activities" on the consolidated statements of cash flows. Content acquired or licensed through trade and barter transactions is also reported within additions to content assets.

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The Company recognizes its content assets as “Content assets, net” on the consolidated balance sheets. For licensed content, the Company capitalizes the fee per title and records a corresponding liability at the gross amount of the liability when the license period begins, the cost of the title is known, and the title is accepted and available for streaming. For productions, the Company capitalizes costs associated with the production, including development costs, direct costs and production overhead.

Amortization of content assets is reported within “Cost of revenues” in the consolidated statements of operations. Based on factors including historical and estimated viewing patterns, the Company amortizes content assets on an accelerated basis in the initial two months after a title is published, as the Company has observed and expects more upfront viewing of content, generally as a result of additional marketing efforts.

Furthermore, the amortization of produced content is more accelerated than that of licensed content. The Company reviews factors that impact the amortization of the content assets on a regular basis and the estimates related to these factors require considerable management judgment. The Company continues to review factors impacting the amortization of content assets on an ongoing basis and will also record amortization on an accelerated basis when there is more upfront use of a title, for instance due to significant content licensing.

The Company’s primary business model is subscription-based as opposed to a model based on generating revenues at a specific title level. Content assets are predominantly monetized as a group and therefore are reviewed in aggregate at a group level when an event or change in circumstances indicates a change in the expected usefulness of the content or that the fair value may be less than unamortized cost. If such changes are identified, the aggregated content library will be stated at the lower of unamortized cost or fair value. In addition, unamortized costs are written off for content assets that have been, or are expected to be abandoned.

During the three months ended September 30, 2023, the Company assessed the fair value of its content assets as a result of identifying indicators of impairment related to those assets. The Company determined that the unamortized cost exceeded the fair value, and as such, the Company recorded a \$19.0 million impairment of its content assets. Refer to *Note 4 - Balance Sheet Components* for further discussion of the results of these analyses.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of acquisitions over the amount assigned to tangible and identifiable intangible assets acquired less liabilities assumed. At least annually, in the fourth quarter of each fiscal year or more frequently if indicators of impairment exist, management performs a review to determine if the carrying value of goodwill is impaired. The identification and measurement of goodwill impairment involves the estimation of fair value at the Company’s reporting unit level, which is the same or one level below the operating segment level. The Company has determined that it has one reporting unit.

The Company performs an initial assessment of qualitative factors to determine whether the existence of events and circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of relevant events and circumstances, the Company determines that it is more likely than not that the fair value of the reporting unit exceeds its carrying value and there is no indication of impairment, no further testing is performed. However, if the Company concludes otherwise, an impairment test must be performed by estimating the fair value of the reporting unit and comparing it with its carrying value, including goodwill.

Intangible assets other than goodwill are carried at cost and amortized over their estimated useful lives. Amortization is recorded within general and administrative expenses in the consolidated statements of operations. The Company reviews identifiable finite-lived intangible assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Determination of recoverability is based on the lowest level of identifiable estimated undiscounted cash flows resulting from use of the asset and its ultimate disposition. Measurement of any impairment loss is based on the amount by which the carrying value of the asset exceeds its fair value.

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During the second quarter of 2022, the Company experienced a sustained decrease in its share price, and this triggering event was an indication that it was more likely than not that the fair value of the Company's single reporting unit was below its carrying value. The Company performed an interim goodwill impairment test of its goodwill as of June 30, 2022, and recognized a goodwill impairment charge of \$2.8 million for the three months ended June 30, 2022, as the fair value of the reporting unit was less than the related carrying value. This charge was included in impairment of goodwill and intangible assets in the Company's consolidated statements of operations for the year ended December 31, 2022.

The determination of the fair value of the Company's reporting unit was based on a combination of the income and the market approach. The Company applied equal weighting to each of the approaches in determining the fair value of the reporting unit.

Under the income approach, the Company utilized discounted cash flows of forecasted future cash flows based on future operational expectations and discounted these cash flows to reflect their relative risk. The cash flows used are consistent with those the Company uses in its internal planning, which reflect actual business trends experienced and the Company's long-term business strategy.

Under the market approach, the Company utilized the guideline public company method and guideline transaction method to develop valuation multiples and compare the Company to similar publicly traded companies. The significant assumptions under each of the approaches include, among others: revenue projections (which are dependent on future customer subscriptions and content licensing agreements), operating expenses, discount rate, control premium and a terminal growth rate. The cash flows used to determine the fair values are dependent on a number of significant management assumptions, such as the Company's expectations of future performance and the expected future economic environment, which are partly based upon the Company's historical experience. The Company also considered its market capitalization in assessing the reasonableness of the reporting unit fair value.

During the second quarter of 2022, the Company also identified the existence of impairment indicators with respect to certain of the Company's definite-lived intangible assets. As a result, the Company performed an impairment test by comparing the carrying values of the intangible assets to their respective fair values, which were determined based on forecasted future cash flows. As a result of this impairment test, the Company recorded an impairment charge of \$0.8 million during the three months ended June 30, 2022, which was included within impairment of goodwill and intangible assets in the Company's consolidated statement of operations for the year ended December 31, 2022.

In order to further validate the reasonableness of fair value as determined by the income and market approaches described above, a reconciliation to market capitalization is then performed by estimating a reasonable control premium and other market factors. Future changes in the judgments, assumptions and estimates that are used in the impairment testing for our asset group may result in significantly different estimates of fair value.

Revenue Recognition

The Company's performance obligations include:

1. Access to its SVOD platform on a subscription basis either directly or through a partner, whereby the performance obligation is satisfied as access is provided following any free trial period;
2. Access to the Company's content assets, whereby the performance obligation is satisfied as access to the content is provided; and
3. Licenses of specific program titles, whereby the performance obligation is satisfied as that content is made available for the customer to use.

Subscriptions

Direct-to-Consumer - O&O Consumer Service. The Company generates revenue from subscription fees from its O&O Consumer Service. CuriosityStream subscribers enter into month-to-month or annual subscriptions with the Company. The Company bills the monthly subscriber on each subscriber's monthly anniversary date and recognizes the revenue ratably over each monthly membership period. The annual subscription fees are collected by the Company at the start of the annual subscription period and are recognized ratably over the subsequent twelve-month period. Revenues are presented net of the taxes that are collected from subscribers and remitted to governmental authorities.

The Company also provides a *Smart Bundle* membership that includes access to our standard service, as well as subscriptions to certain third-party platforms. The Company recognizes the gross subscription revenues when earned and simultaneously recognizes the corresponding fees for the third-party platforms as an expense. The Company is the principal in these relationships as it has control over providing the customer with access to the third-party platforms and the determination of the *Smart Bundle* pricing.

Direct-to-Consumer - App Services. The Company also earns subscription revenues through its App Services. These subscriptions are similar to the O&O Service subscriptions, but are generated based on agreements with certain streaming media players as well as with Smart TV brands and gaming consoles. Under these agreements, the streaming media player typically bills the subscriber directly and then remits the collected subscriptions to the Company, net of a distribution fee. The Company recognizes the gross subscription revenues when earned and simultaneously recognizes the corresponding distribution fees as an expense. The Company is the principal in these relationships as the Company retains control over service delivery to its subscribers.

Enterprise. The Company's Enterprise business is comprised primarily of selling subscriptions in bulk to companies and organizations that in turn offer these subscriptions to their employees and members as an employment benefit or "gift of curiosity."

License Fees

Content Licensing. The Company has distribution agreements which grant a licensee limited distribution rights to the Company's programs for varying terms, generally in exchange for a fixed license fee. Revenue is recognized once the content is made available for the licensee to use.

Partner Direct and Bundled Distribution. The Company generates license fee revenues from MVPDs such as Comcast and Cox as well as from vMVPDs such as Amazon Prime and Sling TV (MVPDs and vMVPDs are also referred to as affiliates). Under the terms of the agreements with these affiliates, the Company receives license fees based upon contracted programming rates and subscriber levels reported by the affiliates. In exchange, the Company licenses its content to the affiliates for distribution to their subscribers. The Company earns revenue under these agreements either based on the total number of subscribers multiplied by rates specified in the agreements or based on fixed fee arrangements. These revenues are recognized over the term of each agreement when earned.

Trade and Barter Transactions

In the second quarter of 2023, the Company began entering into trade and barter transactions. The primary purpose of the transactions is the exchange of content assets through licensing agreements with media counterparties, while certain transactions may also include the exchange of advertising, whereby the Company and its counterparty exchange media campaigns or other promotional services. The Company reviews each transaction to confirm that the content assets, advertising or other services it receives have economic substance, and records revenue in an amount equal to the fair value of what it receives and at the time that it completes its performance obligation. For advertising, the performance obligation is satisfied upon the Company's delivery of the media campaign or other service to the counterparty. For an exchange of content, the performance obligation is satisfied at the time the content is made available for the counterparty to use, which represents the point in time that control is transferred.

RECENT ACCOUNTING PRONOUNCEMENTS

The JOBS Act allows the Company, as an EGC, to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act until such time as the Company is no longer considered to be an EGC.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which requires lessees to recognize lease assets and lease liabilities in the balance sheet for those leases classified as operating leases under current U.S. GAAP. ASU 2016-02 requires a lessee to recognize a lease liability and a right-of-use asset for each lease with a term longer than twelve months. The new guidance also requires additional qualitative and quantitative disclosures related to the nature, timing and uncertainty of cash flows arising from leases.

The Company adopted the new standard effective January 1, 2022, using a modified retrospective approach and electing to use the package of practical expedients permitted under the transition guidance, which allows for the carry forward of historical lease classification for existing leases on the adoption date and does not require the assessment of existing lease contracts to determine whether the contracts contain a lease or initial direct costs. Prior periods were not retrospectively adjusted.

The adoption of this standard resulted in the recognition of operating lease liabilities of \$5.3 million, with corresponding right-of-use (ROU) assets in the amount of \$4.0 million, net of existing deferred rent and lease incentives of \$1.3 million. The Company did not have any finance lease liabilities as of the adoption date. There was no cumulative effect adjustment to the opening balance of accumulated deficit as of January 1, 2022. Adoption of this new guidance did not have a material impact on the consolidated statements of operations or cash flows. Refer to *Note 13 - Leases* in the *Notes to Consolidated Financial Statements* for further information regarding the impact of adoption of Topic 842 on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-02"). The amendments in this update introduced a new standard to replace the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company determines its allowance for doubtful accounts based on historical loss experience, customer financial condition, and current economic conditions. The Company adopted the new standard effective January 1, 2023. This adoption did not have a material impact on the Company's consolidated financial statements.

Accounting Pronouncements Issued but not Adopted

In November 2023, the FASB issued ASU No. 2023-07 ("ASU 2023-07"), *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

ITEM 7.A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of CuriosityStream Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of CuriosityStream Inc. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Baltimore, Maryland

March 25, 2024

**CURIOSITYSTREAM INC.
CONSOLIDATED BALANCE SHEETS**

(in thousands, except par value)	December 31,	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 37,715	\$ 40,007
Restricted cash	500	500
Short-term investments in debt securities	—	14,986
Accounts receivable, net	4,760	10,899
Other current assets	2,315	3,118
Total current assets	45,290	69,510
Investments in equity method investees	6,354	10,766
Property and equipment, net	727	1,094
Content assets, net	44,943	68,502
Operating lease right-of-use assets	3,350	3,702
Other assets	358	539
Total assets	\$ 101,022	\$ 154,113
Liabilities and stockholders' equity		
Current liabilities		
Content liabilities	\$ 407	\$ 2,862
Accounts payable	4,765	6,065
Accrued expenses and other liabilities	3,705	7,752
Deferred revenue	14,521	14,281
Total current liabilities	23,398	30,960
Warrant liability	44	257
Non-current operating lease liabilities	4,283	4,648
Other liabilities	651	622
Total liabilities	28,376	36,487
Stockholders' equity		
Common Stock, \$0.0001 par value – 125,000 shares authorized as of December 31, 2023 and December 31, 2022; 53,286 shares issued and outstanding as of December 31, 2023; 52,853 shares issued and outstanding as of December 31, 2022	5	5
Additional paid-in capital	362,636	358,760
Accumulated other comprehensive loss	—	(40)
Accumulated deficit	(289,995)	(241,099)
Total stockholders' equity	72,646	117,626
Total liabilities and stockholders' equity	\$ 101,022	\$ 154,113

The accompanying notes are an integral part of these consolidated financial statements.

CURIOSITYSTREAM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Year Ended December 31,	
	2023	2022
Revenues	\$ 56,889	\$ 78,043
Operating expenses		
Cost of revenues	35,553	51,536
Advertising and marketing	17,390	40,709
General and administrative	29,447	37,479
Impairment of content assets	18,970	—
Impairment of goodwill and intangible assets	—	3,603
Total operating expenses	101,360	133,327
Operating loss	(44,471)	(55,284)
Change in fair value of warrant liability	213	5,404
Interest and other income	1,272	176
Equity interests loss	(5,404)	(846)
Loss before income taxes	(48,390)	(50,550)
Provision for income taxes	506	367
Net loss	\$ (48,896)	\$ (50,917)
Net loss per share		
Basic	\$ (0.92)	\$ (0.96)
Diluted	\$ (0.92)	\$ (0.96)
Weighted average number of common shares outstanding		
Basic	53,044	52,787
Diluted	53,044	52,787

The accompanying notes are an integral part of these consolidated financial statements.

CURIOSITYSTREAM INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)	Year Ended December 31,	
	2023	2022
Net loss	\$ (48,896)	\$ (50,917)
Other comprehensive income (loss)		
Unrealized gain on available for sale securities	40	182
Total comprehensive loss	\$ (48,856)	\$ (50,735)

The accompanying notes are an integral part of these consolidated financial statements.

**CURIOSITYSTREAM INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

(in thousands)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2021	52,677	\$ 5	\$ 352,334	\$ (222)	\$ (190,182)	\$ 161,935
Net loss	—	—	—	—	(50,917)	(50,917)
Stock-based compensation, net	176	—	6,426	—	—	6,426
Other comprehensive loss	—	—	—	182	—	182
Balance as of December 31, 2022	52,853	\$ 5	\$ 358,760	\$ (40)	\$ (241,099)	\$ 117,626
Net loss	—	—	—	—	(48,896)	(48,896)
Stock-based compensation, net	434	—	3,876	—	—	3,876
Other comprehensive income	—	—	—	40	—	40
Balance as of December 31, 2023	53,287	\$ 5	\$ 362,636	\$ —	\$ (289,995)	\$ 72,646

The accompanying notes are an integral part of these consolidated financial statements.

**CURIOSITYSTREAM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (48,896)	\$ (50,917)
Adjustments to reconcile net loss to net cash used in operating activities		
Change in fair value of warrant liability	(213)	(5,404)
Additions to content assets	(18,316)	(34,771)
Change in content liabilities	(2,455)	(6,822)
Amortization of content assets	22,905	39,291
Depreciation and amortization expenses	496	699
Impairment of content assets	18,970	—
Impairment of goodwill and intangible assets	—	3,603
Amortization of premiums and accretion of discounts associated with investments in debt securities, net	26	1,191
Stock-based compensation	3,999	6,644
Equity interests loss	5,404	846
Other non-cash items	481	1,141
Changes in operating assets and liabilities		
Accounts receivable	6,139	11,862
Other assets	855	3,355
Accounts payable	(1,295)	2,654
Accrued expenses and other liabilities	(4,542)	(4,645)
Deferred revenue	270	(8,250)
Net cash used in operating activities	<u>(16,172)</u>	<u>(39,523)</u>
Cash flows from investing activities		
Purchases of property and equipment	(5)	(130)
Investment in equity method investees	(992)	(2,438)
Sales of investments in debt securities	—	22,893
Maturities of investments in debt securities	15,000	43,873
Purchases of investments in debt securities	—	(1,497)
Net cash provided by investing activities	<u>14,003</u>	<u>62,701</u>
Cash flows from financing activities		
Payments related to tax withholding	(123)	(218)
Net cash used in provided by financing activities	<u>(123)</u>	<u>(218)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(2,292)	22,960
Cash, cash equivalents and restricted cash, beginning of period	40,507	17,547
Cash, cash equivalents and restricted cash, end of period	<u>\$ 38,215</u>	<u>\$ 40,507</u>
Supplemental disclosure:		
Cash paid for taxes	\$ 195	\$ 614
Cash paid for operating leases	466	486
Right-of-use assets obtained in exchange for new operating lease liabilities	—	3,965

The accompanying notes are an integral part of these consolidated financial statements.

**CURIOSITYSTREAM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION AND BUSINESS

On October 14, 2020, Software Acquisition Group Inc., a special purpose acquisition company and a Delaware corporation ("SAQN"), consummated a reverse merger pursuant to that certain Agreement and Plan of Merger, dated August 10, 2020 (the "Business Combination"). Upon the consummation of the Business Combination, CuriosityStream Operating Inc., a Delaware corporation ("Legacy CuriosityStream") became a wholly owned subsidiary of SAQN, and the registrant changed its name from "Software Acquisition Group Inc." to "CuriosityStream Inc." Following the consummation of the Business Combination, Legacy CuriosityStream changed its name from "CuriosityStream Operating Inc." to "Curiosity Inc."

The principal business of CuriosityStream Inc. (the "Company" or "CuriosityStream") is providing customers with access to high quality factual content via a direct subscription video on-demand (SVOD) platform accessible by internet connected devices, or indirectly via distribution partners who deliver CuriosityStream content via the distributor's platform or system. The Company's online library available for streaming spans the entire category of factual entertainment including science, history, society, nature, lifestyle, and technology. The Company's SVOD platform offers more than 6,000 accessible on-demand and ad-free productions and includes shows and series from leading non-fiction producers.

The Company's content assets are available for consuming directly through its owned and operated website ("O&O Consumer Service"), mobile applications developed for iOS and Android operating systems ("App Services"), and via the platforms and systems of third-party partners in exchange for license fees. The Company offers subscribers a monthly or annual subscription. The price for a subscription varies depending on the location of the subscriber, the content included (e.g., Direct Service or Smart Bundle service) and the length of the subscription (e.g., monthly or annual) selected by the customer. As an additional part of the Company's App Services, it has built applications to make its service accessible on almost every major customer device, including streaming media players like Roku, Apple TV and Amazon Fire TV, major smart TV brands (e.g., LG, Vizio, Samsung) and gaming consoles. In addition, CuriosityStream has affiliate agreement relationships with, and its content assets are available through, certain multichannel video programming distributors ("MVPDs") and virtual MVPDs ("vMVPDs"). The Company also has distribution agreements which grant other media companies certain distribution rights to the Company's programs, referred to as content licensing arrangements. The Company also sells selected rights to content created before production begins.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. Intercompany balances and transactions have been eliminated.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with U.S. GAAP and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Significant items subject to such estimates include the content asset amortization, the assessment of the recoverability of content assets and equity method investments, and the determination of fair value estimates related to non-monetary transactions, share-based awards and liability classified warrants.

CONCENTRATION OF RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, cash equivalents, investments, and accounts receivable. The Company maintains its cash, cash equivalents, and investments with high credit quality financial institutions; at times, such balances with the financial institutions may exceed the applicable FDIC-insured limits.

Accounts receivables, net are typically unsecured and are derived from revenues earned from customers primarily located in the U.S. and Germany.

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During the year ended December 31, 2023, the top three customers accounted for 11% of the Company's revenues with no customer individually accounting for 10% of the Company's revenues. These same three customers accounted for 18% of the Company's accounts receivables as of December 31, 2023.

During the year ended December 31, 2022, the top three customers accounted for 21% of the Company's revenues with no customer individually accounting for 10% of the Company's revenues. These same three customers accounted for 28% of the Company's accounts receivables as of December 31, 2022.

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The Company considers investments in instruments purchased with an original maturity of 90 days or less to be cash equivalents. Restricted cash maintained under agreements that legally restrict the use of such funds is not included within cash and cash equivalents and is reported in a separate line item on the consolidated balance sheets as of December 31, 2023, and 2022.

FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The applicable accounting guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are those that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability.

The accounting guidance establishes three levels of inputs that may be used to measure fair value:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- **Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company reviews the fair value hierarchy classification at each reporting period. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The Company's assets measured at fair value on a recurring basis include its investments in money market funds and corporate, U.S. government, and municipal debt securities. Level 1 inputs were derived by using unadjusted quoted prices for identical assets in active markets and were used to value the Company's investments in money market funds and U.S. government debt securities. Level 2 inputs were derived using prices for similar investments and were used to value the Company's investments in corporate and municipal debt securities.

The Company's liabilities measured at fair value on a recurring basis include its private placement warrants issued to Software Acquisition Holdings LLC, the Company's former Sponsor, in a private placement offering (the "Private Placement Warrants"). The fair value of the Private Placement Warrants is considered a Level 3 valuation and is determined using the Black-Scholes valuation model. Refer to *Note 7 - Stockholders' Equity* for significant assumptions which the Company used in the fair value model for the Private Placement Warrants.

Certain assets are measured at fair value on a nonrecurring basis and are subject to fair value adjustments only in certain circumstances, e.g., when there is evidence of impairment indicators. During the three months ended June 30, 2023, and September 30, 2023, the Company performed certain analyses of its investments in equity method investees to determine if an "other-than-temporary" impairment existed. In addition, the Company assessed the fair value of its content as a result of identifying indicators of impairment related to those assets. The resulting fair value measurements of the equity-method investments and content assets are considered to

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be Level 3 measurements. Refer to *Note 3 - Equity Investments and Business Combinations* and *Note 4 - Balance Sheet Components* for further discussion of the results of these analyses.

The Company's remaining financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses and other liabilities are carried at cost, which approximates fair value because of the short-term maturity of these instruments.

INVESTMENTS

The Company may hold investments in money market funds, government debt securities, and corporate debt securities which the Company classifies as available-for-sale. The investments are therefore carried at fair value based on unadjusted quoted market prices (Level 1) and quoted prices for comparable assets (Level 2).

Unrealized gains and losses are recorded in accumulated other comprehensive income or loss, a component of stockholders' equity (deficit). Realized gains and losses are reclassified from accumulated other comprehensive income or loss into earnings as a component of net income or loss. The Company evaluates unrealized losses on investments, if any, to determine if other-than-temporary impairment is required to be recognized. No such other-than-temporary impairments were recognized during the years ended December 31, 2023, and 2022. Investments in debt securities that will mature within one year of the balance sheet dates are reflected as short-term investments in debt securities in the accompanying consolidated balance sheets.

EQUITY METHOD INVESTMENTS

The Company applies the equity method of accounting to investments when it has the ability to exercise significant influence, but not control, over the investee. Significant influence is presumed to exist when the Company owns between 20% and 50% of the voting interests in the investee, but the Company also applies judgment regarding its level of influence over the investee by considering key factors such as ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany transactions.

The Company's equity method investments are initially reported at cost and then adjusted each period for the Company's share of the investee's income or loss and dividends paid, if any. The Company's proportionate share of the net income (loss) resulting from these investments is reported under the line item captioned "Equity method investment income (loss)" on the consolidated statements of operations. The Company classifies distributions received from equity method investments using the cumulative earnings approach in the consolidated statements of cash flows.

ACCOUNTS RECEIVABLE

Accounts receivable is comprised of receivables from subscriptions revenue, license fees revenue, and other revenue. The Company records accounts receivable net of an allowance for doubtful accounts. The allowance is determined based on a review of the estimated collectability of the specific accounts and historical loss experience and existing economic conditions. Uncollectible amounts are written off against the allowance for doubtful accounts once management determines collection of such amount, or a portion thereof, to be less than probable. As of December 31, 2023, and 2022, allowance for doubtful accounts amounted to \$0.5 million and \$0.1 million, respectively.

CONTENT ASSETS

The Company acquires, licenses and produces content, including original programming, in order to offer customers unlimited viewing of factual entertainment content. Content license terms generally include a fixed fee and specific windows of availability. Payments for content, including additions to content assets and the changes in related liabilities, are classified within "Net cash used in operating activities" on the consolidated statements of cash flows. Content acquired or licensed through trade and barter transactions is also reported within additions to content assets.

The Company recognizes its content assets as "Content assets, net" on the consolidated balance sheets. For licensed content, the Company capitalizes the fee per title and records a corresponding liability at the gross amount of the liability when the license period begins, the cost of the title is known, and the title is accepted and available for streaming. For productions, the Company capitalizes costs associated with the production, including development costs, direct costs and production overhead.

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Amortization of content assets is reported within “Cost of revenues” in the consolidated statements of operations. Based on factors including historical and estimated viewing patterns, the Company amortizes content assets on an accelerated basis in the initial two months after a title is published, as the Company has observed and expects more upfront viewing of content, generally as a result of additional marketing efforts.

Furthermore, the amortization of produced content is more accelerated than that of licensed content. The Company reviews factors that impact the amortization of the content assets on a regular basis and the estimates related to these factors require considerable management judgment. The Company continues to review factors impacting the amortization of content assets on an ongoing basis and will also record amortization on an accelerated basis when there is more upfront use of a title, for instance due to significant content licensing.

The Company’s primary business model is subscription-based as opposed to a model based on generating revenues at a specific title level. Content assets are predominantly monetized as a group and therefore are reviewed in aggregate at a group level when an event or change in circumstances indicates a change in the expected usefulness of the content or that the fair value may be less than unamortized cost. If such changes are identified, the aggregated content library will be stated at the lower of unamortized cost or fair value. In addition, unamortized costs are written off for content assets that have been, or are expected to be abandoned.

During the three months ended September 30, 2023, the Company assessed the fair value of its content assets as a result of identifying indicators of impairment related to those assets. The Company determined that the unamortized cost exceeded the fair value, and as such, the Company recorded a \$19.0 million impairment of its content assets. Refer to *Note 4 - Balance Sheet Components* for further discussion of the results of these analyses.

PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the non-cancelable lease term or the estimated useful lives. Repairs and maintenance expenses are expensed as incurred.

LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amount to the future undiscounted cash flows the assets are expected to generate. If long-lived assets are considered impaired, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds its fair value. For the years ended December 31, 2023, and 2022, the Company recognized no impairment charges related to long-lived assets .

GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of the cost of acquisitions over the amount assigned to tangible and identifiable intangible assets acquired less liabilities assumed. At least annually, in the fourth quarter of each fiscal year or more frequently if indicators of impairment exist, management performs a review to determine if the carrying value of goodwill is impaired. The identification and measurement of goodwill impairment involves the estimation of fair value at the Company’s reporting unit level, which is the same or one level below the operating segment level. The Company has determined that it has one reporting unit.

The Company performs an initial assessment of qualitative factors to determine whether the existence of events and circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of relevant events and circumstances, the Company determines that it is more likely than not that the fair value of the reporting unit exceeds its carrying value and there is no indication of impairment, no further testing is performed. However, if the Company concludes otherwise, an impairment test must be performed by estimating the fair value of the reporting unit and comparing it with its carrying value, including goodwill.

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Intangible assets other than goodwill are carried at cost and amortized over their estimated useful lives. Amortization is recorded within general and administrative expenses in the consolidated statements of operations. The Company reviews identifiable finite-lived intangible assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Determination of recoverability is based on the lowest level of identifiable estimated undiscounted cash flows resulting from use of the asset and its ultimate disposition. Measurement of any impairment loss is based on the amount by which the carrying value of the asset exceeds its fair value.

During the second quarter of 2022, the Company experienced a sustained decrease in its share price, and this triggering event was an indication that it was more likely than not that the fair value of the Company's single reporting unit was below its carrying value. The Company performed an interim goodwill impairment test of its goodwill as of June 30, 2022, and recognized a goodwill impairment charge of \$2.8 million for the three months ended June 30, 2022, as the fair value of the reporting unit was less than the related carrying value. This charge was included in impairment of goodwill and intangible assets in the Company's consolidated statements of operations for the year ended December 31, 2022.

The determination of the fair value of the Company's reporting unit was based on a combination of the income and the market approach. The Company applied equal weighting to each of the approaches in determining the fair value of the reporting unit.

Under the income approach, the Company utilized discounted cash flows of forecasted future cash flows based on future operational expectations and discounted these cash flows to reflect their relative risk. The cash flows used are consistent with those the Company uses in its internal planning, which reflect actual business trends experienced and the Company's long-term business strategy.

Under the market approach, the Company utilized the guideline public company method and guideline transaction method to develop valuation multiples and compare the Company to similar publicly traded companies. The significant assumptions under each of the approaches include, among others: revenue projections (which are dependent on future customer subscriptions and content licensing agreements), operating expenses, discount rate, control premium and a terminal growth rate. The cash flows used to determine the fair values are dependent on a number of significant management assumptions, such as the Company's expectations of future performance and the expected future economic environment, which are partly based upon the Company's historical experience. The Company also considered its market capitalization in assessing the reasonableness of the reporting unit fair value.

During the second quarter of 2022, the Company also identified the existence of impairment indicators with respect to certain of the Company's definite-lived intangible assets. As a result, the Company performed an impairment test by comparing the carrying values of the intangible assets to their respective fair values, which were determined based on forecasted future cash flows. As a result of this impairment test, the Company recorded an impairment charge of \$0.8 million during the three months ended June 30, 2022, which was included within impairment of goodwill and intangible assets in the Company's consolidated statement of operations for the year ended December 31, 2022.

In order to further validate the reasonableness of fair value as determined by the income and market approaches described above, a reconciliation to market capitalization is then performed by estimating a reasonable control premium and other market factors. Future changes in the judgments, assumptions and estimates that are used in the impairment testing for our asset group may result in significantly different estimates of fair value.

WARRANT LIABILITY

The Company classifies its Private Placement Warrants as liabilities, as the terms of these warrants provide for potential changes to the settlement amounts dependent upon the characteristics of the warrant holder and because the holder of a warrant is not an input into the pricing of a fixed-for-fixed option on equity shares. Such provisions would preclude the warrant from classification as equity, and thus the warrant is classified as a liability. The Private Placement Warrants are recorded at fair value on the consolidated balance sheets and changes in their fair value each period are reported in "Change in fair value of warrant liability" in the consolidated statements of operations.

REVENUE RECOGNITION

Subscriptions

O&O Consumer Service

The Company generates revenue from subscription fees from its O&O Consumer Service. CuriosityStream subscribers enter into month-to-month or annual subscriptions with the Company. The Company bills the monthly subscriber on each subscriber's monthly anniversary date and recognizes the revenue ratably over each monthly membership period. The annual subscription fees are collected by the Company at the start of the annual subscription period and are recognized ratably over the subsequent twelve-month period. Revenues are presented net of the taxes that are collected from subscribers and remitted to governmental authorities.

The Company also provides a *Smart Bundle* membership that includes access to our standard service, as well as subscriptions to certain third-party platforms. The Company recognizes the gross subscription revenues when earned and simultaneously recognizes the corresponding fees for the third-party platforms as an expense. The Company is the principal in these relationships as it has control over providing the customer with access to the third-party platforms and the determination of the *Smart Bundle* pricing.

App Services

The Company also earns subscription revenues through its App Services. These subscriptions are similar to the O&O Service subscriptions, but are generated based on agreements with certain streaming media players as well as with Smart TV brands and gaming consoles. Under these agreements, the streaming media player typically bills the subscriber directly and then remits the collected subscriptions to the Company, net of a distribution fee. The Company recognizes the gross subscription revenues when earned and simultaneously recognizes the corresponding distribution fees as an expense. The Company is the principal in these relationships as the Company retains control over service delivery to its subscribers.

License Fees

Content Licensing

The Company has distribution agreements which grant a licensee limited distribution rights to the Company's programs for varying terms, generally in exchange for a fixed license fee. Revenue is recognized once the content is made available for the licensee to use.

Partner Direct and Bundled Distribution

The Company generates license fee revenues from MVPDs such as Comcast and Cox as well as from vMVPDs such as Amazon Prime and Sling TV (MVPDs and vMVPDs are also referred to as affiliates). Under the terms of the agreements with these affiliates, the Company receives license fees based upon contracted programming rates and subscriber levels reported by the affiliates. In exchange, the Company licenses its content to the affiliates for distribution to their subscribers. The Company earns revenue under these agreements either based on the total number of subscribers multiplied by rates specified in the agreements or based on fixed fee arrangements. These revenues are recognized over the term of each agreement when earned.

Trade and Barter Transactions

In the second quarter of 2023, the Company began entering into trade and barter transactions. The primary purpose of the transactions is the exchange of content assets through licensing agreements with media counterparties, while certain transactions may also include the exchange of advertising, whereby the Company and its counterparty exchange media campaigns or other promotional services. The Company reviews each transaction to confirm that the content assets, advertising or other services it receives have economic substance, and records revenue in an amount equal to the fair value of what it receives and at the time that it completes its performance obligation. For advertising, the performance obligation is satisfied upon the Company's delivery of the media campaign or other service to the counterparty. For an exchange of content, the performance obligation is satisfied at the time the content is made available for the counterparty to use, which represents the point in time that control is transferred.

COST OF REVENUES

Cost of revenues primarily includes content asset amortization, streaming delivery costs, payment processing costs and distribution fees.

ADVERTISING AND MARKETING

Advertising and marketing expenses include digital, radio, and television advertisements as well as brand awareness expenditures. These costs are expensed as incurred. For the years ended December 31, 2023, and 2022, advertising and marketing expenses were \$17.4 million and \$40.7 million, respectively, and are reflected in the accompanying consolidated statements of operations.

STOCK-BASED COMPENSATION

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The fair value is recognized in earnings over the period during which an employee is required to provide the service. The Company accounts for forfeitures as they occur. Refer to *Note 9 - Stock-Based Compensation* in the *Notes to Consolidated Financial Statements* for further information.

RESTRUCTURING

From time to time, the Company approves and implements restructuring plans for the purpose of internal resource alignment and cost saving measures. Such restructuring plans may include terminating employees and cancellation of contracts. In December 2023, the Company initiated a plan to eliminate 13 full-time positions, about 20% of its workforce at the time. As a result, the Company recorded a one-time, pre-tax restructuring charge of \$0.8 million, comprised primarily of severance and workforce optimization costs and reflected within general and administrative expenses in the accompanying consolidated statements of operations. Of this amount, the Company paid \$0.1 million in 2023 and expects to pay \$0.7 million in 2024.

INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes, in which deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the carrying amounts of existing assets and liabilities as reported in the consolidated balance sheets and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as a component of the income tax provision in the period that includes the enactment date. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax assets will not be realized.

The Company's tax positions are subject to income tax audits. The Company recognizes the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit which is more likely than not (greater than 50% likely) to be realized upon settlement with the taxing authority. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in its tax provision.

The Company calculates the current and deferred income tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years. Adjustments based on filed income tax returns are recorded when identified. The amount of income tax paid is subject to examination by U.S. federal and state tax authorities. The estimate of the potential outcome of any uncertain tax issue is subject to management's assessment of the relevant risks, facts, and circumstances existing at that time. To the extent the assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made.

RECENT ACCOUNTING PRONOUNCEMENTS

The JOBS Act allows the Company, as an EGC, to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act until such time as the Company is no longer considered to be an EGC.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which requires lessees to recognize lease assets and lease liabilities in the balance sheet for those leases classified as operating leases under current U.S. GAAP. ASU 2016-02 requires a lessee to recognize a lease liability and a right-of-use asset for each lease with a term longer than twelve months. The new guidance also requires additional qualitative and quantitative disclosures related to the nature, timing and uncertainty of cash flows arising from leases.

The Company adopted the new standard effective January 1, 2022, using a modified retrospective approach and electing to use the package of practical expedients permitted under the transition guidance, which allows for the carry forward of historical lease classification for existing leases on the adoption date and does not require the assessment of existing lease contracts to determine whether the contracts contain a lease or initial direct costs. Prior periods were not retrospectively adjusted.

The adoption of this standard resulted in the recognition of operating lease liabilities of \$5.3 million, with corresponding right-of-use (ROU) assets in the amount of \$4.0 million, net of existing deferred rent and lease incentives of \$1.3 million. The Company did not have any finance lease liabilities as of the adoption date. There was no cumulative effect adjustment to the opening balance of accumulated deficit as of January 1, 2022. Adoption of this new guidance did not have a material impact on the consolidated statements of operations or cash flows. Refer to *Note 13 - Leases* in the *Notes to Consolidated Financial Statements* for further information regarding the impact of adoption of Topic 842 on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-02"). The amendments in this update introduced a new standard to replace the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company determines its allowance for doubtful accounts based on historical loss experience, customer financial condition, and current economic conditions. The Company adopted the new standard effective January 1, 2023. This adoption did not have a material impact on the Company's consolidated financial statements.

Accounting Pronouncements Issued but not Adopted

In November 2023, the FASB issued ASU No. 2023-07 ("ASU 2023-07"), *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

NOTE 3 - EQUITY INVESTMENTS AND BUSINESS COMBINATIONS**EQUITY INVESTMENTS**

The Company's holds equity investments in Spiegel TV Geschichte und Wissen GmbH & Co. KG (the "Spiegel Venture") and Watch Nebula LLC ("Nebula"). The Company accounts for these investments under the equity method of accounting. The carrying values for these investments as of December 31, 2023, and 2022, were as follows:

(in thousands)	Spiegel Venture	Nebula	Total
Balance, December 31, 2022	\$ 2,899	\$ 7,867	\$ 10,766
Investments in equity method investees	992	—	992
Equity interests (loss) income*	(2,155)	(3,249)	(5,404)
Balance, December 31, 2023	\$ 1,736	\$ 4,618	\$ 6,354

* Equity interests loss amounts include impairments during 2023 of \$2.0 million for the Spiegel Venture and \$2.3 million for Nebula.

Spiegel Venture

In July 2021, the Company acquired a 32% ownership in the Spiegel Venture for an initial investment of \$3.3 million. The Spiegel Venture, which prior to the Company's equity purchase, was jointly owned and operated by Spiegel TV GmbH ("Spiegel TV") and Autentic GmbH ("Autentic"), operates two documentary channels, together with an SVOD service as well as a free advertising-supported streaming television (FAST) channel, which provide factual content to pay television audiences in Germany and certain German-speaking regions of other countries. The Company has not received any dividends from the Spiegel Venture as of December 31, 2023.

Per the Share Purchase Agreement (as amended in early 2023, the "SPA"), in the event Spiegel Venture achieved certain financial targets during its 2022 fiscal period, the Company is required to make an additional payment related to its 32% equity ownership to both Spiegel TV and Autentic (the "Holdback Payment"). During the three months ended June 30, 2023, the Company determined Spiegel Venture had achieved such financial targets, resulting in the Company paying the Holdback Payment in the amount of \$0.9 million during July 2023.

The Company has a call option that permits it to require Spiegel TV and Autentic to sell its ownership interests in Spiegel Venture ("Call Option") to the Company. The Call Option, exercisable at a value based on a determinable calculation in the SPA, is initially exercisable only during the period that is the later of (i) the 30-day period following the adoption of Spiegel Venture's audited financial statements for the fiscal year 2024, and (ii) the period between March 1, 2025 and March 31, 2025.

Together with the Call Option, each of Spiegel TV and Autentic has a put option that permits it to require the Company to purchase their interest ("Put Option") at a value based on a determinable calculation outlined in the SPA. The Put Option is only exercisable upon the achievement of certain defined conditions, as outlined in the SPA, and is initially exercisable only during the period that is the later of i) the 60-day period following the adoption of Spiegel Venture's audited financial statements for the fiscal year 2025, and (ii) the period between April 1, 2026, and April 30, 2026.

In the event the Call Option or Put Option is not exercised, both options shall continue to be available to each respective party in the following year through perpetuity, with its exercise limited to the same date range as outlined above. The Put Option is not currently considered to be probable of becoming exercisable based on the defined conditions in the SPA.

Nebula

Nebula is an SVOD technology platform built for and by a group of independent content creators. Prior to the Company's investment, Nebula was a 100% wholly owned subsidiary of Standard Broadcast LLC ("Standard"). On August 23, 2021, the Company purchased a 12% ownership interest in Nebula for \$6.0 million. Upon its initial investment, the Company obtained 25% representation on Nebula's board of directors, providing the Company with significant influence, but not a controlling interest.

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Since the time of its original investment, the Company has been obligated to purchase additional incremental ownership interests, each for a payment of \$0.8 million and representing 1.625% of equity ownership, if Nebula meets certain quarterly targets. The Company has made three subsequent incremental purchases, bringing its total ownership interest in Nebula to 16.875% as of December 31, 2023. The Company did not make further investments in Nebula during the year ended December 31, 2023, and the obligation to make additional purchases ended as of September 30, 2023. The Company has not received dividends from Nebula as of December 31, 2023.

Since August 2021, the Company has included access to Nebula's SVOD service as a part of a combined *CuriosityStream / Watch Nebula* subscription offer and as part of the Company's *Smart Bundle* subscription package. As part of this arrangement, the Company has shared revenue with Nebula, based on certain metrics, and paid monthly. On September 26, 2023, Nebula provided the Company with a notice of non-renewal (the "Nebula Non-Renewal"), which resulted in the expiration of the revenue share at the end of 2023. Nebula is still required to make its service available to subscribers to either of these offerings through the end of the term of any such subscription that exists as of December 31, 2023.

Impairment Assessment

The Company regularly reviews its investments in equity method investees for impairment, including when the carrying value of an investment exceeds its related market or fair value. If it has been determined that an investment has sustained an "other-than-temporary" decline in value, the investment is written-down to its fair value. The factors the Company considers in determining an "other-than-temporary" decline has occurred include, but are not limited to, (i) the determined market value of the investee in relation to its cost basis, (ii) the financial condition and operating performance of the investee and (iii) the Company's intent and ability to retain the investment for a sufficient period of time to allow for recovery in the market value of the investment.

As a result of the Company's impairment analysis related to the Spiegel Venture, the Company determined the carrying value of its investment in the Spiegel Venture exceeded the fair value as of June 30, 2023, and as such the Company recorded a \$2.0 million impairment for the three months ended June 30, 2023. This impairment charge is included within equity method investment loss for the year ended December 31, 2023.

As a result of the Company's impairment analysis related to Nebula, the Company determined that the carrying value of this investment exceeded the fair value as of September 30, 2023. As such, the Company recorded a \$2.3 million impairment for the three months ended September 30, 2023. The primary factor impacting the decrease in fair value of this investment was the expected decrease in Nebula's revenue share as a result of the Nebula Non-Renewal, as discussed above. This impairment charge is included within equity method investment loss for the year ended December 31, 2023.

BUSINESS COMBINATIONS

Acquisition of One Day University

On May 11, 2021, the Company entered into an asset purchase agreement to acquire 100% of One Day University ("ODU") for the aggregate consideration of \$4.5 million. ODU provides access to talks and lectures from professors at colleges and universities in the U.S. The Company paid \$4.0 million of cash consideration with the remaining \$0.5 million to be held by the Company as a holdback for indemnification purposes. On May 11, 2022, the ODU holdback of \$0.5 million was paid to the previous owners from escrow funds previously classified as restricted cash.

Acquisition of Learn25

On August 13, 2021, the Company entered into an asset purchase agreement to acquire 100% of Now You Know Media Inc. ("Learn25") for fixed cash consideration of \$1.5 million in addition to an earnout of up to \$0.6 million based on the achievement of certain revenue targets post-acquisition through fiscal year 2021. Learn25 provides access to hundreds of audio and video programs on history, science, psychology, health, religion, and other topics from various professors and subject-matter experts around the world. The Company paid \$1.4 million of cash consideration with the remaining \$0.2 million to be held by the Company as a holdback for indemnification purposes. On February 11, 2022, the Company paid an earnout of \$0.5 million pursuant to the achievement of revenue targets in 2021. On March 4, 2022, the Learn25 holdback of \$0.2 million was paid to the previous owners from escrow funds previously classified as restricted cash.

NOTE 4 - BALANCE SHEET COMPONENTS
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS

A reconciliation of the Company's cash and cash equivalents in the consolidated balance sheets to cash, cash equivalents and restricted cash in the consolidated statements of cash flows as of December 31, 2023, and 2022 is as follows:

(in thousands)	December 31,	
	2023	2022
Cash and cash equivalents	\$ 37,715	\$ 40,007
Restricted cash	500	500
Cash, cash equivalents and restricted cash	<u>\$ 38,215</u>	<u>\$ 40,507</u>

As of December 31, 2023, and 2022, restricted cash included cash deposits of \$0.5 million required by a bank as collateral related to corporate credit card agreements.

On March 4, 2022, the Company paid the Learn25 holdback of \$0.2 million to the previous owners of Learn25 from escrow funds previously classified as restricted cash. On April 16, 2022, the Paycheck Protection Program (PPP) loan was forgiven, and \$1.2 million of funds were released from escrow to the Company and reclassified from restricted cash to cash and cash equivalents. On May 11, 2022, the Company paid the ODU holdback of \$0.5 million to the previous owners of ODU from escrow funds previously classified as restricted cash.

To determine the fair value of its investments in money market funds and corporate debt securities, the Company uses unadjusted quoted market prices (Level 1 inputs), and quoted prices for comparable assets (Level 2 inputs), respectively. As of December 31, 2023, and December 31, 2022, the fair value of the Company's securities investments was as follows:

(in thousands)	December 31, 2023			December 31, 2022		
	Cash and Cash Equivalents	Short-term Investments	Total	Cash and Cash Equivalents	Short-term Investments	Total
Level 1 Securities						
Money market funds	\$ 36,072	\$ —	\$ 36,072	\$ 17,724	\$ —	\$ 17,724
Total Level 1 Securities	<u>36,072</u>	<u>—</u>	<u>36,072</u>	<u>17,724</u>	<u>—</u>	<u>17,724</u>
Level 2 Securities						
Corporate debt securities	—	—	—	—	14,986	14,986
Total Level 2 Securities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14,986</u>	<u>14,986</u>
Total	<u>\$ 36,072</u>	<u>\$ —</u>	<u>\$ 36,072</u>	<u>\$ 17,724</u>	<u>\$ 14,986</u>	<u>\$ 32,710</u>

The Company did not hold any debt securities as of December 31, 2023.

The following table summarizes the Company's corporate, U.S. government, and municipal debt securities as of December 31, 2022:

(in thousands)	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt Securities:				
Corporate	\$ 15,026	\$ —	\$ (40)	\$ 14,986
Total	<u>\$ 15,026</u>	<u>\$ —</u>	<u>\$ (40)</u>	<u>\$ 14,986</u>

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Realized losses were less than \$0.1 million reported in interest and other income in the accompanying consolidated statements of operations for the years ended December 31, 2023 and 2022.

The fair value of the Company's investments in corporate, U.S. government, and municipal debt securities as of December 31, 2022, by contractual maturity is as follows:

(in thousands)	December 31, 2022	
	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 15,026	\$ 14,986
Due after one year through five years	—	—
Due after five years	—	—
Total	\$ 15,026	\$ 14,986

CONTENT ASSETS

As of December 31, 2023, and 2022, content assets consisted of the following:

(in thousands)	December 31,	
	2023	2022
Licensed content, net		
Released, less amortization and impairment ¹	\$ 8,271	\$ 11,154
Prepaid and unreleased	8,357	4,014
Total licensed content, net	16,628	15,168
Produced content, net		
Released, less amortization and impairment ²	22,880	33,094
In production	5,435	20,240
Total produced content, net	28,315	53,334
Total content assets	\$ 44,943	\$ 68,502

¹ The December 31, 2023, amount reflects a \$4.4 million impairment charge recorded for the three months ended September 30, 2023. See *Impairment Assessment* below.

² The December 31, 2023, amount reflects a \$14.6 million impairment charge recorded for the three months ended September 30, 2023. See *Impairment Assessment* below.

Of the \$8.3 million unamortized cost of licensed content that had been released as of December 31, 2023, the Company expects that \$3.8 million, \$2.3 million, and \$1.5 million will be amortized in each of the next three years. Of the \$22.9 million unamortized cost of produced content that had been released as of December 31, 2023, the Company expects that \$8.7 million, \$6.0 million, and \$4.9 million will be amortized in each of the next three years.

Impairment Assessment

The Company's primary business model is subscription-based as opposed to a model based on generating revenues at a specific title level. Content assets are predominantly monetized as a group and therefore are reviewed in aggregate at a group level when an event or change in circumstances indicates a change in the expected usefulness of the content or that the fair value may be less than unamortized cost. If such changes are identified, the aggregated content library will be stated at the lower of unamortized cost or fair value. In addition, unamortized costs are written off for content assets that have been, or are expected to be abandoned.

During the three months ended September 30, 2023, due to the continued adverse macro and microeconomic conditions, including the competitive environment and its impact on the Company's subscriber growth, the Company revised its forecasted subscriber growth and forecasted cash flow assumptions. Additionally, companies in the streaming industry experienced a decline in market valuations, and reflecting this market trend and the factors above, the market price of the Company's common shares had declined significantly through September 30, 2023.

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Given these factors, as well as the Company's declining market capitalization and operating losses during the quarter, the Company identified an indicator of impairment related to its content asset group and performed an analysis of content assets to assess if the fair value was less than unamortized cost. To determine if an impairment existed, the Company utilized a traditional discounted cash flow approach based on expectations for the monetization of its content assets in the aggregate, including estimates for future cash inflows and outflows. As a result of this impairment analysis of content assets, the Company determined that the unamortized cost exceeded the fair value, and as such, the Company recorded a \$19.0 million impairment for the three months ended September 30, 2023.

The discounted cash flow analysis includes cash flow estimates of revenue and costs, as well as a discount rate (a Level 3 fair value measurement). Estimates of future revenue and costs involve measurement uncertainty, and it is therefore possible that further reductions in the carrying value of content assets may be required as a consequence of changes in management's future revenue estimates.

Within the discounted cash flow analysis used in the content impairment assessment, the Company used EBITDA margin rates ranging from 50.0% to 68.0%. These rates are generally dependent on overall market growth rates, the competitive environment, inflation and relative currency exchange rates and could be adversely impacted by a sustained decrease in any of these measures, all of which the Company considered in determining the assumptions used in the analysis.

The Company used a discount rate of 14.0% in the discounted cash flow analysis. This rate was based on the weighted average cost of capital of the Company plus a risk premium representing the risk associated with the Company's content assets. The discount rate may be impacted by adverse changes in the macroeconomic environment and volatility in the debt and equity markets.

Amortization

In accordance with its accounting policy for content assets, the Company amortizes licensed content costs and produced content costs, which is included within cost of revenues in the Company's consolidated statements of operations. For the years ended December 31, 2023, and 2022, content amortization was as follows:

(in thousands)	Year Ended December 31,	
	2023	2022
Licensed content	\$ 7,250	\$ 8,480
Produced content	15,655	30,811
Total	\$ 22,905	\$ 39,291

PROPERTY AND EQUIPMENT

As of December 31, 2023, and 2022, property and equipment, summarized by major classifications, were as follows:

(in thousands)	Estimated Useful Life (in Years)	December 31,	
		2023	2022
Furniture and fixtures	10 to 15	\$ 101	\$ 108
Equipment	5	1,040	1,252
Computer and software	3 to 5	570	857
Website and application development	3	37	37
Leasehold improvements	Lesser of lease term or lives	703	703
Work-in-progress	—	5	5
Property and equipment, gross		2,456	2,962
Less accumulated depreciation and amortization		1,729	1,868
Property and equipment, net		\$ 727	\$ 1,094

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Depreciation and amortization expense related to property and equipment, including the amortization of leasehold improvements, was \$0.4 million and \$0.4 million for the years ended December 31, 2023, and 2022, respectively.

GOODWILL

The change in goodwill for the year ended December 31, 2022, was as follows:

	(in thousands)	
Balance, December 31, 2021	\$	2,793
Impairment of Goodwill*		2,793
Balance, December 31, 2022	\$	—

* See Note 2 - Summary of Significant Accounting Policies for a more detailed explanation of goodwill impairment.

WARRANT LIABILITY

As described in Note 7 - Stockholders' Equity, the Private Placement Warrants are classified as a non-current liability and reported at fair value at each reporting period. The fair value of the Private Placement Warrants as of December 31, 2023, and 2022, was as follows:

(in thousands)	December 31,	
	2023	2022
Level 3		
Private Placement Warrants	\$ 44	\$ 257
Total Level 3	\$ 44	\$ 257

NOTE 5 - REVENUE

The following table sets forth the Company's disaggregated revenues for the years ended December 31, 2023, and 2022, as well as the relative percentage to total revenue.

(in thousands)	Year Ended December 31,			
	2023		2022	
Direct Business:				
Direct-to-Consumer:				
O&O Consumer Service	\$ 26,502	47 %	\$ 25,549	33 %
App Services	3,384	6 %	3,940	5 %
Total Direct-to-Consumer	29,886	53 %	29,489	38 %
Partner Direct Business	4,706	8 %	4,631	6 %
Total Direct Business	34,592	61 %	34,120	44 %
Content Licensing:				
Library sales*	11,739	21 %	6,131	8 %
Presales	2,308	4 %	18,560	24 %
Total Content Licensing	14,047	25 %	24,691	32 %
Bundled Distribution	6,316	11 %	11,726	15 %
Enterprise	141	— %	5,520	7 %
Other	1,793	3 %	1,986	3 %
Total revenues	\$ 56,889		\$ 78,043	

* The 2023 amount includes \$9.9 million of trade and barter transactions.

REMAINING PERFORMANCE OBLIGATIONS

As of December 31, 2023, the Company expects to recognize revenues in the future related to performance obligations that are unsatisfied as follows:

(in thousands)	Year Ended December 31,				Thereafter	Total
	2024	2025	2026	2027		
Remaining performance obligations	\$ 2,240	\$ 1,600	\$ 1,251	\$ 75	\$ 55	\$ 5,221

These amounts include only fixed consideration or minimum guarantees and do not include amounts related to (i) contracts with an original expected term of one year or less or (ii) licenses of content that are solely based on sales or usage-based royalties.

DEFERRED REVENUE

Contract liabilities (i.e., deferred revenue) consists of subscriber and affiliate license fees billed that have not been recognized, amounts contractually billed or collected for content licensing sales in advance of the related content being made available to the customer, and unredeemed gift cards and other prepaid subscriptions that have not been redeemed.

As of December 31, 2023, and 2022, total deferred revenues were \$15.2 million and \$14.9 million, respectively, with the non-current portions of \$0.6 million as of December 31, 2023, and 2022, included in other liabilities on the consolidated balance sheets. The increase in deferred revenue was primarily due to higher subscription rates that the Company began to implement during 2023.

For the year ended December 31, 2023, the Company recognized revenues of \$14.3 million related to amounts deferred as of December 31, 2022.

TRADE AND BARTER TRANSACTIONS

In the second quarter of 2023, the Company began entering into trade and barter transactions primarily for the purpose of exchanging content assets through licensing agreements with media counterparties. Certain transactions may also include the exchange of advertising, whereby the Company and its counterparty exchange media campaigns or other promotional services.

For content acquired through trade and barter transactions, the Company records the acquired assets in the consolidated balance sheet and amortizes those assets over the term of the content license, in accordance with the Company's content and amortization policies. For other products and services received through trade and barter transactions, the Company records operating expenses upon receipt of such products and services, as applicable.

The transaction price for these contracts is measured at the estimated fair value of the non-cash consideration received unless this is not reasonably estimable; in which case, the consideration is measured based on the standalone selling price of the services provided. For an exchange of content, the performance obligation is satisfied at the time the content is made available for the counterparty to use, which represents the point in time that control is transferred. For advertising, the performance obligation is satisfied upon the Company's delivery of the media campaign or other service to the counterparty.

For the years ended December 31, 2023, and 2022, trade and barter revenues were as follows:

(in thousands)	Year Ended December 31,	
	2023	2022
Trade and barter license fees: Content licensing	\$ 9,873	\$ —
Other trade and barter revenue*	1,130	—
Total trade and barter revenues	\$ 11,003	\$ —

* Other revenue primarily relates to other marketing services

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For the years ended December 31, 2023, and 2022, trade and barter advertising and marketing expenses were as follows:

(in thousands)	Year Ended December 31,	
	2023	2022
Trade and barter advertising and marketing	1,480	—

For the years ended December 31, 2023, and 2022, additions to content assets resulting from trade and barter transactions were as follows:

(in thousands)	Year Ended December 31,	
	2023	2022
Trade and barter additions to content assets	9,523	—

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

In early 2020, the Company applied for funding from the Paycheck Protection Program (“PPP”) in the amount of \$1.2 million under the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) (the “PPP Loan”). The PPP Loan was approved on May 1, 2020, was set to mature in May 2022 and bore interest at a rate of 1.0% per annum. The PPP provides that the use of the PPP Loan amount shall be limited to certain qualifying expenses and may be partially or wholly forgiven in accordance with the requirements set forth in the CARES Act. The amount of loan proceeds eligible for forgiveness takes into account a number of factors, including the amount of loan proceeds used by the Company during the specified period after the loan origination for certain purposes including payroll costs, rent payments on certain leases, and certain qualified utility payments.

The Company elected to recognize earnings as funds are applied to covered expenses and classify the application of funds as a reduction of the related expense in the consolidated statement of operations. On April 16, 2022, the Company received the loan forgiveness letter from the Small Business Administration (SBA) stating that the loan had been forgiven in full, including applicable interest. Following receipt of the loan forgiveness notification letter, funds of \$1.2 million were released from escrow, and the Company reclassified this amount from restricted cash to cash and cash equivalents on the consolidated balance sheet.

NOTE 7 - STOCKHOLDERS' EQUITY

COMMON STOCK

As of December 31, 2023, and 2022, the Company had authorized the issuance of 126,000,000 shares of capital stock, par value of \$0.0001 per share, consisting of (i) 125,000,000 shares of Common Stock and (ii) 1,000,000 shares of preferred stock.

WARRANTS

As of December 31, 2023, the Company had 3,054,203 publicly traded warrants outstanding that were sold as part of the units of Software Acquisition Group Inc. in its initial public offering on November 22, 2019, and that were issued to the PIPE Investors in connection with the Business Combination (the “Public Warrants” and, together with the Private Placement Warrants, the “Warrants”) and 3,676,000 Private Placement Warrants outstanding. The Private Placement Warrants are liability-classified, and the Public Warrants are equity-classified.

Each whole warrant entitles the registered holder to purchase one share of the Company’s Common Stock at an exercise price of \$11.50 per share. All Warrants expire on October 14, 2025.

The Company has the right to redeem the outstanding Public Warrants in whole and 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 the Company’s Common Stock matched or exceeded \$18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sent the notice of redemption to the warrant holders.

The Private Placement Warrants are identical to the Public Warrants except that, so long as they are held by Software Acquisition Holdings LLC or its permitted transferees: (i) they will not be redeemable by the Company; (ii) they may be exercised by the holders on a cashless basis; and (iii) they are subject to registration rights.

No warrants were exercised during the years ended December 31, 2023, and 2022.

The warrant liability related to the Private Placement Warrants is recorded at fair value as of each reporting date with the change in fair value reported within other income (expense) in the accompanying consolidated statements of operations as “Change in fair value of warrant liability” until the warrants are exercised, expired or other facts and circumstances lead the warrant liability to be reclassified to stockholder’s equity (deficit). The fair value of the warrant liability for the Private Placement Warrants was estimated using a Black-Scholes pricing model using Level 3 inputs. The significant assumptions used in preparing the Black-Scholes option pricing model to determine fair value as of December 31, 2023, and 2022 were as follows:

	December 31,	
	2023	2022
Exercise price	\$ 11.50	\$ 11.50
Stock Price (CURI)	\$ 0.54	\$ 1.14
Expected volatility	100.00 %	77.00 %
Expected warrant term (years)	1.8	2.8
Risk-free interest rate	4.23 %	4.22 %
Dividend yield	0 %	0 %
Fair Value per Private Placement Warrant	\$ 0.01	\$ 0.07

The changes in fair value of the private placement warrant liability for the years ended December 31, 2023, and 2022 resulted in a gain of \$0.2 million and \$5.4 million, respectively.

NOTE 8 - EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share are calculated on the basis of the weighted average number of shares of the Company’s Common Stock outstanding during the respective periods. Diluted earnings (loss) per share give effect to all dilutive potential common shares outstanding during the period using the treasury stock method for stock options and other potentially dilutive securities. In computing diluted earnings (loss) per share, the average fair value of the Company’s Common Stock for the period is used to determine the number of shares assumed to be purchased from the exercise price of the options. Purchases of treasury stock reduce the outstanding shares commencing on the date that the stock is purchased. Common stock equivalents are excluded from the calculation when a loss is incurred as their effect would be anti-dilutive.

For the years ended December 31, 2023, and 2022, the components of basic and diluted net loss per share were as follows:

	Year Ended December 31,	
	2023	2022
(in thousands, except per share amounts)		
Numerator — Basic and Diluted EPS		
Net loss	\$ (48,896)	\$ (50,917)
Denominator — Basic and Diluted EPS		
Weighted-average shares	53,044	52,787
Net loss per share — Basic and Diluted	\$ (0.92)	\$ (0.96)

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Common shares issuable for warrants, options, and restricted stock units (RSU) represent the total amount of outstanding warrants, stock options, and restricted stock units as of December 31, 2023, and 2022. For the years ended December 31, 2023, and 2022, the following share equivalents were excluded from the calculation of diluted net loss per share as the inclusion of such shares would have been anti-dilutive.

(in thousands)	Year Ended December 31,	
	2023	2022
Options	32	4,632
Restricted Stock Units	2,058	759
Warrants	6,730	6,730
Total	8,820	12,121

NOTE 9 - STOCK-BASED COMPENSATION

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The fair value is recognized in earnings over the period during which an employee is required to provide the service. The Company accounts for forfeitures as they occur.

In October 2020, the Company's board of directors (the "Board") adopted the CuriosityStream 2020 Omnibus Plan (the "2020 Plan"). The 2020 Plan became effective upon consummation of the Business Combination and succeeds the Legacy CuriosityStream Stock Option Plan. Upon adoption of the 2020 Plan, a total of 7,725,000 shares were approved to be issued as stock options, share appreciation rights, restricted stock units and restricted stock.

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The following table summarizes stock option and RSU activity, prices, and values from December 31, 2022, to December 31, 2023:

	Number of Shares Available for Issuance Under the Plan	Stock Options			Restricted Stock Units	
		Number of Shares*	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Number of Shares	Weighted-Average Grant Date Fair Value
Balance as of December 31, 2022	1,814,964	4,632,093	\$ 7.13	6.8	758,720	\$ 7.14
Granted	(1,923,208)	—	—	—	1,923,208	\$ 1.06
Options exercised and RSUs vested	151,666	—	—	—	(505,201)	\$ 6.90
Forfeited or expired	4,718,582	(4,599,801)	\$ 7.16	—	(118,781)	\$ 9.11
Balance as of December 31, 2023	4,762,004	32,292	\$ 5.79	5.9	2,057,946	\$ 2.57
Exercisable as of December 31, 2022		3,003,687	\$ 7.24	6.2		
Exercisable as of December 31, 2023		27,143	\$ 5.44	5.8		
Unvested as of December 31, 2022		1,628,406	\$ 6.93	8.0		
Unvested as of December 31, 2023		5,149	\$ 7.64	6.7		

* Of the total 4,599,801 forfeited or expired stock options during 2023, 4,597,539 options were converted into 1,581,571 Restricted Stock Units (RSUs) in July 2023. Refer to the detailed explanation below for more information.

No options were exercised during the years ended December 31, 2023, and 2022.

Stock options and RSU awards generally vest on a monthly, quarterly, or annual basis over a period of four years from the grant date. When options are exercised, the Company issues previously unissued shares of Common Stock to satisfy share option exercises. Upon vesting and distribution of RSUs, the Company issues previously unissued shares of Common Stock to satisfy restricted stock units vested, net of shares withheld for taxes if elected by the RSU holder.

The fair value of stock option awards is estimated using the Black-Scholes option pricing model, which includes a number of assumptions including Company's estimates of stock price volatility, employee stock option exercise behaviors, future dividend payments, and risk-free interest rates.

The expected term of options granted is the estimated period of time from the beginning of the vesting period to the date of expected exercise or other settlement, based on historical exercises and post-vesting terminations. The Company generally estimates expected term based on the midpoint between the vesting date and the end of the contractual term, also known as the simplified method, given the lack of historical exercise behavior.

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On April 28, 2023, the Board authorized, and on June 14, 2023, the Company's shareholders approved, a stock option exchange program (the "Exchange") that permitted certain current employees and executive officers to exchange certain outstanding stock options with exercise prices substantially above the current market price of the Company's Common Stock for RSUs of an equivalent fair value. The Exchange was completed in July 2023. For options that had already vested at the time of the Exchange, the resulting RSUs will vest in July 2024. Otherwise, the vesting schedules for unvested options at the time of the Exchange will remain the same for the resulting RSUs. As a result of the Exchange, 4.6 million of outstanding eligible stock options were exchanged for 1.6 million new RSUs, with a fair value of \$0.99 per share on the date of the Exchange. There was no incremental compensation expense recorded by the Company as a result of the Exchange.

The Company uses its own historical volatility as well as the historical volatility of similar public companies for estimating volatility. The risk-free interest rate is estimated using the rate of return on U.S. Treasury securities with maturities that approximate to the expected term of the option. The Company does not currently anticipate declaring any dividends.

For the years ended December 31, 2023, and 2022, the assumptions used to value the options granted and the resulting weighted-average grant date fair value and stock-based compensation expense were as follows:

(stock-based compensation in thousands)	Year Ended December 31,	
	2023	2022
Dividend yield	N/A	0 %
Expected volatility	N/A	60% - 70%
Expected term (years)	N/A	6.0 - 6.5
Risk-free interest rate	N/A	1.40% - 2.95%
Weighted average grant date fair value	N/A	\$ 1.91
Stock-based compensation—Options	\$ 1,559	\$ 3,829
Stock-based compensation—RSUs	\$ 2,440	\$ 2,815
Total stock-based compensation	\$ 3,999	\$ 6,644

Stock-based compensation is measured at the grant date based on the fair value of the award and is recognized on a straight-line basis over the requisite service period.

The following table summarizes the total remaining unrecognized compensation cost as of December 31, 2023, related to non-vested options and RSUs, and the weighted average remaining years over which the cost will be recognized:

(in thousands)	Total Unrecognized Compensation Cost	Weighted Average Remaining Years
Stock options	\$ 13	0.7
Restricted Stock Units	3,112	0.9
Total	\$ 3,125	

NOTE 10 - SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates as one reporting segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on an entity-wide basis for purposes of making operating decisions, assessing financial performance and allocating resources.

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All long-lived tangible assets are located in the U.S. For the years ended December 31, 2023, and 2022, revenue by geographic region based on customer location was as follows:

(in thousands)	Year Ended December 31,			
	2023		2022	
United States	\$ 31,978	56 %	\$ 48,270	62 %
International:				
United Kingdom	4,001	7 %	8,191	10 %
Other	20,910	37 %	21,582	28 %
Total International	\$ 24,911	44 %	\$ 29,773	38 %
Total	\$ 56,889	100 %	\$ 78,043	100 %

Revenue from one foreign country, the United Kingdom, comprised of 10% or greater of total revenue for one or more of the periods presented.

NOTE 11 - RELATED-PARTY TRANSACTIONS

EQUITY INVESTMENTS

For the years ended December 31, 2023, and 2022, the Company recognized \$1.1 million and \$0.3 million of revenue, respectively, related to license fees from the Spiegel Venture. For the years ended December 31, 2023, and 2022, the Company recognized zero and \$1.6 million of revenue, respectively, related to advertising services provided to Nebula.

For the years ended December 31, 2023, and 2022, the Company also recorded \$4.5 million and \$4.3 million, respectively, in cost of revenues pertaining to the revenue share arrangement with Nebula from subscription sales to certain bundled subscription packages. This revenue share is recorded in cost of revenues on the consolidated statement of operations.

As of December 31, 2023, and 2022, the impacts of the arrangements with Spiegel Venture and Nebula on the Company's consolidated balance sheets were as follows:

(in thousands)	December 31,	
	2023	2022
Accounts receivable	\$ 811	\$ 3,358
Accounts payable	374	404

For the years ended December 31, 2023, and 2022, the impacts of arrangements with the Spiegel Venture and Nebula on the Company's consolidated statements of operations were as follows:

(in thousands)	Year Ended December 31,	
	2023	2022
Revenues	\$ 1,091	\$ 1,901
Cost of revenues	4,609	4,289

OPERATING LEASE

The Company sublets a portion of its office space to Hendricks Investment Holdings, LLC, which is considered a related party as it is managed by various members of the Board. The Company accounts for the arrangement as an operating lease. Refer to *Note 13 - Leases* for further information.

PRODUCTION AGREEMENTS

The Company has entered into various agreements with a production company of which the Company's Chief Executive Officer has a less than 10% ownership interest. For the year ended December 31, 2022, the Company paid a total of \$2.4 million to this production company upon various milestones stated in the agreements. As of December 31, 2022, the Company no longer had any obligation under these agreements, and during the year ended December 31, 2023, the Company made no payments to this production company.

NOTE 12 - RETIREMENT PLAN

The Company administers and participates in a 401(k) plan that covers employees 21 years of age or older with three months or greater of service. The plan permits elective deferrals from each participant's compensation up to the maximum allowed by law. The Company matches employee deferrals at 100% on up to 3% of compensation and 50% of employee deferrals between 3% and 5% of compensation. Participants are immediately vested in their elective deferrals and the Company matching contributions. The Company made matching contributions of \$0.3 million for each of the years ended December 31, 2023, and 2022.

NOTE 13 - LEASES**COMPANY AS LESSEE**

The Company is party to a non-cancellable operating lease agreement for office space, which expires in 2033. The Company's operating lease for this office space includes fixed rent payments and variable lease payments, which are primarily related to common area maintenance and utility charges. The Company elected not to separate lease and non-lease components, and as such, all amounts paid under the lease are classified as either fixed or variable lease payments. Fixed leases payments were included in the calculation of the right-of-use ("ROU") asset and leases liabilities, with variable lease payments being recognized as lease expense as incurred. The Company has determined that no renewal clauses are reasonably certain of being exercised and therefore has not included any renewal periods within the lease term for this lease.

As of December 31, 2023, and 2022, the Company held operating lease ROU assets of \$3.3 million and 3.7 million, respectively; current lease liabilities of \$0.4 million and 0.3 million, respectively; and non-current lease liabilities of \$4.3 million and \$4.6 million, respectively. In measuring operating lease liabilities, the Company used a weighted average discount rate of 4.4% as of December 31, 2023. The weighted average remaining lease term as of December 31, 2023, was 9.2 years.

Components of Lease Cost

For the years ended December 31, 2023, and 2022, the Company's total operating lease cost was comprised of the following:

(in thousands)	Year Ended December 31,	
	2023	2022
Operating lease cost	\$ 481	\$ 484
Short-term lease cost	—	42
Variable lease cost	52	51
Total lease cost	\$ 533	\$ 577

* Short term lease cost includes a refund received by the Company during the year ended December 31, 2023, for office space it previously occupied.

Maturity of Lease Liabilities

As of December 31, 2023, maturities of the Company's operating lease liabilities, which do not include short-term leases and variable lease payments, are as follows:

	(in thousands)
2024	\$ 557
2025	571
2026	585
2027	600
2028	615
Thereafter	2,731
Total Lease Payments	5,659
Less: imputed interest	(1,011)
Present value of total lease liabilities	\$ 4,648

COMPANY AS LESSOR

The Company sublets a portion of its office space to a related party and accounts for the arrangement as an operating lease. Related party sublease rental income is recognized on a straight-line basis and is included in Interest and other (expense) income in the accompanying consolidated statements of operations. For the year ended December 31, 2023, operating lease income from the Company's sublet was immaterial. As of December 31, 2023, total remaining future minimum lease payments receivable on the Company's operating lease was \$0.2 million.

NOTE 14 - COMMITMENTS AND CONTINGENCIES**CONTENT COMMITMENTS**

As of December 31, 2023, the Company's content obligations amounted to \$1.1 million, including \$0.4 million recorded within content liabilities in the accompanying consolidated balance sheets, and \$0.7 million of obligations not recorded as they did not yet meet the asset recognition criteria for content assets. These obligations are expected to be paid during the year ending December 31, 2024.

As of December 31, 2022, the Company's content obligations amounted to \$11.5 million, including \$2.9 million recorded within content liabilities in the accompanying consolidated balance sheets, and \$8.6 million of obligations not recorded as they did not yet meet the asset recognition criteria for content assets.

Content obligations include amounts related to licensed, commissioned and internally produced streaming content. An obligation for the production of content includes non-cancelable commitments under creative talent and employment agreements. An obligation for the licensed and commissioned content is incurred at the time the Company enters into an agreement to obtain future titles. Once a title becomes available, a content liability is generally recorded. Certain agreements include the obligation to license rights for unknown future titles, the ultimate quantity and/or fees for which are not yet determinable as of the reporting date.

ADVERTISING COMMITMENTS

The Company periodically enters into agreements to receive future advertising and marketing services as part of various licensee agreements, and the Company reports commitments when the applicable agreements provide for specific committed amounts. As of December 31, 2023, the Company's future advertising commitments totaled \$0.6 million, all of which the Company expects to pay during the year ending December 31, 2024.

NOTE 15 - INCOME TAXES

For the years ended December 31, 2023, and 2022, the components of the provision for income taxes were as follows:

(in thousands)	Year Ended December 31,	
	2023	2022
Current:		
Federal	\$ —	\$ —
State and Local	77	(25)
Foreign	429	396
Total current provision	\$ 506	\$ 371
Deferred:		
Federal	\$ —	\$ (3)
State and local	—	(1)
Foreign	—	—
Total deferred provision	\$ —	\$ (4)
Total tax provision	\$ 506	\$ 367

For the years ended December 31, 2023, and 2022, the following table reconciles the Company's effective income tax rate to the U.S. federal statutory income tax rate:

(in thousands)	Year Ended December 31,			
	2023		2022	
Loss before income taxes	\$ (48,390)		\$ (50,550)	
U.S. federal statutory income tax provision (benefit)	\$ (10,152)	21.0 %	\$ (10,615)	21.0 %
Permanent items	212	(0.4) %	(360)	0.7 %
State and local income taxes, net of federal tax benefit	(1,635)	3.4 %	(1,938)	3.8 %
Change in valuation allowance	11,786	(24.4) %	12,409	(24.5)%
Return to provision adjustments	41	(0.1) %	475	(0.9)%
Foreign withholding taxes	254	(0.5) %	396	(0.8)%
Total tax provision	\$ 506	(1.0) %	\$ 367	(0.7)%

For the years ended December 31, 2023, and 2022, the Company recorded a tax provision of \$0.5 million and \$0.4 million, respectively, primarily related to foreign withholding and income taxes. These provisions for income taxes differ from the federal statutory rate primarily due to the Company being in a full valuation allowance position and not recognizing a benefit for either federal or state income tax purposes.

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Deferred income taxes reflect the net tax effect of temporary differences between the amounts recorded for financial reporting purposes and the bases recognized for tax purposes. As of December 31, 2023, and 2022, the significant components of deferred tax assets and liabilities were as follows:

(in thousands)	December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	\$ 54,962	\$ 49,050
Accrued expenses and reserves	401	526
Intangibles and content assets	7,439	2,837
Lease liability	1,143	1,232
Stock based compensation	3,540	3,046
Other	1,175	275
Total deferred tax asset	68,660	56,966
Valuation allowance	(67,837)	(56,051)
Deferred tax assets, net of valuation allowance	\$ 823	\$ 915
Deferred tax liabilities:		
ROU asset	(823)	(915)
Deferred tax liabilities, net	\$ —	\$ —

As of December 31, 2023, and 2022, the Company maintained a valuation allowance on substantially all of its deferred tax assets. The deferred tax assets predominantly relate to operating losses, intangibles and content assets, and stock-based compensation. As a result of Legacy CuriosityStream's conversion from an LLC to a C corporation in 2018, Legacy CuriosityStream recognized a partial step-up in the tax basis of intangibles and content assets that will be recovered as those assets are sold or the basis is amortized. On the date of the conversion, Legacy CuriosityStream recorded an estimated net deferred tax asset relating to this partial step-up in tax basis.

The valuation allowance was determined in accordance with applicable accounting guidance, which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. Such assessment is required on a jurisdiction-by-jurisdiction basis. The Company's history of cumulative losses, along with expected future U.S. losses, required that the Company record a full valuation allowance against all net deferred tax assets. The Company intends to maintain a full valuation allowance on net deferred tax assets until sufficient positive evidence exists to support a reversal of the valuation allowance.

As of December 31, 2023, and 2022, the Company held federal net operating loss carryforwards of approximately \$220.2 million and \$196.9 million, respectively, which do not expire. As of December 31, 2023, and 2022, the Company held gross state net operating loss carryforwards of approximately \$146.4 million and \$135.0 million, respectively, which begin to expire in 2024. All of the federal and state net operating losses may be subject to change of ownership limitations provided by the Internal Revenue Code of 1986 and similar state provisions. An annual loss limitation may result in the expiration or reduced utilization of the net operating losses.

The Company has not been audited by the Internal Revenue Service or any state income or franchise tax agency, but tax returns remain open to examination subject to a three to four year statute of limitations, depending on the state.

The Company has not recorded a liability related to uncertain tax positions in the consolidated financial statements. The Company recognizes the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit which is more likely than not (greater than 50% likely) to be realized upon settlement with the taxing authority. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in its tax provision.

NOTE 16 - SUBSEQUENT EVENTS

On March 13, 2024, the Board declared a regular quarterly cash dividend of \$0.025 per share of Common Stock, equivalent to \$0.10 per share of Common Stock on an annual basis. The first cash dividend will be paid on April 30, 2024, to all holders of record of Common Stock at the close of business on April 12, 2024. This cash dividend of approximately \$1.3 million is expected to be paid from available cash on hand.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. As of December 31, 2023 (the "Evaluation Date"), our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act).

Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2023.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions or dispositions of our assets.
- Provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Due to its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth in "Internal Control—Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

This Annual Report does not include an attestation report of our registered public accounting firm due to an exemption established by the JOBS Act for "emerging growth companies."

CHANGES IN INTERNAL CONTROL

There have been no changes in our internal control over financial reporting, as identified in connection with the evaluation required by Rule 13a-15(d) and Rule 15d-15(d) of the Exchange Act, which occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

We intend to file our definitive proxy statement for our 2024 Annual Meeting (“2024 Proxy Statement”) with the SEC, pursuant to Regulation 14A, on or before April 29, 2024 (and, in any event, not later than 120 days after the close of our last fiscal year). Accordingly, certain information required by Part III of this Annual Report on Form 10-K has been omitted pursuant to General Instruction G(3) of Form 10-K. Only those sections of the 2024 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in our 2024 Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be included in our 2024 Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be included in our 2024 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be included in our 2024 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be included in our 2024 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Form 10-K:

1. Consolidated Financial Statements. Reference is made to the Index to Consolidated Financial Statements beginning on Page F-1 hereof.
2. Financial Statement Schedules. No financial statement schedules are required to be filed as part of this Annual Report.
3. Exhibits. The following exhibits are filed, furnished or incorporated by reference as part of this Annual Report on Form 10-K.

Exhibit No.	Description	Incorporated By Reference			Filed/Furnished Herewith
		Form	File No.	Exhibit	
2.1	Agreement and Plan of Merger, dated as of August 10, 2020, by and among the Company, CS Merger Sub Inc., CuriosityStream Operating Inc. and Hendricks Factual Media LLC	8-K	001-39139	2.1	August 11, 2020
3.1	Second Amended and Restated Certificate of Incorporation	8-K	001-39139	3.1	October 14, 2020
3.2	Amended and Restated Bylaws	8-K	001-39139	3.2	October 14, 2020
4.1	Specimen Common Stock Certificate	S-1/A	001-39139	4.2	November 8, 2019
4.2	Specimen Warrant Certificate.	S-1/A	001-39139	4.3	November 8, 2019
4.3	Warrant Agreement, dated November 19, 2019, by and between Continental Stock Transfer & Trust Company, LLC and the Company.	8-K	001-39139	4.1	November 25, 2019
4.4	Amendment No. 1 to Warrant Agreement, dated March 30, 2021, by and between Continental Stock Transfer & Trust Company, LLC and the Company.	10-K	001-39139	4.4	March 31, 2021
4.5	Description of the Company's Securities	10-K	001-39139	4.5	March 31, 2021
10.1	Letter Agreement, dated November 19, 2019, by and among the Company, the Company's officers and directors, and Software Acquisition Holdings LLC	8-K	001-39139	10.1	November 25, 2019

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Exhibit No.	Description	Incorporated By Reference			Filed/Furnished Herewith
		Form	File No.	Exhibit	
10.2	Registration Rights Agreement, dated November 19, 2019, by and among the Company and the security holders party thereto	8-K	001-39139	10.3	November 25, 2019
10.3	Securities Subscription Agreement, dated June 25, 2019, by and between the Company and Software Acquisition Holdings LLC	S-1/A	333-234327	10.5	November 8, 2019
10.4	Private Placement Warrants Purchase Agreement, dated November 19, 2019, by and between the Company and Software Acquisition Holdings LLC	8-K	001-39139	10.5	November 25, 2019
10.5	Form of Subscription Agreement	8-K	001-39139	10.1	August 11, 2020
10.6*	Employment Agreement, dated August 7, 2020, by and between CuriosityStream Operating Inc. and Clint Stinchcomb	8-K	001-39139	10.10	October 14, 2020
10.7	Registration Rights Agreement, dated November 20, 2018, by and between CuriosityStream Operating Inc. and Stifel, Nicolaus & Company Inc.	8-K	001-39139	10.11	October 14, 2020
10.8	Investor Rights Agreement, dated October 14, 2020, by and among the Company, CuriosityStream Operating Inc., Hendricks Factual Media LLC, Software Acquisition Holdings LLC and the officers and directors of CuriosityStream Operating Inc. party thereto	8-K	001-39139	10.12	October 14, 2020
10.9	Warrant Forfeiture Letter, dated October 14, 2020, by and between the Company and Software Acquisition Holdings LLC	8-K	001-39139	10.13	October 14, 2020
10.10*	CuriosityStream Inc. 2020 Omnibus Incentive Plan	8-K	001-39139	10.14	October 14, 2020
10.11*	Form of Rollover Non-Qualified Stock Option Agreement	8-K	001-39139	10.15	October 14, 2020
10.12*	Form of Indemnification Agreement	8-K	001-39139	10.16	October 14, 2020

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Exhibit No.	Description	Incorporated By Reference				Filed/Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.13	Restricted Stock Agreement, dated October 14, 2020, by and between the Company and Software Acquisition Holdings LLC	8-K	001-39139	10.17	October 14, 2020	
10.14*	Form of Restricted Stock Unit Award Agreement	8-K	001-39139	10.1	March 19, 2021	
10.15*	Form of Non-Qualified Stock Option Agreement	8-K	001-39139	10.2	March 19, 2021	
10.16*	Form of Incentive Stock Option Agreement	8-K	001-39139	10.3	March 19, 2021	
10.17*	CuriosityStream Inc. Severance Pay Plan for Executive Officers, dated October 6, 2021	8-K	001-39139	10.1	October 8, 2021	
10.18*	Offer Letter between CuriosityStream Inc. and Peter Westley, dated May 21, 2022	8-K	001-39139	10.1	May 24, 2022	
10.19*	CuriosityStream Inc. Severance Pay Plan and Summary Plan Description, dated November 8, 2022	8-K	001-39139	10.1	November 9, 2022	
10.20*	Services Agreement between Curiosity Inc. and Devin Emery, effective November 16, 2022	8-K	001-39139	10.1	November 16, 2022	
14.1	Code of Ethics and Business Conduct	8-K	001-39139	14.1	October 14, 2020	
21.1	Subsidiaries of the Company	8-K	001-39139	21.1	October 14, 2020	
23.1	Consent of Ernst & Young LLP					X
24.1	Powers of Attorney	10-K	001-39139	24.1	March 31, 2021	
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1**	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X

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Exhibit No.	Description	Incorporated By Reference				Filed/Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
97.1	Policy Relating to Recovery of Erroneously Awarded Compensation					X
101.INS***	Inline XBRL Instance Document.**					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.**					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.**					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.**					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.**					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.**					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).**					X

* This document is a management contract or compensatory plan or arrangement.

** This document is being furnished with this Form 10-K. This certification is deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act, or the Exchange Act.

*** The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

CURIOSITYSTREAM INC.

Dated: March 25, 2024

By: /s/ Clint Stinchcomb
Name: Clint Stinchcomb
Title: President and Chief Executive Officer
(Principal Executive Officer)

Dated: March 25, 2024

By: /s/ Peter Westley
Name: Peter Westley
Title: Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

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

Date: March 25, 2024

/s/ Clint Stinchcomb
Name: Clint Stinchcomb
Title: President and Chief Executive Officer, Director
(Principal Executive Officer)

Date: March 25, 2024

/s/ Peter Westley
Name: Peter Westley
Title: Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Date: March 25, 2024

/s/ John Hendricks
Name: John Hendricks
Title: Chairman of the Board, Director

Date: March 25, 2024

/s/ Elizabeth Saravia
Name: Elizabeth Saravia
Title: Director

Date: March 25, 2024

/s/ Patrick Keeley
Name: Patrick Keeley
Title: Director

Date: March 25, 2024

/s/ Matthew Blank
Name: Matthew Blank
Title: Director

Date: March 25, 2024

/s/ Jonathan Huberman
Name: Jonathan Huberman
Title: Director

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Date: March 25, 2024

/s/ Mike Nikzad
Name: Mike Nikzad
Title: Director

Date: March 25, 2024

/s/ Andrew Hendrix
Name: Andrew Hendricks
Title: Director

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Post-Effective Amendment No. 1 to Registration Statement on Form S-8 to Form S-1 (No. 333-249556) pertaining to the CuriosityStream Inc. 2020 Omnibus Incentive Plan,
2. Post-Effective Amendment No. 4 to Registration Statement on Form S-3 to Form S-1 (No. 333-249556) of CuriosityStream Inc.,
3. Post-Effective Amendment No. 3 to Registration Statement on Form S-3 to Form S-1 (No. 333-250822) of CuriosityStream Inc.,
4. Registration Statement on Form S-3 (No. 333-264151) of CuriosityStream Inc., and
5. Registration Statement on Form S-3 (No. 333-264152) of CuriosityStream Inc.

of our report dated March 25, 2024, with respect to the consolidated financial statements of CuriosityStream Inc. included in this Annual Report on Form 10-K of CuriosityStream Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Baltimore, Maryland

March 25, 2024

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Clint Stinchcomb, certify that:

1. I have reviewed this Annual Report on Form 10-K of CuriosityStream Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - 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.

Dated: March 25, 2024

By: /s/ Clint Stinchcomb
Name: Clint Stinchcomb
Title: President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter Westley, certify that:

1. I have reviewed this Annual Report on Form 10-K of CuriosityStream Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - 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.

Dated: March 25, 2024

By: /s/ Peter Westley

Name: Peter Westley

Title: Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

COMPENSATION CLAWBACK POLICY
CURIOSITYSTREAM INC.
Effective October 2, 2023

The Board of Directors (the “**Board**”) of CuriosityStream Inc. (the “**Company**”) believes that it is in the best interests of the Company and its shareholders to adopt this Clawback Policy (the “**Policy**”), which provides for the recovery of certain incentive compensation in the event of a Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Nasdaq Listing Rule 5608 (the “**Listing Standards**”).

I. Certain Definitions

For purposes of this Policy, the following terms shall have the following meanings:

“**Administrator**” means, initially, the Compensation Committee, and, thereafter, the Board or any committee thereof charged with administration of this Policy.

“**Applicable Period**” means the three completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required or (ii) the date a regulator, court or other legally authorized entity directs the Company to undertake a Restatement. The “Applicable Period” also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year).

“**Compensation Committee**” means the compensation committee of the Board comprised of independent directors responsible for executive compensation decisions.

“**Covered Person**” means any person who is, or was *at any time*, during the Applicable Period, an Executive Officer of the Company. For the avoidance of doubt, the term Covered Person may include a former Executive Officer that left the Company, retired, or transitioned to a non-executive employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period.

“**Erroneously Awarded Compensation**” means the amount of any Incentive-Based Compensation (calculated on a pre-tax basis) Received by a Covered Person during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the as-restated financial statements resulting from a Restatement, computed without regard to any taxes paid. Erroneously Awarded Compensation does not include any Incentive-Based Compensation Received by a person (i) before such person began service in a position or capacity meeting the definition of a “Covered Person,” (ii) if such person did not meet the definition of a “Covered Person” at any time during the Applicable Period, or (iii) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association. For the avoidance of doubt, Erroneously Awarded Compensation may include Incentive-Based Compensation Received by a person while serving as an employee if such person previously served as an Executive Officer and then transitioned to an employee role. If the subject Incentive-Based Compensation (calculated on a pre-tax basis) was based on stock price or total shareholder return, where the Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, as determined by the Administrator. Documentation relating to the determination of such reasonable estimate shall be maintained by the Administrator and provided to the Nasdaq.

“**Executive Officer**” means the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company’s subsidiaries) who performs similar policy-making functions with respect to the Company.

“Financial Reporting Measure” means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure (including non-GAAP financial measures), as well as the Company’s stock price and total shareholder return. Examples of Financial Reporting Measures include measures based on: revenues, net income, operating income, gross profit, financial ratios, earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) and variations thereof, liquidity measures, return measures (such as return on assets), earnings measures, profitability of one or more segments, and cost per employee. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the U.S. Securities Exchange Commission.

“Impracticable” The Compensation Committee may determine in good faith that recovery of Erroneously Awarded Compensation is “Impracticable” if: (i) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of Erroneously Awarded Compensation to be recovered and the Company has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempts to recover to the Nasdaq, or (ii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of the Internal Revenue Code of 1986, as amended.

“Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Amounts paid to an Executive Officer that are granted, earned or vested based solely upon the occurrence of nonfinancial events are not subject to the Policy. Examples include items such as base salary, time-vesting awards or bonus compensation that is awarded solely at the discretion of the Board, in each case as long as their grant was not based on the attainment of a Financial Reporting Measure.

“Nasdaq” means The Nasdaq Stock Market.

“Received” Incentive-Based Compensation is deemed “Received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation shall only be treated as Received during one (and only one) fiscal year, even if such Financial Reporting Measure is attained and the Incentive-Based Compensation is deemed received in one fiscal year and such Incentive-Based Compensation is actually received in a later fiscal year. For example, if an amount is deemed received in 2024, but actually received in 2025, such amount shall be treated as Received under this definition only in 2024.

“Restatement” means an accounting restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as “Big R” restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as “little r” restatements).

II. Recovery of Erroneously Awarded Compensation

If the Company is required to undertake a Restatement, then the Company shall recover, reasonably promptly, all Erroneously Awarded Compensation Received by any Covered Person during the Applicable Period (including those Covered Persons who are not Executive Officers at the time of the Restatement), unless the Compensation Committee or, in the absence of such a committee, a majority of the independent directors serving on the Board, determines it Impracticable to do so, after conducting a review of all the relevant facts and circumstances. For the avoidance of doubt, recovery of Erroneously Awarded Compensation pursuant to this Policy shall occur regardless of whether such Covered Person engaged in misconduct or was otherwise directly or indirectly responsible, in whole or in part, for the Restatement. Furthermore, the Company’s obligation to recover Erroneously Award Compensation is not dependent on if or when the restated financial statements are filed with the U.S. Securities and Exchange Commission.

The Administrator, subject to applicable law, shall determine, in its sole discretion, the timing and method for reasonably prompt recovery of any Erroneously Awarded Compensation hereunder, which may include without limitation (i) requiring any Covered Person to repay such amount to the Company; (ii) adjusting future cash or equity-based compensation payments or awards; (iii) offsetting against such Covered Person’s other compensation, or by such other means or combination of means as the Administrator, in its sole discretion, determines to be appropriate; and (iv) any other method authorized by applicable law or contract.

III. Administration of Policy

The Administrator shall have full authority to administer this Policy. Actions of the Administrator with respect to this Policy shall be taken pursuant to the charter of the Compensation Committee or the Company's bylaws in place, as applicable. The Administrator shall, subject to the provisions of this Policy, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable for the administration of this Policy. All determinations and interpretations made by the Administrator in the administration of this Policy shall be final, binding and conclusive.

In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such other committees of the Board, as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to any limitation at applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

The Administrator shall have the authority to seek the advice of legal counsel or any other advisor, in the sole discretion of the Administrator. The Administrator shall be directly responsible for the appointment, compensation and oversight of the work of legal counsel, or any other advisor retained by the Administrator. The Company shall provide for appropriate funding, as determined by the Administrator, for payment of reasonable compensation to legal counsel or any other advisor retained by the Administrator. The Administrator shall have sole authority to approve related fees and retention terms.

IV. No Indemnification or Reimbursement of Covered Persons

Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will the Company or any of its affiliates indemnify or reimburse a Covered Person for the loss of Erroneously Awarded Compensation or any other loss under this Policy, and in no event shall the Company or any of its affiliates pay premiums on any insurance policy that would cover a Covered Person's potential obligations with respect to Erroneously Awarded Compensation under this Policy.

V. Administrator Indemnification

Any members of the Administrator, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law, the Company's bylaws, and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law, the Company's bylaws, or Company policy.

VI. Acknowledgement by Covered Persons

The Company shall provide notice and seek written acknowledgement of this Policy from each Executive Officer, provided that the failure to provide such notice or obtain such acknowledgement shall have no impact on the applicability or enforceability of this Policy.

VII. Other Recovery Rights

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies or other authorities. Further, the exercise by the Administrator of any rights pursuant to this Policy shall be without prejudice to any other rights that the Company may have with respect to any Covered Person.

VIII. Amendment; Termination

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by the Nasdaq or any other national securities exchange on which the Company's securities are listed.

IX. Interpretation; Enforcement

This Policy will be interpreted and enforced, and appropriate disclosures and other filings with respect to this Policy will be made, in accordance with Rule 10D-1, the Listing Standards, and all other federal securities laws.

X. Effectiveness

This Policy shall be effective as of October 2, 2023 (the "**Effective Date**"). The terms of this Policy shall apply to any Incentive-Based Compensation that is Received by Covered Persons on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to Covered Persons prior to the Effective Date.

XI. Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators or other legal representatives.

XII. Exhibit Filing Requirement

A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed as an exhibit to the Company's Annual Report on Form 10-K.