



hmny increases stake in moviepass™ through offering of \$100m in convertible notes

November 13, 2017

MSK client Helios and Matheson Analytics Inc. (Nasdaq: HMNY), a provider of information technology services and solutions, and MoviePass Inc., a company in which HMNY has agreed to purchase a majority stake, announced that HMNY has entered into a securities purchase agreement with institutional investors for HMNY to issue convertible notes in the aggregate principal amount of \$100,000,000 (the "Notes"), for the purpose of further funding MoviePass, and for general corporate purposes. HMNY is not obligated to register the resale of any shares underlying the Notes with the Securities and Exchange Commission. Absent registration, the investors may resell the shares underlying the Notes only pursuant to Rule 144 or another available exemption from registration.

The Notes will be convertible, at the option of the holders, at a fixed conversion price of \$12.06, subject to adjustment.

The investors paid for the Notes with \$5 million in cash up front and \$95 million in investor notes payable to HMNY (the "Investor Notes"). The Investors are required to prepay approximately \$15.65 million of the Investor Notes to HMNY in equal weekly payments over the next seven weeks. The investors may prepay the remaining balance of the Investor Notes, with the resulting cash being paid to HMNY, in their discretion.

The purpose of the financing transaction is to enable HMNY to pay the remaining \$5 million balance that HMNY will owe to MoviePass, subject to certain conditions, under a promissory note that HMNY is obligated to give to MoviePass upon the closing of the previously announced Securities Purchase Agreement, dated August 15, 2017 and amended on October 6, 2017, between HMNY and MoviePass (as amended, the "MoviePass Purchase Agreement"), and to increase HMNY's ownership stake in MoviePass by paying MoviePass up to \$20 million upon HMNY's exercise of its additional investment option under the Investment Option Agreement, dated October 11, 2017, between HMNY and MoviePass, and for any other transaction where HMNY increases its ownership

attorneys

Blake Baron

practice areas

capital markets & securities
corporate & business
transactions



hmny increases stake in moviepass™ through offering of \$100m in convertible notes

interests or other rights and interests in MoviePass.

In connection with the financing, MoviePass entered into a waiver agreement with HMNY waiving any rights of MoviePass to terminate the MoviePass Purchase Agreement and all conditions to MoviePass' obligations under the MoviePass Purchase Agreement. The closing of the MoviePass Purchase Agreement remains subject to approval by HMNY's stockholders. MoviePass also entered into a guaranty with the investors in the financing guarantying HMNY's obligations under the Notes.

Canaccord Genuity Inc. acted as sole placement agent for the financing. Palladium Capital Advisors LLC acted as a financial advisor to HMNY in connection with the financing.

MSK served as HMNY's legal counsel in connection with the agreement to issue the Notes and related transactions between HMNY and MoviePass. Kevin Friedmann, Chairman of MSK's Corporate & Business Transactions Department, led the MSK deal team. The MSK deal team also included MSK Partner Melanie Figueroa and Associates Blake Baron and Latore Price.

"We are proud to continue representing Helios and Matheson Analytics in its industry impacting transactions," stated Mr. Friedmann. "And we are beyond gratified to help Helios further fuel MoviePass as it enhances the movie-going experience," Mr. Friedmann concluded.

For additional information concerning the details of the financing, please refer to the Current Report on Form 8-K filed by HMNY with the U.S. Securities and Exchange Commission on November 6, 2017.

Media contact:

Doug Gold, Chief Marketing Officer
310.312.3712