



Chicken Soup
for the Soul[™]
Entertainment

INVESTOR PRESENTATION

MAY 2020

Forward-looking Statements

This presentation (the "Presentation") relates to Chicken Soup for the Soul Entertainment, Inc. ("CSS Entertainment", "CSSE", or the "Company"). This presentation contains various information and projections regarding the Company's business, including its operations through Crackle Plus, a company formed by CSSE and CPE Holdings, Inc. (an affiliate of Sony Pictures Television Inc.), and Landmark Studio Group a majority owned subsidiary of CSSE. There are risks involved in the joint ventures and the Company's business generally, including those discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and the Company's other filings that have been made and will be made with the SEC.

Financial information for the year ended December 31, 2019 is derived from our Annual Report on Form 10-K as filed with the SEC on March 30, 2020.

This Presentation includes "forward-looking statements" and projections. CSS Entertainment's actual results may differ from its expectations, estimates and projections and, consequently, you should not rely on these forward looking statements or projections as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements and projections include, without limitation, estimates and projections of future performance, which are based on numerous assumptions about sales, margins, competitive factors, industry performance and other factors which cannot be predicted. Such assumptions involve a number of known and unknown risks, uncertainties, and other factors, many of which are outside of the Company's control, including, among other things: our core strategy; operating income and margin; seasonality; liquidity, including cash flows from operations, available funds and access to financing sources; free cash flows; revenues; net income; profitability; stock price volatility; future regulatory changes; pricing changes; the ability of the company's content offerings to achieve market acceptance, the company's success in retaining or recruiting officers, key employees, or directors; the ability to protect intellectual property, the ability to

complete strategic acquisitions, the ability to manage growth and integrate acquired operations; the ability to pay dividends, regulatory or operational risks, and general market conditions impacting demand for the Company's services. For a more complete description of these and other risks and uncertainties, please refer to the Company's 10-K filed with the SEC. Should one or more of these material risks occur or should the underlying assumptions change or prove incorrect, the actual results of operations are likely to vary from the projections and the variations may be material and adverse. The forward-looking statements and projections herein should not be regarded as a representation or prediction that CSS Entertainment will achieve or is likely to achieve any particular results. CSS Entertainment cautions readers not to place undue reliance upon any forward-looking statements and projections, which speak only as of the date made. CSS Entertainment does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

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Movies Action

Sort by:

A to Z

Z to A

Recently Added



Fury



SpiderMan3



Resident Evil: Retribution



Doom

COMPANY OVERVIEW

Chicken Soup
for the Soul
Entertainment



Robocop 2



Universal Soldier: Regeneration



Ocean's Eleven



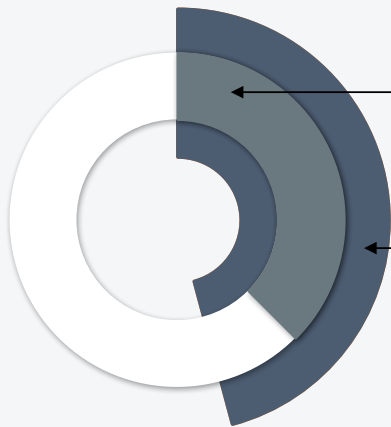
What is TV Today?

A Fragmented, Expensive, and Confusing Experience for the Consumer

1

CORD "Converters"

TOTAL UNIVERSE
120M TV HOUSEHOLDS (U.S.)



~45M
cord "converters"
in 2020¹

~55M
in 2022¹

2

THE FALSE PROMISE
OF vMVPDS

Once promising
consumers skinny bundles
at an affordable price,
this is no longer the case

You Tube TV PlayStation Vue

sling hulu

fubo TV DIRECTV NOW

52% of cord cutters don't miss
anything about
Cable/Satellite²

3

THE PROLIFERATION
OF SVODS

Disney+

NETFLIX

Apple tv+

HBO MAX

prime video

CBS
ALL ACCESS

Americans are willing to
subscribe to **3.6** services³

4

SUBSCRIPTION
FATIGUE

SVOD subscribers'
greatest frustrations:

87% it's all becoming
too expensive⁴

67% toggling between
services⁴

45% "not being able
to find content"⁴

The Free TV Solution

The Rise of Free TV

Cord-cutters are ready for an alternative to SVODs.

Streamers are realizing that "free" does not limit choice or sacrifice quality.

81%

of A14-35 are willing to accept more advertising in exchange for free content¹

73%

of A18+ Streamers watch ad-supported OTT video to round out their entertainment bundle²

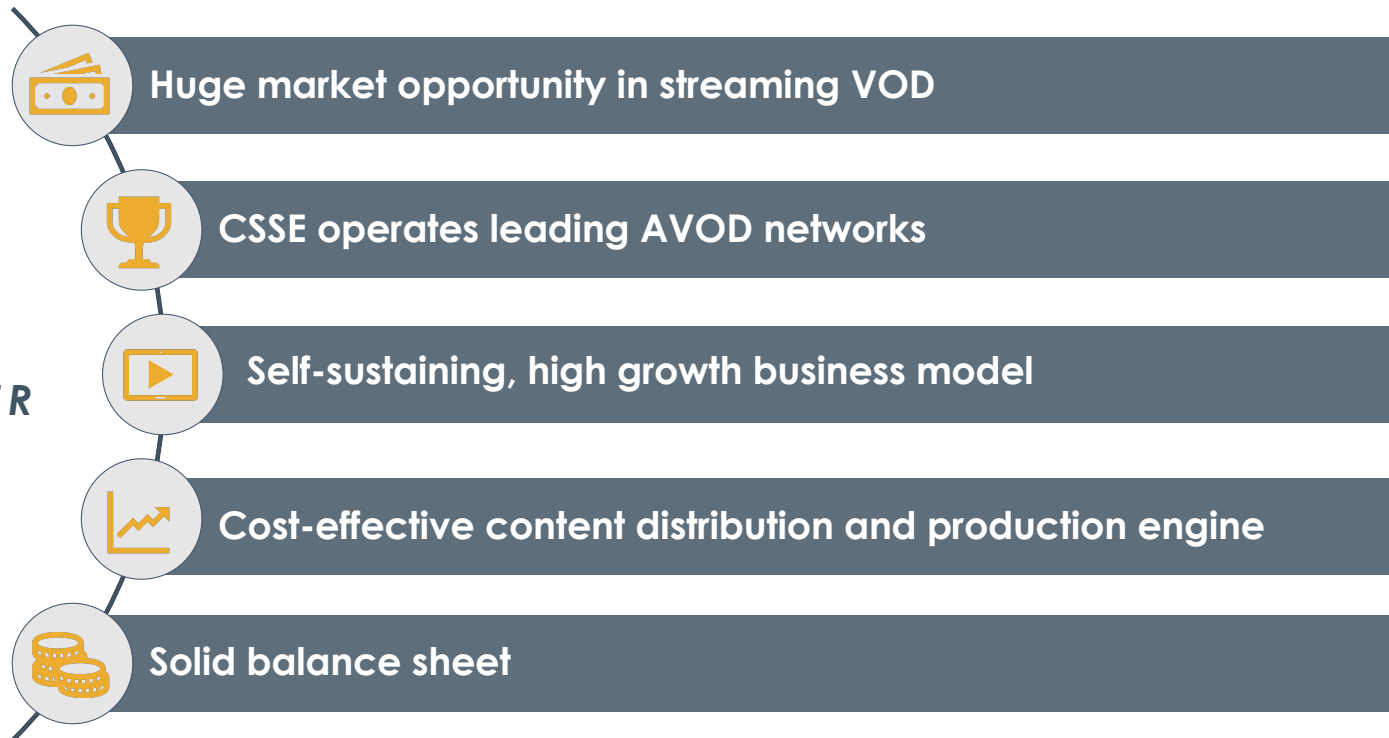
45%

of streamers watch AVOD the most out of all streaming video³

(1) The Drum; (2) Vorhaus; (3) Roku

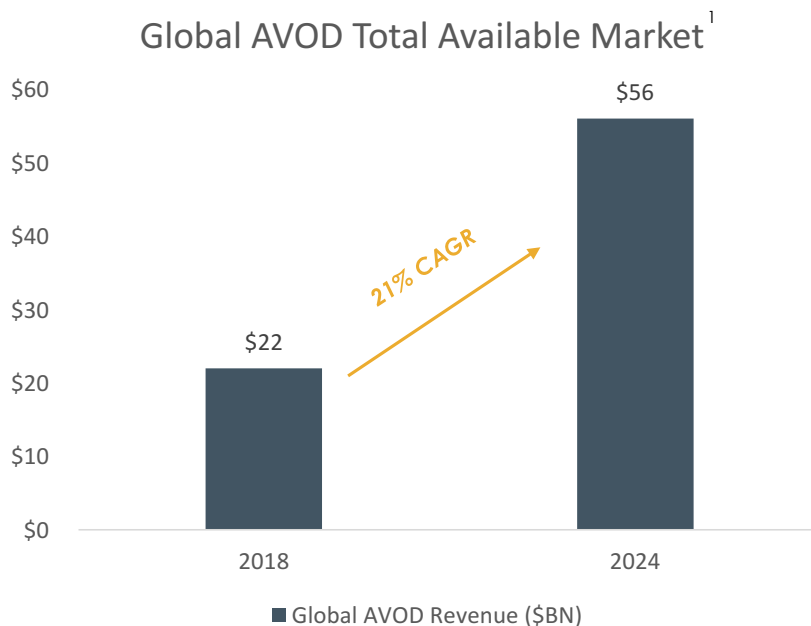
Chicken Soup for the Soul Entertainment Investment Highlights

AN EARLY AVOD LEADER



Huge AVOD Market Opportunity

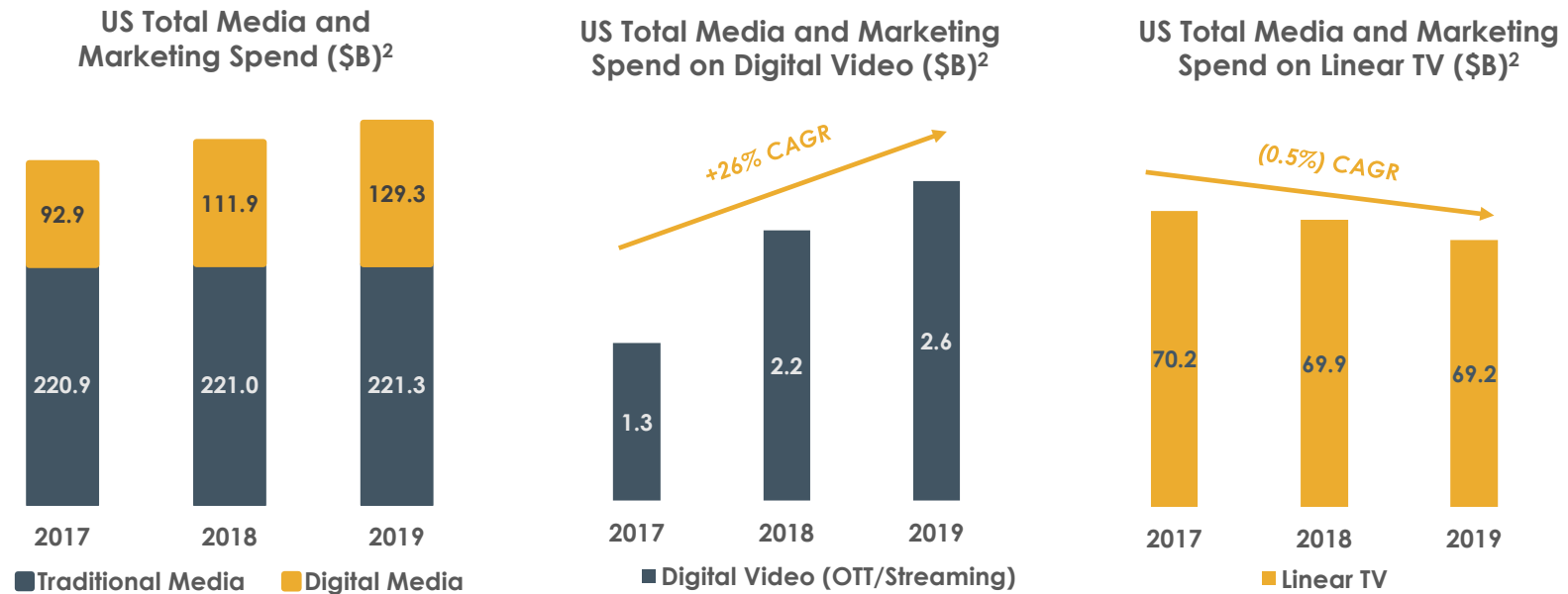
High cost of multiple subscriptions, combined with disruption of ad-supported network model, will drive more consumers and advertisers to AVOD platforms



Attractive Market Characteristics:

- Content will remain in high demand
- Consumers have abundant choices
- Consumers will always value quality content that is freely accessible
- Online networks offer flexibility in programming schedules and ad formats

Advertisers Are Following the Eyeballs



US growth in ad spend on Digital Video (OTT/Streaming) is outpacing Linear TV¹

(1) CNBC: Global growth in ad spend on video-on-demand is outpacing traditional media

(2) Winterberry Group, "Outlook for Data Driven Marketing: First Look"

Chicken Soup for the Soul[®] Entertainment

Chicken Soup for the Soul Entertainment's **best-in-class** content, distribution and production capabilities help set Crackle Plus apart in the AVOD ecosystem — ultimately benefiting the consumer.

DISTRIBUTION

SCREEN MEDIA

FILMMODE^{*}
ENTERTAINMENT

OTT
NETWORKS

CRACKLE PLUS

CRACKLE popcornflix

PRODUCTION

LANDMARK
STUDIO GROUP

Chicken Soup
for the Soul[®]
ORIGINALS

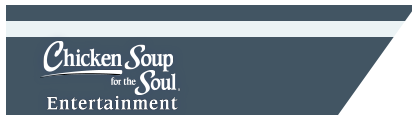
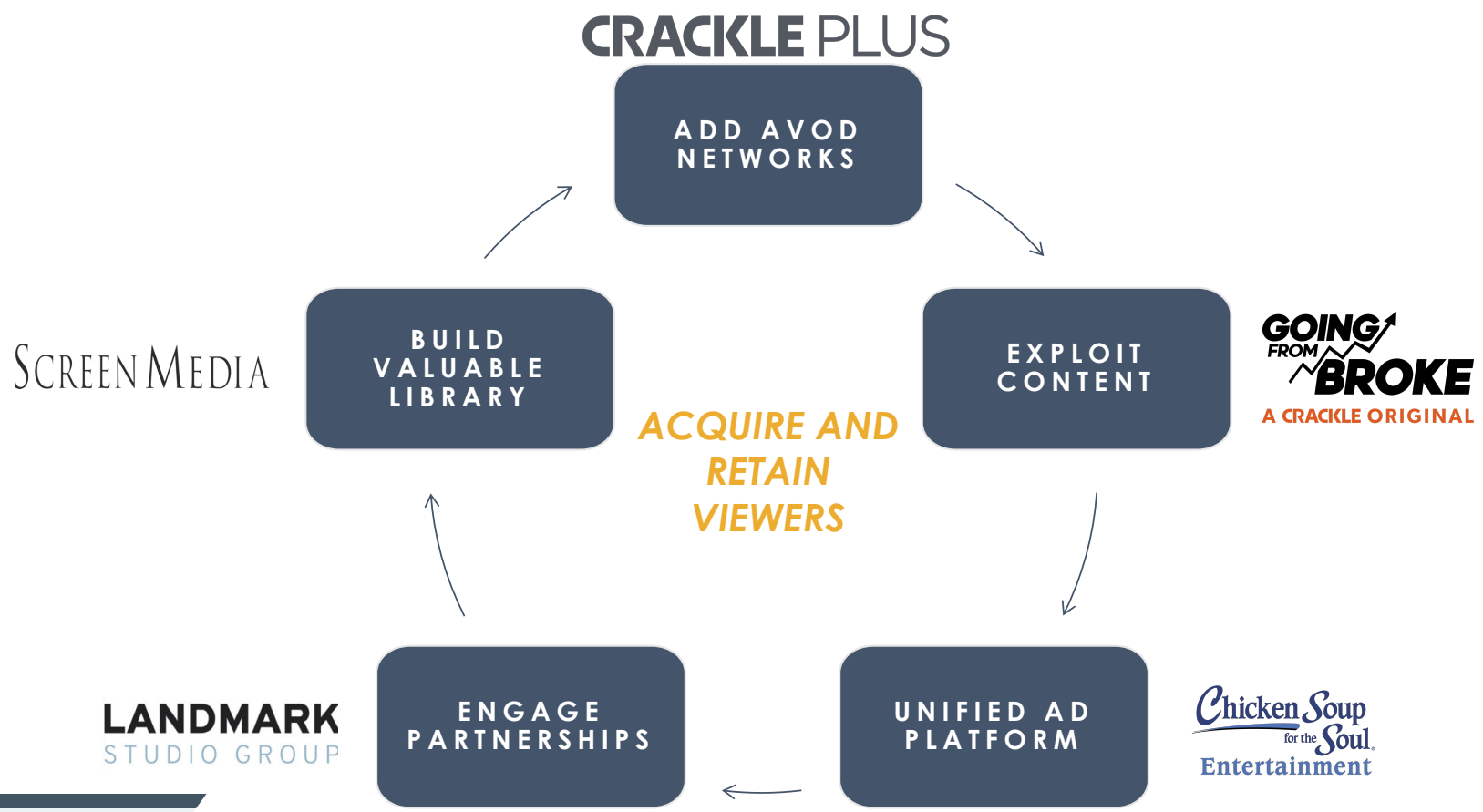
FORESIGHT
UNLIMITED

a plus

Chicken Soup
for the Soul[®]
Entertainment

(*) Third party international distributor

Self-Sustaining AVOD Network Model



Crackle Plus: Our Mission

CRACKLE PLUS

*Empower the streamer to cut-the-cord with premium programming, improved user interface, and better advertising experience —
all at no cost to the consumer.*

Available
Everywhere

Entertaining,
Inspirational,
& Inclusive

Always
FREE

Crackle Plus: Leading Family of AVOD Networks

CRACKLE PLUS



7 ad-supported video-on-demand networks including Crackle & Popcornflix



Top-5 Network on the industry leading Roku Platform



Available on all major streaming platforms and smart TVs including 500,000 Marriott hotel room screens through LG¹

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Entertainment

Top Ad-Supported Channels^{2,3}

1.  CBS NEWS

2. 

3. 

4. 

5. 

(1) Internal company data

(2) Needham (Laura Martin) 12/3/19 : Raising Roku PT to \$200. Buy on Dips

(3) Rankings based on Roku TV app platform

(4) Pre-Disney+ launch

Crackle Plus: Our Brands & Partners

CRACKLE PLUS

We're creating the most effective solution for advertisers
to reach audiences in the evolving OTT landscape —
at scale



Free Premium
Movies & TV



Free Indie/Classic
Movies & TV



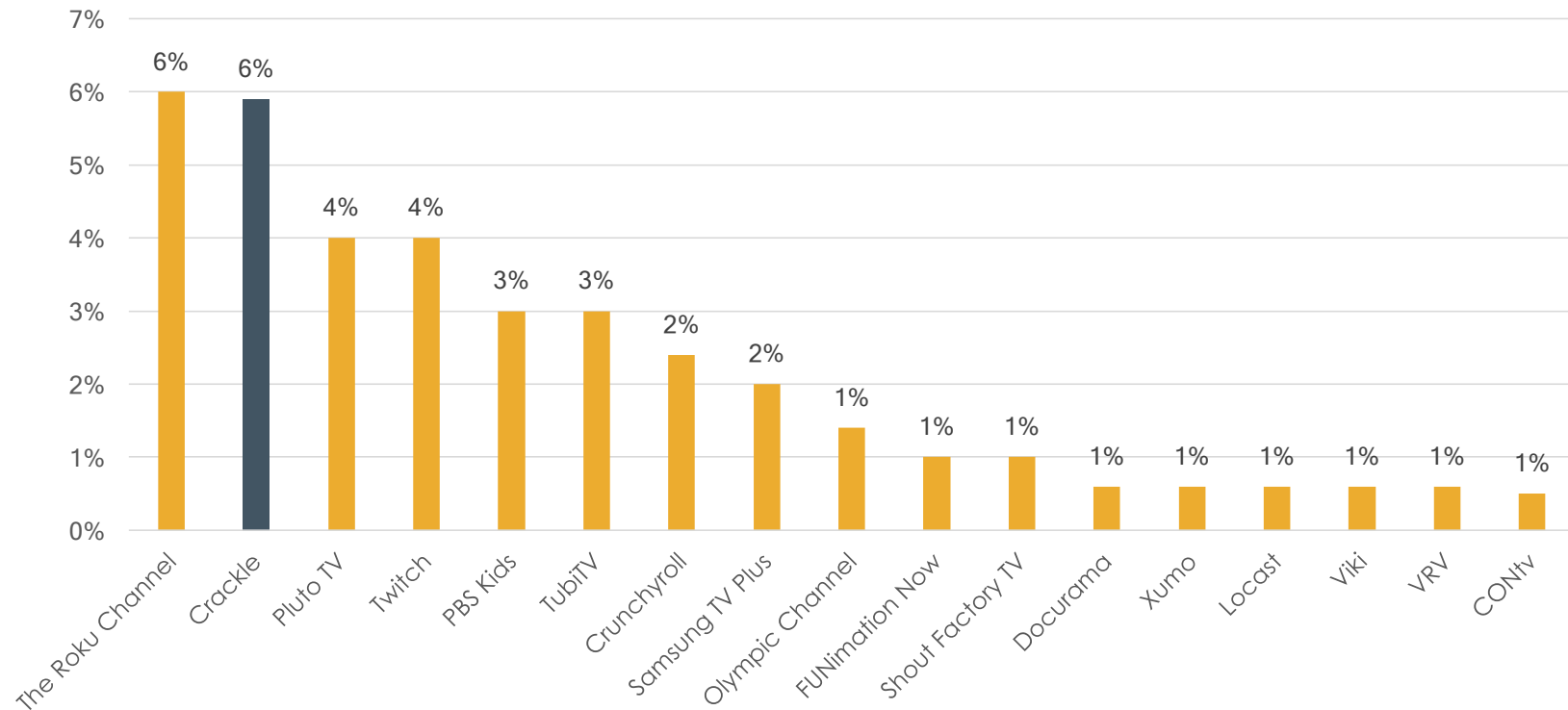
AVOD & SVOD
Fandom/Anime



Linear Premium
Content

Strong Competitive Position

Use of Ad-Based OTT Video Services (2018-2019)¹



% of Survey Respondents Indicating Use of Specified OTT Service Over the Past 30 Days

Crackle Plus AVOD Network Profiles

CRACKLE

Crackle is a leading, free to use video entertainment network featuring full length movies, TV shows and original programming.



popcornflix MOVIES. TV. FREE.

Popcornflix was created for people who want to watch "Great Movies. Free." Popcornflix has full-length movies that will make you laugh, make you cry, scare the heck out of you, or inspire you to hug the person you love.



FRIGHTPIX

Frightpix has free feature-length horror films that will scare you out of your seat and leave you screaming! We have monster hits, cult classics and critical darlings to flame your wildest fears and quench your thirst for horror.



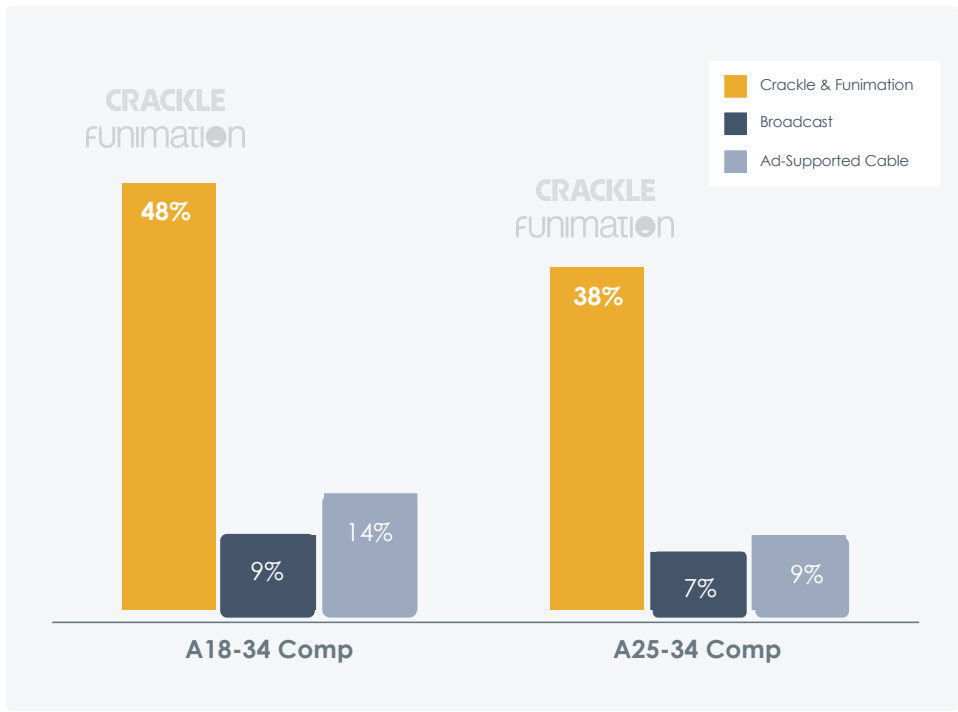
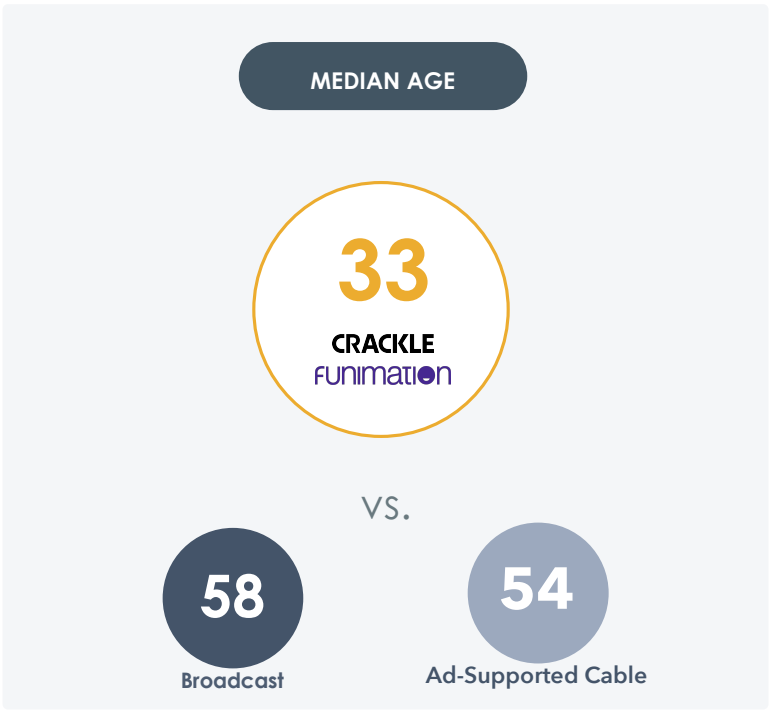
popcornflix COMEDY

Popcornflix Comedy was created for people who love to laugh. It's the network for fans who want to watch "Great Comedy Movies. Free."



We Reach TV's Lost Generation¹

A Higher Concentration of Younger Viewers



(1) Nielson Digital Ad Ratings

Cost-Effective Distribution & Production Engine With Critical Mass of Content

- Original production budgets are a major challenge across VOD industry
- Our cost-effective, scalable distribution and production gives us a competitive edge
- Innovative production partnerships provide access to proven creative talent
- Crackle Plus benefits from valuable library with 49K hours of owned and licensed programming including popular Sony TV and film content

Chicken Soup
for the Soul
Entertainment

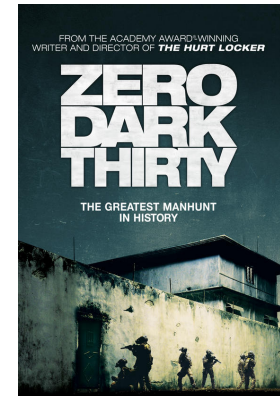
SCREEN MEDIA

LANDMARK
STUDIO GROUP

FORESIGHT
UNLIMITED

a plus

Chicken Soup
for the Soul
Entertainment



Distribution & Production

Cost-effective original and exclusive content engine

Chicken Soup for the Soul Entertainment

Chicken Soup for the Soul Entertainment develops and produces award-winning original programming and high-quality video content that brings out the best of the human spirit through positive storytelling.



SCREEN MEDIA

Screen Media is an international distributor of television series and films, licensing content through theatrical, home video, pay-per-view, free, cable and pay television, and subscription and advertising video-on-demand platforms.



LANDMARK STUDIO GROUP

Landmark Studio Group is a fully integrated entertainment company that develops, finances, produces and distributes scripted live action and animated series, feature films, comedy specials and more.



a plus

A Plus is a positive journalism site founded and chaired by **Ashton Kutcher** that covers the latest news with a hopeful twist. It invites audiences to be informed about news and entertainment — and feel good about it.



2,000+ Positive
News Stories
Published (2018)



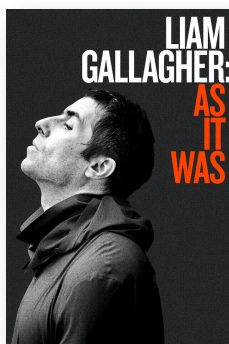
3.4 million
Social Media
Audience



Case Study: Going From Broke

- #1 title on the Crackle Network
- 217M+ minutes streamed as of 3/30/20
- 5.9M+ unique viewers as of 3/30/20
- 13.5M+ streams to date
- De-risked and cost-effective production model
- Production cost 100% paid for by sponsors in advance of production
- Ad revenue is 5x+ marketing costs

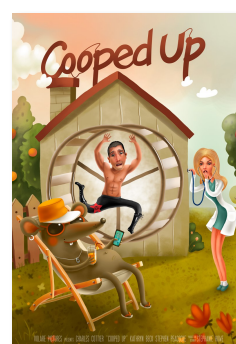
Crackle Originals & Exclusives: Programming Calendar*



Liam Gallagher: As It Was
Music Documentary



Memory: The Origins of Alien
Film Documentary



Cooped Up
Comedy



Portals
Sci-Fi Anthology



Grand Isle
Horror Thriller

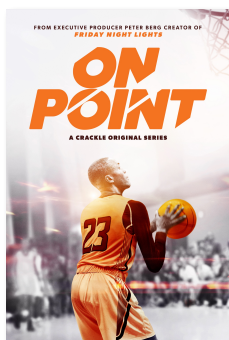
March

April

May

June

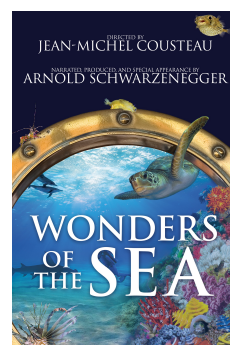
July



On Point
Sports Documentary



Slumerican
Music Documentary



Wonders of the Sea
Nature Documentary



Crown Vic
Police Thriller



The Sonata
Gothic Thriller

Chicken Soup
for the Soul
Entertainment

* Current schedule as of 5/18/20, subject to change

Strategy to Drive Long-Term Free Cash Flow Growth

Content

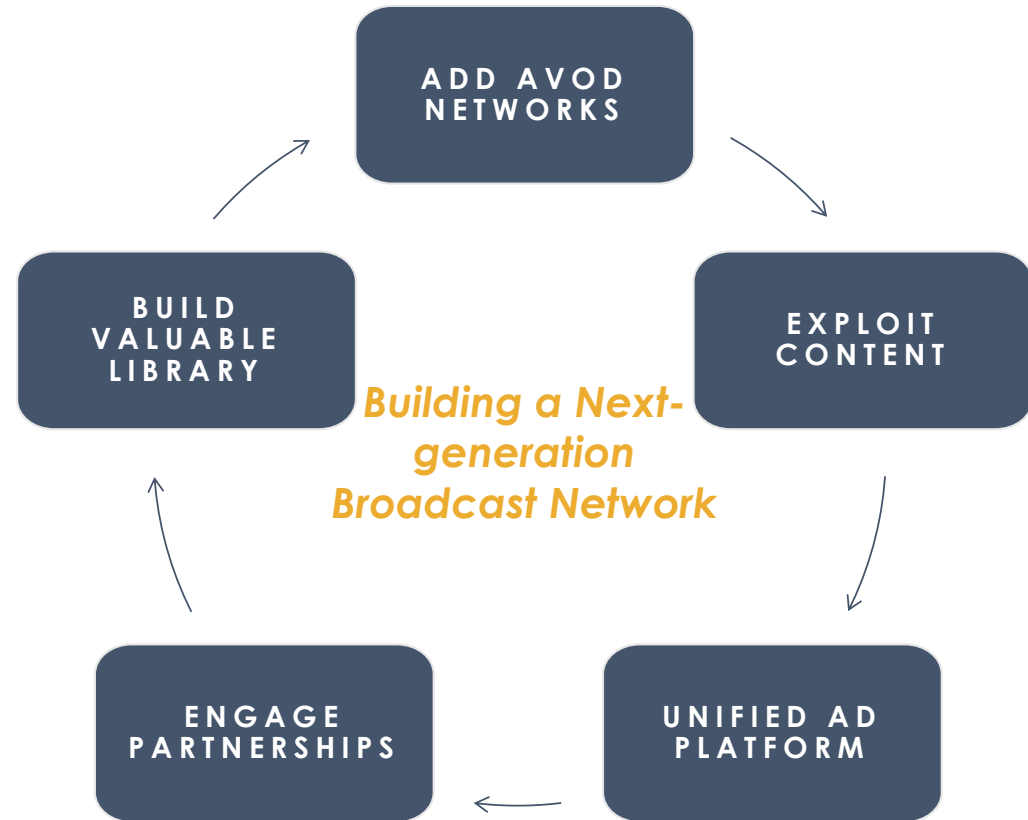
- Produce low-cost originals
- Acquire exclusive content
- Expand production partnerships
- Execute library acquisitions

Audience

- Acquire networks
- Develop thematic networks
- Grow and retain viewers

Advertising

- Integrate ad platform
- Grow sales force
- Increase eCPMs across networks



Only Pure-Play AVOD Network with an Originals & Exclusives Strategy

A Curated Entertainment Network for Today's Streamer

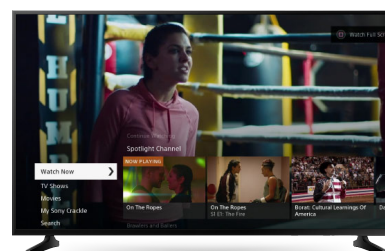
WHAT DIFFERENTIATES US?

Robust Originals & Exclusives Slate



The Only pure-play Free Streaming Platform that Offers Originals

Hand Picked Curation



We Curate & Program Like a Network

Always Increasing Discoverability



We are Where Consumers Watch

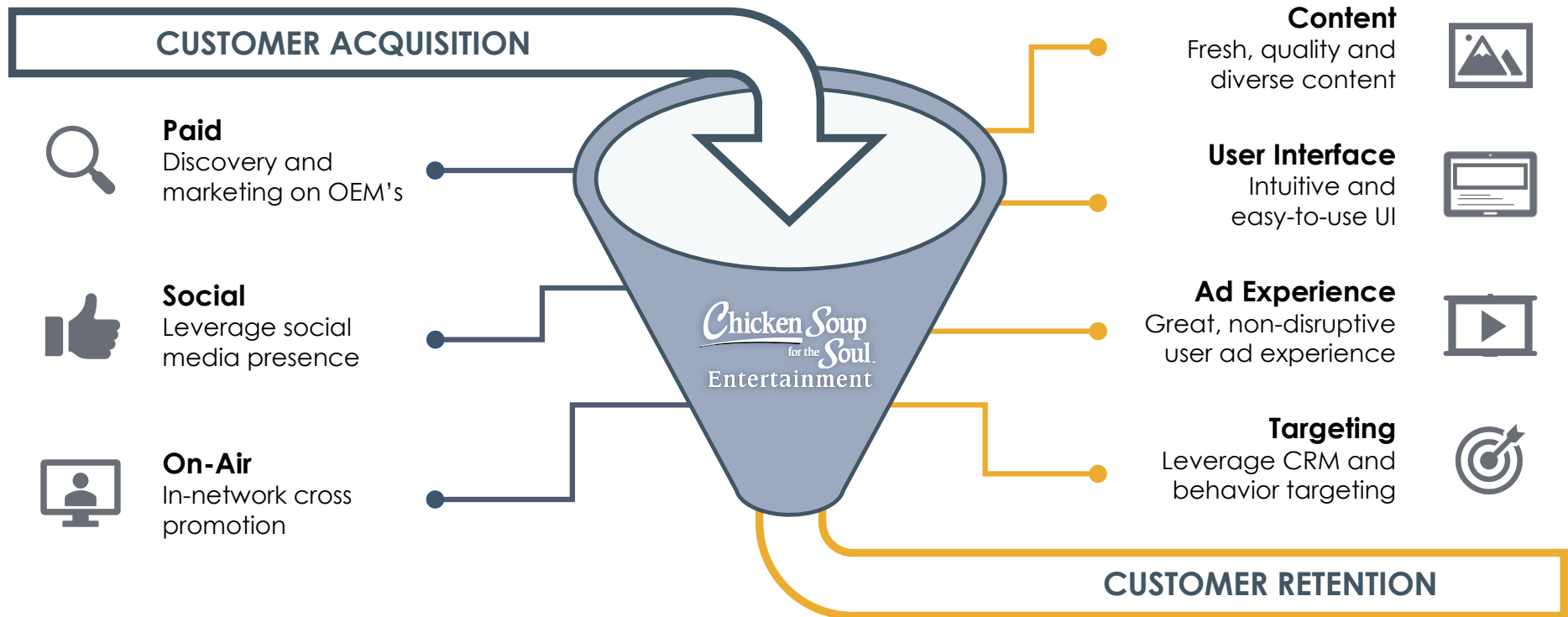
Our Unique Programming Lens

Inspirational, Educational, Entertaining, Diverse, Inclusive

We Have Scale, We're Young & We're Growing

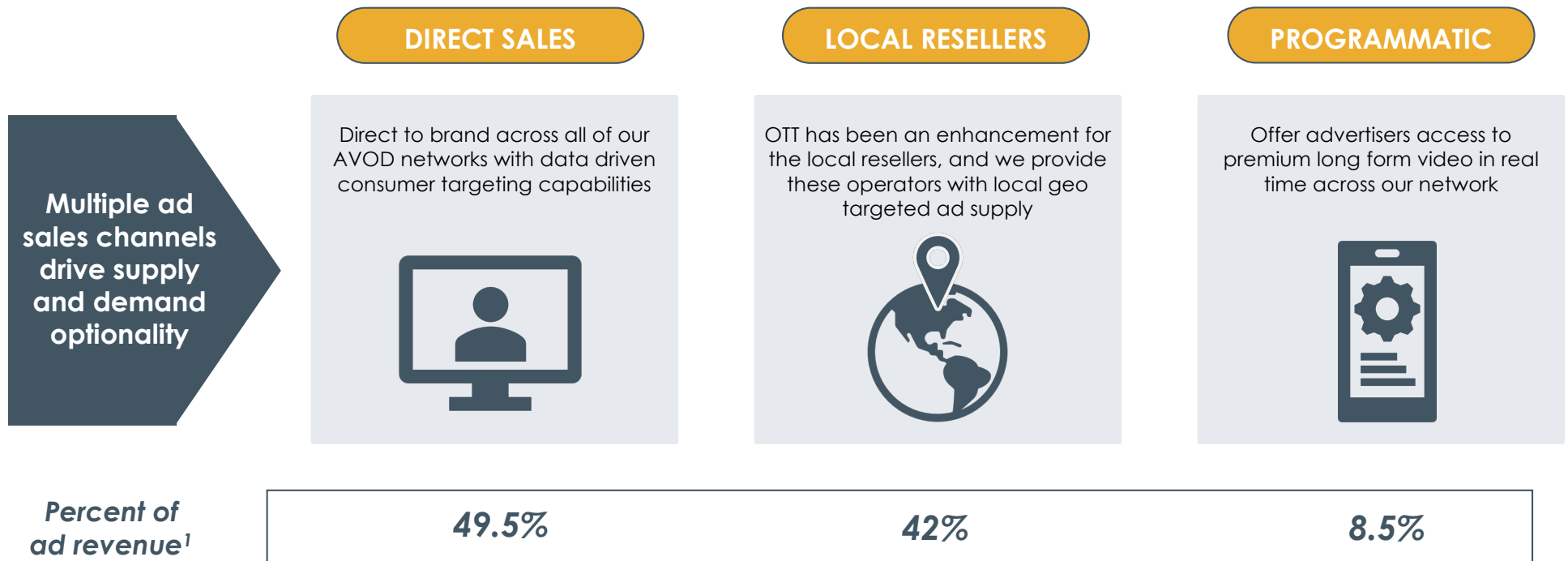
23M Monthly Uniques¹
32 Avg. Age²
32% YOY Growth in Time Spent³

Effective, Efficient Customer Acquisition and Retention



Diverse and Targeted Ad Sales Strategy

We're data driven, with results

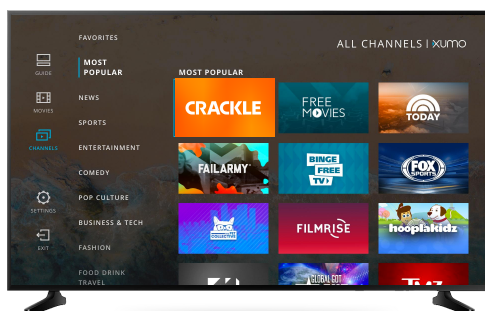


Aggressive Growth in 2020*

Expanding the Crackle & Popcornflix Experience

NEW DISTRIBUTION

Coming to Live Linear Streaming Services



xumo PLEX
Samsung SMART TV xfinity flex

PLATFORM MARKETING

Marketing Presence on Device Platforms



firetv

Roku

ACQUIRE ADDITIONAL AVOD NETWORKS

Why We Are Positioned to Win

Rapidly growing and fragmented VOD market with consolidation opportunity

Leadership position in AVOD with Crackle Plus

Comprehensive, integrated ad platform

Cost-effective distribution & production engine

Large and growing content library

Healthy balance sheet

Movies Action

Sort by:

A to Z

Z to A

Recently Added



Fury



SpiderMan3



Resident Evil: Retribution



Doom

FINANCIAL SUMMARY

Chicken Soup
for the Soul
Entertainment



Robocop 2



Universal Soldier: Regeneration



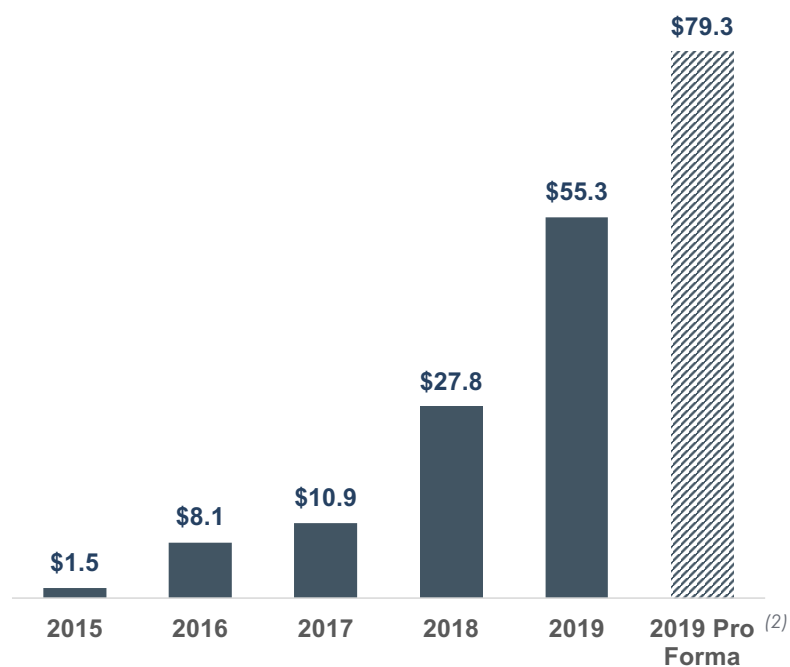
Ocean's Eleven



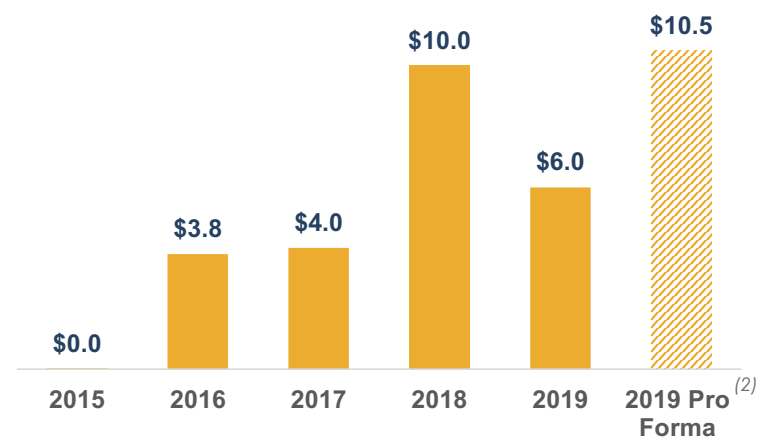
Operating Results

\$ in millions

Revenue



Adjusted EBITDA⁽¹⁾



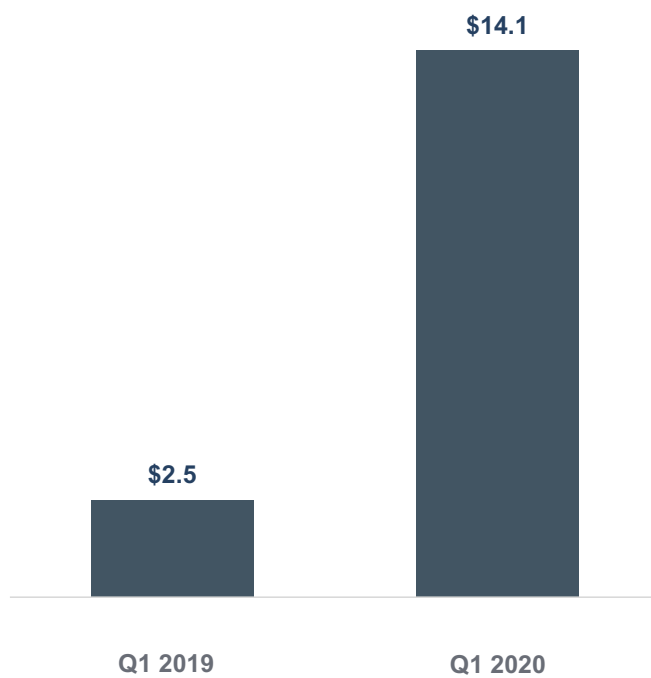
(1) See slides 31 and 32 for details regarding Adjusted EBITDA and reconciliation to comparable GAAP measures

(2) Assumes the acquisition of Crackle occurred on January 1, 2018. See CSSE Form 10-K for the year ended December 31, 2019

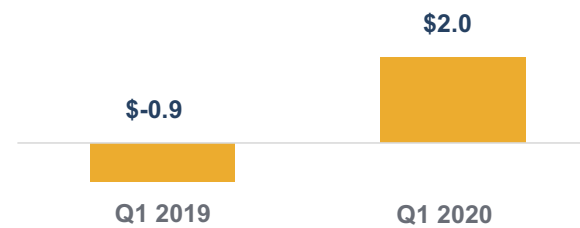
Q1 2020 Results

\$ in millions

Revenue



Adjusted EBITDA⁽¹⁾



(1) See slides 31 and 32 for details regarding Adjusted EBITDA and reconciliation to comparable GAAP measures

Balance Sheet

\$ in millions

Solid balance sheet as of 3/31/20 ⁽¹⁾

Total Assets

\$158.2



Total Liabilities

\$78.4



Debt

\$20.0



Total Equity

\$79.8



Non-GAAP Financial Measures

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). We use a non-GAAP financial measure to evaluate our results of operations and as a supplemental indicator of our operating performance. The non-GAAP financial measure that we use is Adjusted EBITDA. Adjusted EBITDA (as defined below) is considered a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. Due to the significance of non-cash, non-recurring, and acquisition related expenses recognized for the year ended December 31, 2019 and the quarter ended March 31, 2020, and the likelihood of material non-cash, non-recurring, and acquisition related expenses to occur in future periods, we believe that this non-GAAP financial measure enhances the understanding of our historical and current financial results as well as provides investors with measures used by management for the planning and forecasting of future periods, as well as for measuring performance for compensation of executives and other members of management. Further, we believe that Adjusted EBITDA enables our board of directors and management to analyze and evaluate financial and strategic planning decisions that will directly affect operating decisions and investments. We believe this measure is an important indicator of our operational strength and performance of our business because it provides a link between operational performance and operating income. It is also a primary measure used by management in evaluating companies as potential acquisition targets. We believe the presentation of this measure is relevant and useful for investors because it allows investors to view performance in a manner similar to the method used by management. We believe it helps improve investors' ability to understand our operating performance and makes it easier to compare our results with other companies that have different capital structures or tax rates. In addition, we believe this measure is also among the primary measures used externally by our investors, analysts and peers in our industry for purposes of valuation and comparing our operating performance to other companies in our industry.

The presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual, infrequent or non-recurring items or by non-cash items. This non-GAAP financial measure should be considered in addition to, rather than as a substitute for, our actual operating results included in our condensed consolidated financial statements.

We define Adjusted EBITDA as consolidated operating income (loss) adjusted to exclude interest, taxes, depreciation, amortization, acquisition-related costs, consulting fees related to acquisitions, dividend payments, non-cash share-based compensation expense, and adjustments for other unusual and infrequent in nature identified charges. Adjusted EBITDA is not an earnings measure recognized by US GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other companies. We believe Adjusted EBITDA to be a meaningful indicator of our performance that provides useful information to investors regarding our financial condition and results of operations. The most comparable GAAP measure is operating income.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the effects of preferred dividend payments, or the cash requirements necessary to fund;
- Although amortization and depreciation are non-cash charges, the assets being depreciated will often have to be replaced in the future, and Adjusted EBITDA does not reflect any future cash requirements for such replacements;
- Adjusted EBITDA does not reflect the impact of stock-based compensation upon our results of operations;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not reflect our income tax (benefit) expense or the cash requirements to pay our income taxes;
- Adjusted EBITDA does not reflect the impact of acquisition related expenses; and the cash requirements necessary;
- Adjusted EBITDA does not reflect the impact of other non-recurring, infrequent in nature and unusual expenses; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Non-GAAP Financial Measures Continued

	Quarter Ended March 31,				Year Ended December 31
	2020		2019		2019
Net loss available to common stockholders, as reported	\$	(11,427,380)	\$	(3,376,737)	(34,976,816)
Preferred dividends		974,272		603,307	3,304,947
Provision for income taxes		49,000		(438,000)	585,000
Other Taxes		53,411		281,210	460,205
Interest expense, net of interest income		322,687		127,598	770,826
Film library and program rights amortization, included in cost of revenue (non-cash)		2,494,832		871,126	10,683,227
Share-based compensation expense		244,835		215,847	1,061,926
Acquisition-related costs and other one-time consulting fees		98,926		397,935	3,968,227
Reserve for bad debt & video returns		1,721,595		300,403	2,669,699
Amortization		5,204,728		205,623	13,293,279
Transitional Expenses		2,113,469		—	3,505,855
All other nonrecurring costs		186,948		24,155	276,400
Adjusted EBITDA	\$	2,037,323	\$	(787,533)	5,953,528

Movies Action

Sort by:

A to Z

Z to A

Recently Added



Fury



SpiderMan3



Resident Evil: Retribution



Doom

THANK YOU

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