Chicken Soup for the Soul Entertainment to Discuss Crackle Plus and Full-Year 2018 Financial Results

Management Conference Call to Be Held at 8:30 a.m. ET Today

COS COB, CT – March 29, 2019 – Chicken Soup for the Soul Entertainment, Inc. ("CSS Entertainment") (Nasdaq: CSSE), a growing media company building online video-on-demand ("VOD") networks that provide video content for all screens, to discuss the Crackle Plus joint venture and its financial results for the three and 12 month periods ended December 31, 2018.

Strategic Highlights of Crackle Plus

- Creates one of the largest AVOD platforms in the U.S. with a combined audience of nearly 10 million monthly active users on its owned-and-operated networks, as well as millions of additional users from its ad rep business
- Over 26 million registered users
- Over 38,000 combined hours of programming including access to library assets from the joint venture partners
- Currently streams more than 1.3 billion minutes per month
- Over 90 content partnerships
- Includes 100-plus VOD networks

William J. Rouhana, Jr., chairman and chief executive officer, stated "Our joint venture will position Crackle Plus as a leading AVOD streaming platform with nearly 10 million active users on our owned-and-operated networks. This will result in a manyfold increase in our recurring revenue from online networks. We plan to build Crackle Plus aggressively and profitably through organic growth and acquisitions."

The addition of Crackle is expected to more than double overall revenue and will add meaningful Adjusted EBITDA.

Full Year 2018 and Recent Business Highlights

- Total revenue of $27.8 million, up over 150%
- Net loss of $(0.8) million before preferred dividends
- Adjusted EBITDA of $11.3 million, up 180%
- Acquired the long-term advertising VOD ("AVOD") rights to exhibit more than 500 films from the FilmRise library on its owned and operated networks
- *Chicken Soup for the Soul's Hidden Heroes* TV series was nominated for an Emmy for "Outstanding Children's or Family Viewing Series"

"Our 2018 revenue was 2.5 times our 2017 revenue, and Crackle Plus will accelerate the growth rate even more along with positive EBITDA," Rouhana continued. "Our online networks and television and film distribution business segments exceeded analyst expectations. In our television and short-form video production business segment, we decided to retain certain rights to two of our completed series in anticipation of our Crackle transaction in order to be able to premiere them on our own network."

Total revenue for the 12 months ended December 31, 2018 was $27.8 million compared to $11.0 million in the year-ago period. The increase was primarily driven by the growth of online networks, the successful integration of the acquisition of Screen Media in November 2017, and the growth of our television and short-form video production businesses. Revenue in 2018 was generated as follows:

- Online networks, which includes Popcornflix and Pivotshare, generated $4.4 million in revenue compared to $0.8 million in the year-ago period
- Television and film distribution generated $13.2 million, compared to $2.9 million in the year-ago period
- Television and short-form video production generated $10.2 million, compared to $7.2 million in the year-ago period

Gross profit for the 12 months ended December 31, 2018 was $14.5 million, or 52% of total revenue, compared to $6.4 million, or 56% of total revenue for the year-ago period. The change in the percentage of gross profit resulted primarily from $6.5 million of non-cash amortization of film library in the company's traditional distribution business, which is required by GAAP to be included in cost of revenue. Without this non-cash film library amortization expense, the gross profit would have been $21.0 million or 76% of total revenue, which is well in excess of last year.

Operating income for the 12 months ended December 31, 2018 was $0.8 million compared to an operating loss of $0.6 million for the year-ago period. Without this non-cash film library amortization expense, the operating income would have been $6.5 million, well in excess of last year's results.

Adjusted EBITDA for the 12 months ended December 31, 2018 was $11.3 million compared to $4.0 million in 2017 excluding the (i) effects of acquiring A Plus, and (ii) a bargain purchase gain of $24.3 million.

As of December 31, 2018, the company had $7.2 million of cash and cash equivalents, compared to $2.2 million as of December 31, 2017 and outstanding debt of $7.6 million as of December 31, 2018 compared to $1.5 million outstanding as of December 31, 2017.

The company will file an annual report on Form 10-K with the SEC with respect to its financial results. The company will file on Form 8-K with the SEC with respect to the joint venture transaction. The transaction is expected to close in or prior to May 2019.

For a discussion of the financial measures presented herein which are not calculated or presented in accordance with U.S. generally accepted accounting principles ("GAAP"), see "Note Regarding Use of Non-GAAP Financial Measures" below and the schedules to this press release for additional information and reconciliations of non-GAAP financial measures.

The company presents non-GAAP measures such as Adjusted EBITDA and Pro Forma Adjusted EBITDA to assist in an analysis of its business. These non-GAAP measures should not be considered an alternative to GAAP measures as an indicator of the Company's operating performance.

Conference Call Information

To participate in this event, dial in approximately 5 to 10 minutes before the beginning of the call.

- Date, Time: Friday, March 29, 2019, 8:30 a.m. ET.
- Toll-free: (833) 832-5128
- International: (484) 747-6583
- Conference ID: 7276809

A live webcast is available at http://ir.cssentertainment.com/ under the "News & Events" tab.

Conference Call Replay Information

- Toll-free: (855) 859-2056
- International: (404) 537-3406
- Reference ID: 7276809

About Chicken Soup for the Soul Entertainment

Chicken Soup for the Soul Entertainment, Inc. is a growing media company building online video-on-demand ("VOD") networks that provide positive and entertaining video content for all screens. The company also curates, produces and distributes long- and short-form video content that brings out the best of the human spirit, and distributes the online content of its affiliate, A Plus. The company is aggressively growing its business through a combination of organic growth, licensing and distribution arrangements, acquisitions, and strategic relationships. The company is also expanding its partnerships with sponsors, television networks and independent producers. The company's subsidiary, Screen Media, is a leading global independent television and film distribution company that owns one of the largest independently owned television and film libraries. The company also owns Popcornflix®, a popular online advertiser-supported VOD ("AVOD") network and Pivotshare, a leading subscription-based VOD ("SVOD") platform. Chicken Soup for the Soul Entertainment is a subsidiary of Chicken Soup for the Soul, LLC.

Note Regarding Use of Non-GAAP Financial Measures

The company's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). It uses a non-GAAP financial measure to evaluate its results of operations and as a supplemental indicator of operating performance. The non-GAAP financial measure that is used 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. Management believes this non-GAAP financial measure enhances the understanding of the company's historical and current financial results and enables the board of directors and management to analyze and evaluate financial and strategic planning decisions that will directly affect operating decisions and investments. The presentation of Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual 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, the company's actual operating results included in its condensed consolidated financial statements.

"Adjusted EBITDA" means earnings before interest, taxes, depreciation, amortization and non-cash share-based compensation expense, and also includes the gain on bargain purchase of subsidiary and adjustments for other identified charges such as costs incurred to form the company and to prepare for the offering of its Class A common stock to the public, prior to its IPO. Identified charges also include the cost of maintaining a board of directors prior to being a publicly traded company. As the IPO has been completed, director fees will be deducted from Adjusted EBITDA going forward. Adjusted EBITDA is not an earnings measure recognized by 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. Management believes Adjusted EBITDA to be a meaningful indicator of the company's performance that provides useful information to investors regarding its financial condition and results of operations. The most comparable GAAP measure is operating income.

A reconciliation of net loss to Adjusted EBITDA is provided in the company's Quarterly Report on Form 10-K for the three months ended December 31, 2018 under *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Reconciliation of Unaudited Historical Results to Adjusted EBITDA."*

Forward-Looking Statements

This press release includes forward-looking statements that involve risks and uncertainties. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks (including those set forth in the offering circular) and uncertainties which could cause actual results to differ from the forward-looking statements. The company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Investors should realize that if the company's underlying assumptions for the projections contained herein prove inaccurate or that known or unknown risks or uncertainties materialize, actual results could vary materially from the company's expectations and projections.

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