

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **August 19, 2020**

**Chicken Soup for the Soul Entertainment Inc.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**001-38125**

(Commission  
File Number)

**81- 2560811**

(IRS Employer  
Identification No.)

**132 E. Putnam Avenue, Floor 2W, Cos Cob, CT**

(Address of Principal Executive Offices)

**06807**

(Zip Code)

Registrant's telephone number, including area code: **(855) 398-0443**

**N/A**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of Holdco under any of the following provisions (see General Instruction A.2. below):

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

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

Emerging growth company

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

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

<u>Title of each class</u>	<u>Ticker symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, \$0.0001 par value per share	CSSE	The Nasdaq Stock Market LLC
9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.0001 par value per share	CSSEP	The Nasdaq Stock Market LLC
9.50% Notes due 2025	CSSEN	The Nasdaq Stock Market LLC

**Item 7.01. Regulation FD Disclosure.**

Attached as Exhibit 99.1 to this Current Report on Form 8-K is an investor presentation that Chicken Soup for the Soul Entertainment Inc. (the "Company") plans to use for public relations and other purposes.

The information furnished under this Item 7.01, including the exhibit related thereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any disclosure document of the Company, except as shall be expressly set forth by specific reference in such document.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Investor Presentation.</u></a>

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 19, 2020

CHICKEN SOUP FOR THE SOUL  
ENTERTAINMENT INC.

By: /s/ William J. Rouhana, Jr.  
Name: William J. Rouhana, Jr.  
Title: Chief Executive Officer

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Chicken Soup  
for the Soul.  
Entertainment

INVESTOR PRESENTATION

AUGUST 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, the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, 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, and for the three and six months ended June 30, 2020 is derived from our Quarterly Report as filed with the SEC on August 13, 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 on March 30, 2020, as updated by the risks included in the Company's 10-Q filed with SEC on August 13, 2020. 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.

All registered or unregistered service marks, trademarks and trade names referred to in this Presentation are the property of their respective owners, and CSS Entertainment's use herein does not imply an affiliation with, or endorsement by, the owners of these service marks, trademarks or trade names.

Movies  
Action

Sort by

A to Z

Z to A

Recently Added



Cruel Intentions



SpiderMan3



Resident Evil: Retribution



Doom

COMPANY OVERVIEW

Chicken Soup  
for the Soul  
Entertainment



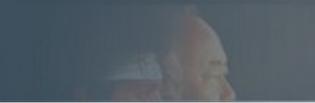
Robocop 2



Universal Soldier: Regeneration



Ocean's Eleven



The Expendables



The Expendables 2



The Expendables 3

# 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 2020<sup>1</sup>

**~55M**  
in 2022<sup>1</sup>

2

THE FALSE PROMISE  
OF vMVPDS

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

YouTube TV    Vue

sling    hulu

fubo TV    DIRECTV NOW

52% of cord cutters don't miss anything about Cable/Satellite<sup>2</sup>

3

THE PROLIFERATION  
OF SVODS

Disney+

NETFLIX

Apple tv+

HBO MAX

prime video

CBS ALL ACCESS

Americans are willing to subscribe to 3.6 services<sup>3</sup>

4

SUBSCRIPTION  
FATIGUE

SVOD subscribers' greatest frustrations:

87% it's all becoming too expensive<sup>4</sup>

67% toggling between services<sup>4</sup>

45% "not being able to find content"<sup>4</sup>

# 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 content<sup>1</sup>

**73%**

of A18+ Streamers watch ad-supported OTT video to round out their entertainment bundle<sup>2</sup>

**45%**

of streamers watch AVOD the most out of all streaming video<sup>3</sup>

(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



(1) Multichannel News: Global AVOD Revenue to Reach \$56 Billion by 2024

# Advertisers Are Following the Eyeballs



US growth in ad spend on Digital Video (OTT/Streaming) is outpacing Linear TV<sup>1</sup>



(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'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

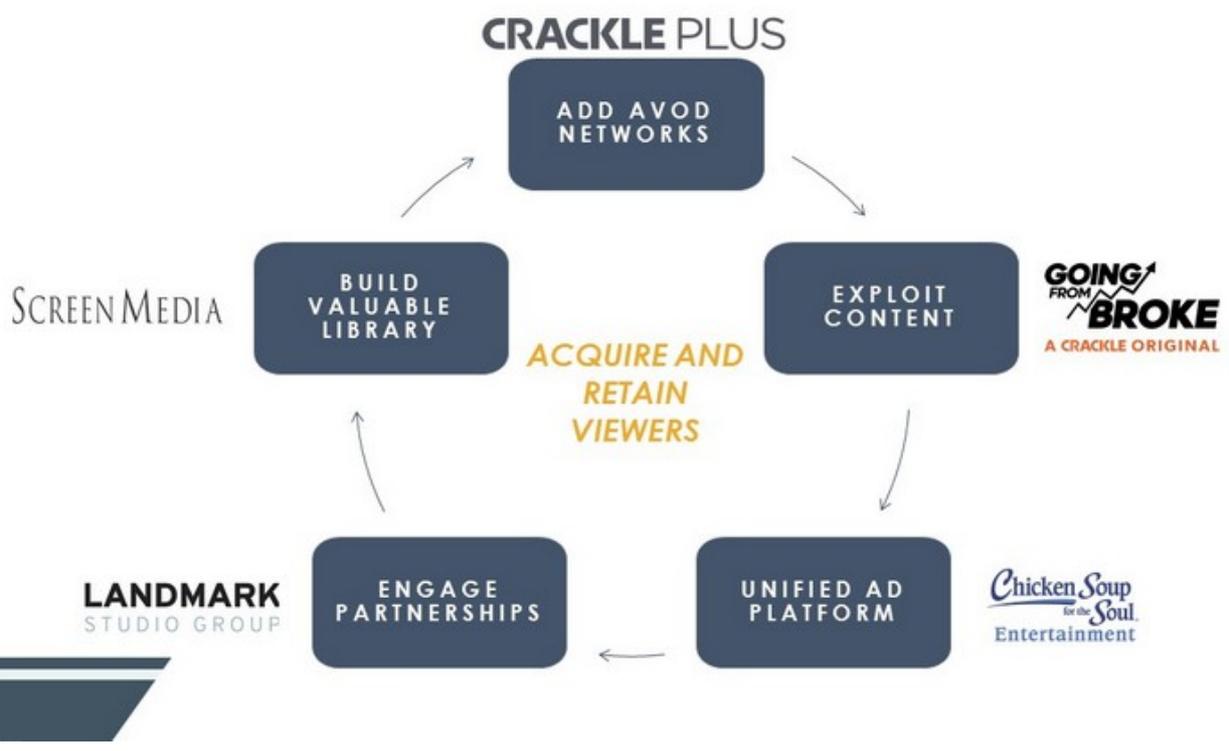
FORESIGHT UNLIMITED

a plus

Chicken Soup for the Soul Entertainment

(\*) Third party international distributor

# Self-Sustaining AVOD Network Model



# CRACKLE PLUS

*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 LG<sup>1</sup>



### Top Ad-Supported Channels<sup>2,3</sup>

1.  CBS NEWS

2.  CRACKLE

3.  ROKU

4.  THE CW

5.  VICE

(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

# 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

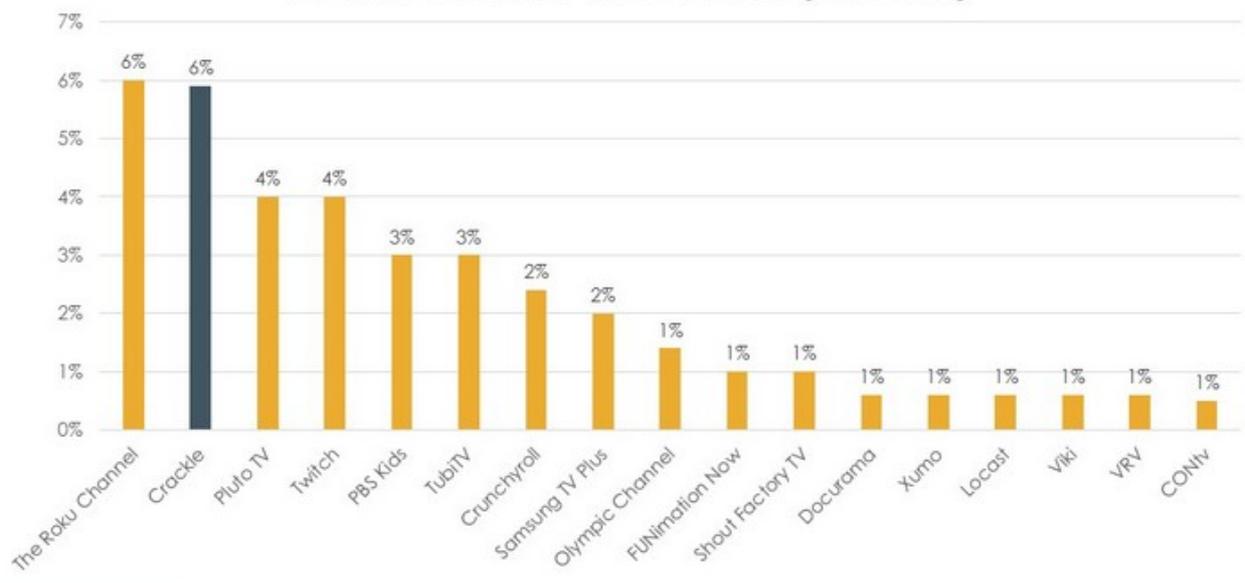


Linear Premium Content



# Strong Competitive Position

## Use of Ad-Based OTT Video Services (2018-2019)<sup>1</sup>



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



(1) Parks Report: 360 Deep Dive - Ad-Supported OTT : Viewers and Use

## 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.

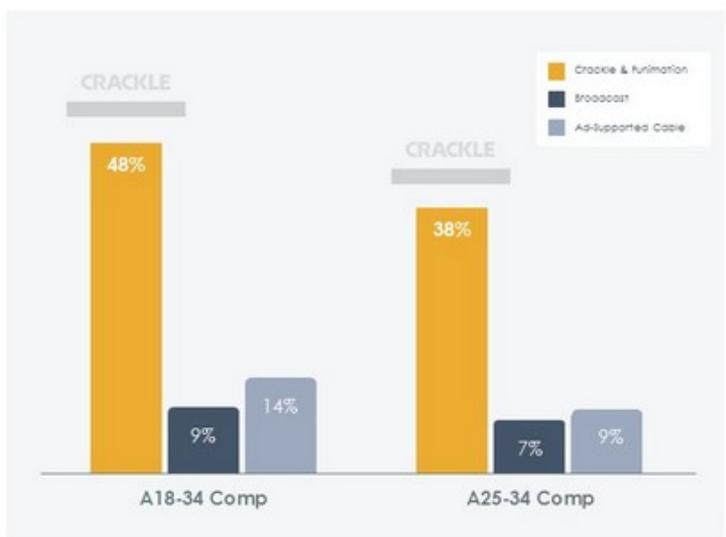
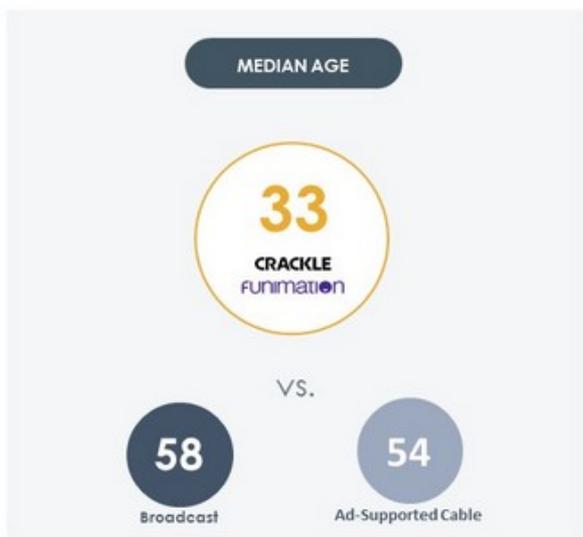


Popcornflix Comedy was created for people who love to laugh. It's the network for fans who want to watch "Great Comedy Movies. Free."



# We Reach TV's Lost Generation <sup>1</sup>

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 79K hours of owned and licensed programming including popular Sony TV and film content

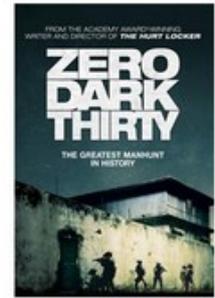
Chicken Soup  
for the Soul  
Entertainment

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.

3.4 million Social Media Audience





### Case Study: Going From Broke

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- #1 title on the Crackle Network
- 237M+ minutes streamed as of 7/30/20
- 3.4M+ unique viewers as of 7/30/20
- 16M+ 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
- Greenlit for a second season

# Our Programming Strategy: Aggregation with Curation

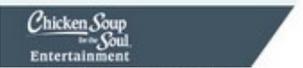
Originals, Exclusives, and Top-Tier Licensed Content

## Curation: Originals & Exclusives

We're the only Free TV service with original long-form programming and first-run movies direct from the theater



SCREEN MEDIA LANDMARK STUDIO GROUP Chicken Soup Entertainment a plus



&

## Aggregation: Premium Licensed Content

Our team hand-selects top-tier series and movies from all of the biggest Hollywood studios



SONY LIONSGATE FOX FILMRISE Warner WB

# Crackle Originals & Exclusives: Programming Calendar\*



*Wonders of the Sea*  
Kids & Family Feature



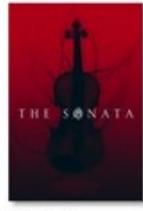
*Crown Vic*  
Drama Feature



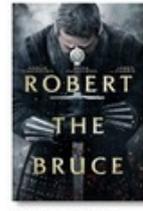
*Today's Homeowner*  
DIY Series



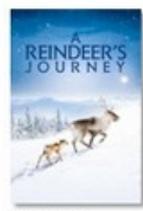
*Cleanin' Up the Town*  
Documentary Feature  
(Original Movie)



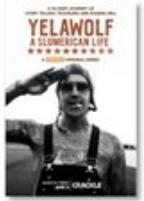
*The Sonata*  
Thriller Feature



*Robert the Bruce*  
Drama Feature



*A Reindeer's Journey*  
Family Feature



*Slumerican*  
Music Docuseries  
(Original)



*Portals*  
Sci-Fi Feature



*The Clearing*  
Zombie Feature  
(Original)



*Grand Isle*  
Thriller Feature



*Corporate Animals*  
Comedy Feature



*Blood and Money*  
Drama  
Feature



*Exit Plan*  
Thriller Feature



*Elliot the Littlest Reindeer*  
Holiday Feature



\* Current schedule as of 7/30/20, subject to change

## Top 10 Title (by Visits/Active Users): July 2020



50% of Total Visits/Active Users from these top 10 titles  
 7 of these top 10 titles are Originals or Exclusives

= Originals & Exclusives

# Strategy to Drive Long-Term Free Cash Flow Growth

## Content

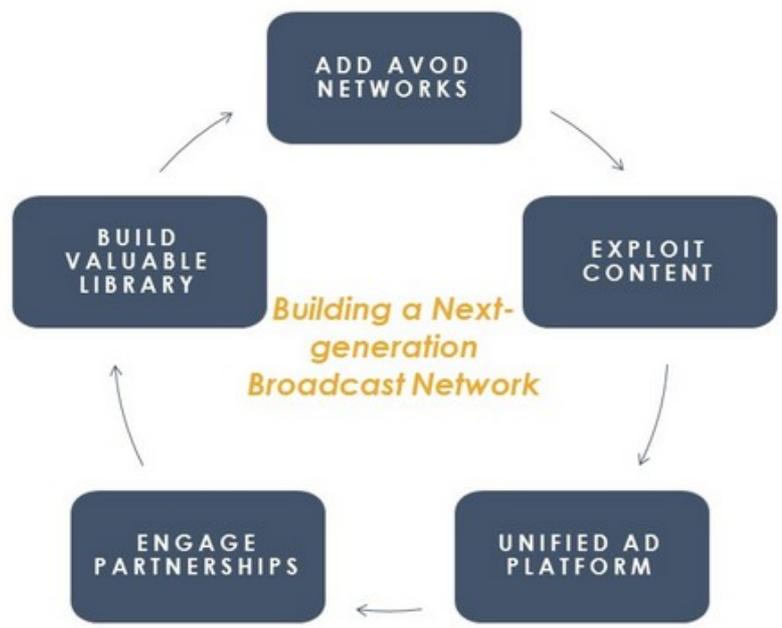
- Produce low-cost originals
- Acquire exclusive content
- Expand production partnerships
- Execute library acquisitions

## Audience

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

## Advertising

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



# Crackle is 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 Programming Lens**

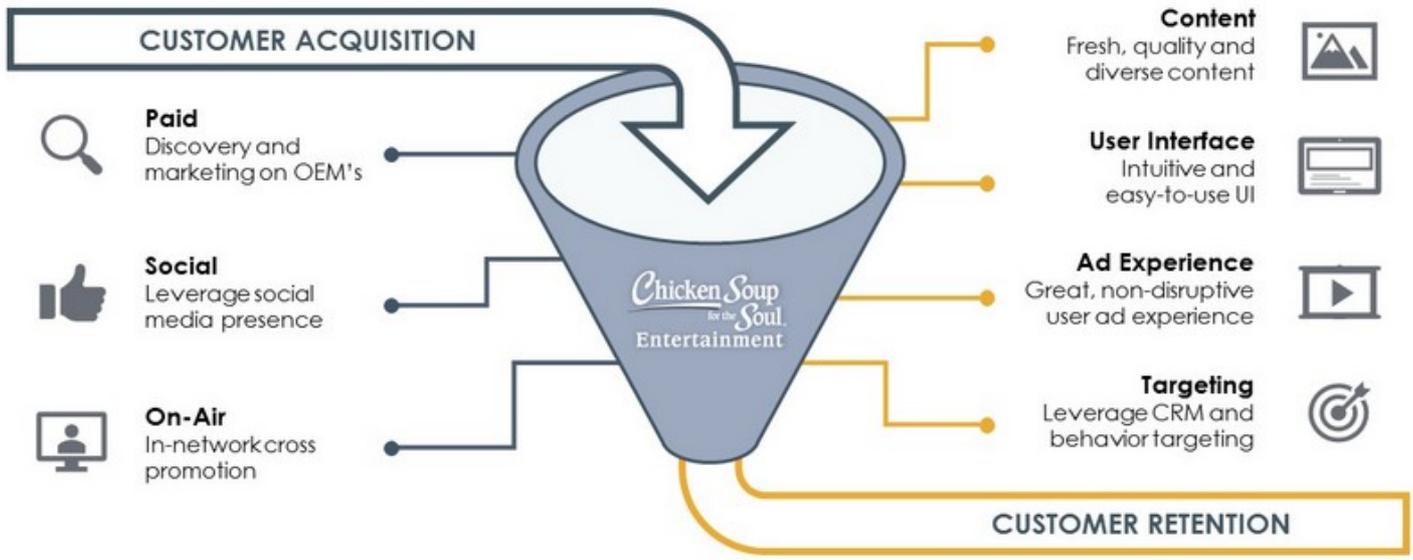
Inspirational, Educational, Entertaining, Diverse, Inclusive

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

30M Monthly Active Viewers<sup>1</sup>  
 32 Avg. Age<sup>2</sup>  
 32% YOY Growth in Time Spent<sup>3</sup>

(1) Internal Crackle Plus Data  
 (2) Nielson Digital Ad Ratings  
 (3) Internal Crackle Plus data

# Effective, Efficient Customer Acquisition and Retention



# Diverse and Targeted Ad Sales Strategy

We're data driven, with results

Multiple ad sales channels drive supply and demand optionality

## DIRECT SALES

Direct to brand across all of our AVOD networks with data driven consumer targeting capabilities



## LOCAL RESELLERS

OTT has been an enhancement for the local resellers, and we provide these operators with local geo targeted ad supply



## PROGRAMMATIC

Offer advertisers access to premium long form video in real time across our network



Percent of ad sales<sup>1</sup>



(1) Percent of ad sales from July 2019 – May 2020

# New Ad Experiences: The “Jumbotron” and “FreeView”

Innovative ways to improve viewers' ad experience and increase engagement at the same time



## THE “JUMBOTRON” VIEWER EXPERIENCE

- As soon as a viewer enters the Crackle app, the content auto plays (with sound) on the welcome screen

## THE ADVERTISER EXPERIENCE

- Client will be featured in the most premium placement (tile #1) on Crackle in the “Spotlight Channel”
- Additional content can be featured in a custom channel



## THE “FREEVIEW” VIEWER EXPERIENCE

- When a viewer starts a title, they'll see a co-branded slate prompting them to watch **ONE :30s ad** in order to receive **NO ADS** the rest of the title. If they choose to not engage, they will receive a regular ad load

## THE ADVERTISER EXPERIENCE

- Guaranteed User Engagement
- Proven Brand Recall via custom brand study<sup>1</sup>

## Growth Path in 2020 – New Ad Rep Partners

Replacing Playstation Vue with industry-leading brands adding premium ad inventory at scale

### CURRENT PARTNERS

With the addition of Crunchyroll to our Funimation relationship, we own the Anime space, to the benefit of both partners



Other recent new partners:



Chicken Soup  
in the Soul  
Entertainment

### IN DISCUSSIONS

New ad partners also double often as strategic distribution and content partners

The Redbox logo is the word 'redbox.' in red lowercase letters.



The Whistle TV logo features the word 'WHISTLE' in bold red uppercase letters above 'TV' in smaller red uppercase letters, all on a white background.

# Growth Path in 2020 – New Distribution

Expanding the Crackle & Popcornflix experience on VOD and linear platforms



## SIGNED New VOD and Linear Streaming Services



**PLEX**

xfinity flex

philo



## IN DISCUSSIONS with a Number of Additional Platforms



# 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



The Fast and the Furious



SpiderMan3



Resident Evil: Retribution



Doom

## FINANCIAL SUMMARY

Chicken Soup  
for the Soul.  
Entertainment



Robocop 2



Universal Soldier: Regeneration



Ocean's Eleven



COP 2



Universal Soldier: Regeneration

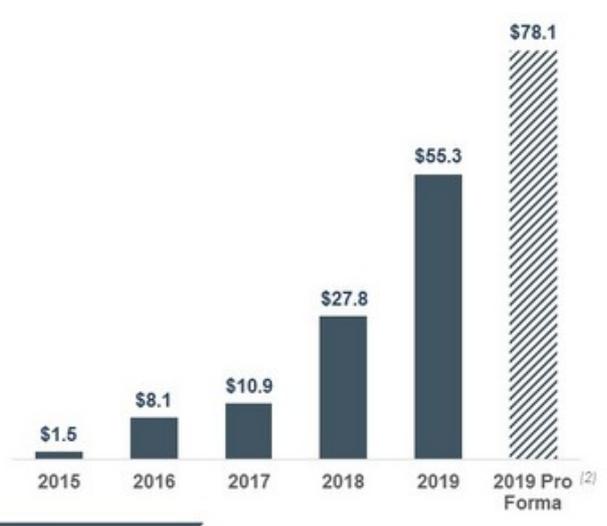


Ocean's Eleven

# Operating Results

\$ in millions

## Revenue



## Adjusted EBITDA <sup>(1)</sup>

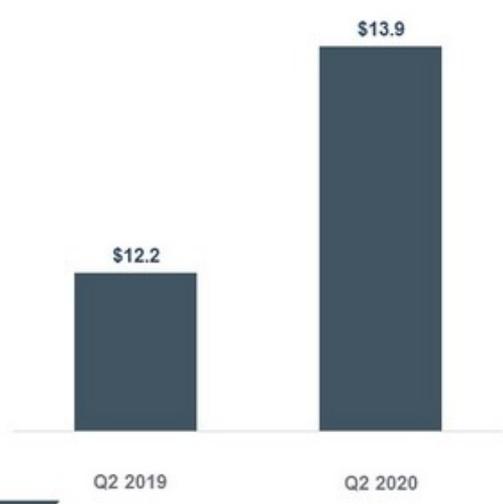


(1) See slide 36 for details regarding Adjusted EBITDA and reconciliation to comparable GAAP measures  
(2) Assumes the acquisition of Crackle occurred on January 1, 2018. See Form S-3 (File No. 333-238588)

# Q2 2020 Results

\$ in millions

## Revenue



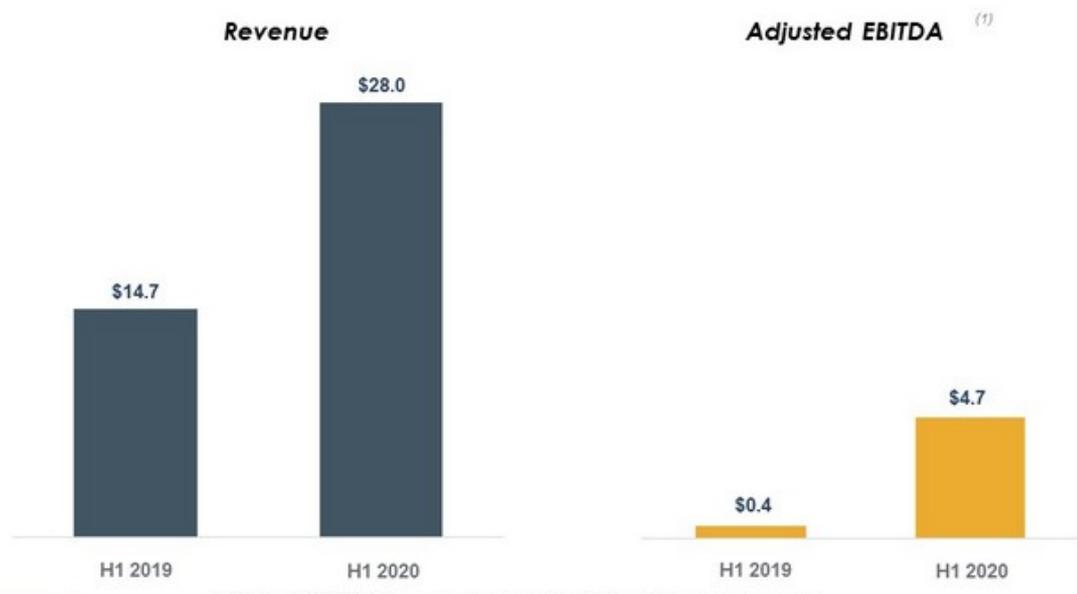
## Adjusted EBITDA <sup>(1)</sup>



(1) See slide 36 for details regarding Adjusted EBITDA and reconciliation to comparable GAAP measures

# H1 2020 Results

\$ in millions



**Adjusted EBITDA increased approximately 10X year-over-year**

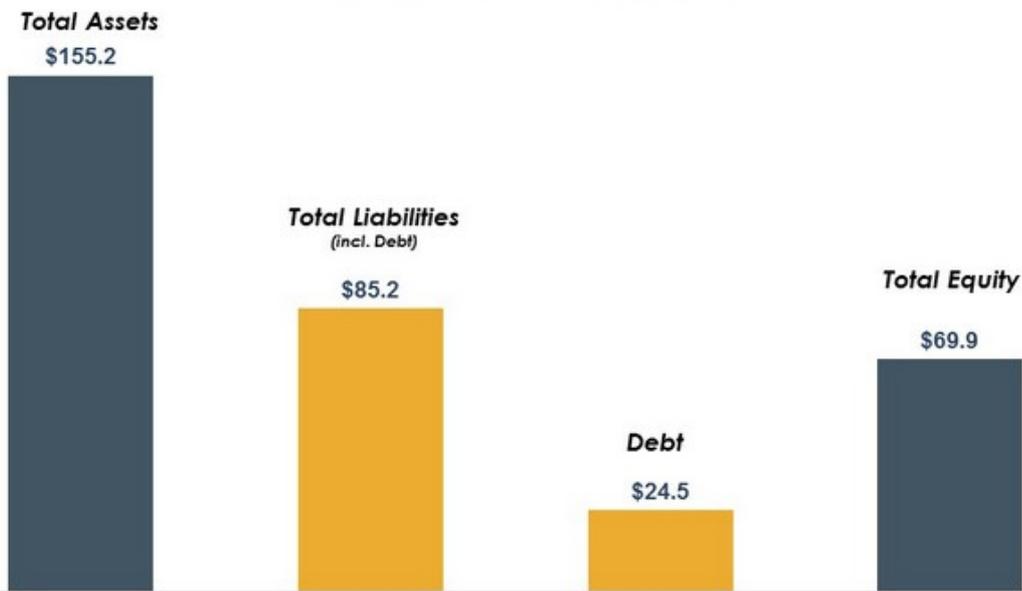


(1) See slide 36 for details regarding Adjusted EBITDA and reconciliation to comparable GAAP measures

# Balance Sheet

\$ in millions

Solid balance sheet as of 6/30/20 <sup>(1)</sup>



## 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 June 30, 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 June 30,		Year Ended December 31,	Pro Forma Year Ended December 31,
	2020	2019	2019	2019
<b>General:</b>				
Net loss available to common stockholders, as reported	\$ (10,010,127)	\$ (5,916,077)	\$ (34,976,816)	\$ (32,006,924)
Preferred dividends	974,272	797,981	3,304,947	3,304,947
Provision for income taxes & other taxes	69,240	(202,535)	1,045,205	1,045,205
Interest expense, net of interest income <sup>(1)</sup>	333,903	146,359	770,826	770,826
Share-based compensation expense <sup>(3)</sup>	229,273	275,097	1,061,926	1,061,926
All other nonrecurring costs	469,392	162,901	276,400	276,400
<b>Film Library:</b>				
Film library and program rights amortization, included in cost of revenue (non-cash) <sup>(2)</sup>	6,407,283	1,563,268	10,683,227	10,683,227
Reserve for bad debt & video returns	812,741	218,111	2,669,699	1,241,245
<b>Crackle Plus-Related:</b>				
Acquisition-related costs and other one-time consulting fees <sup>(4)</sup>	—	2,258,801	3,968,227	3,968,289
Amortization	5,496,972	729,991	13,293,279	14,866,387
Transitional Expenses <sup>(5)</sup>	2,239,876	1,241,353	3,505,855	3,505,855
<b>Adjusted EBITDA</b>	<b>\$ 2,691,416</b>	<b>\$ 1,263,226</b>	<b>\$ 5,953,528</b>	<b>\$ 10,496,528</b>

(1) Includes non-cash amortization of deferred financing costs of \$10,152 and \$25,823 for the three months ended June 30, 2020 and 2019, respectively.

(2) Represents amortization of our film library, which include cash and non-cash amortization of our initial film library investments, participation costs and theatrical release costs as well as amortization for our acquired program rights.

(3) Represents expense related to common stock equivalents issued to certain employees and officers under the Long-Term Incentive Plan, as well as common stock grants issued to employees and non-employee directors.

(4) Represents aggregate transaction-related costs, including legal fees, accounting fees, investment advisory fees and various consulting fees.

(5) Represents transitional related expenses primarily associated with the Crackle Plus business combination and our Company strategic shift related to our production business. Costs include primarily non-recurring payroll and related expenses and redundant non-recurring technology costs.

Movies  
Action

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A to Z

Z to A

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The Matrix



SpiderMan3



Resident Evil: Retribution



Doom

THANK YOU

Chicken Soup  
for the Soul.  
Entertainment



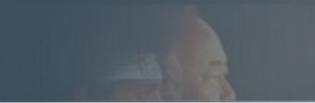
Robocop 2



Universal Soldier: Regeneration



Ocean's Eleven



Robocop



Universal Soldier



Ocean's Eleven