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

FORM 8-K/A
(Amendment No. 1)

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

Date of Report (Date of earliest event reported): **November 3, 2017**

Chicken Soup for the Soul Entertainment, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-38125**	**81- 2560811**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

132 E. Putnam Avenue, Floor 2W, Cos Cob, CT	**06807**
(Address of Principal Executive Offices)	(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 the registrant under any of the following provisions:

☐ 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. ☐

EXPLANATORY NOTE

This Amendment No. 1 to the Current Report on Form 8-K (this “Amendment”) is being filed by Chicken Soup for the Soul Entertainment, Inc., a Delaware Corporation (the “Company”) for the purpose of amending Item 2.01 Completion of Acquisition or Disposition of Assets and Item 9.01 Financial Statements and Exhibits of that certain Current Report on Form 8-K originally filed by the Company with the U.S. Securities and Exchange Commission (“SEC”) on November 6, 2017 (the “Original Form 8-K”) in connection with the completion of the acquisition of Screen Media Ventures, LLC, a Delaware limited liability company (“Screen Media”).

As indicated in the Original Form 8-K, this Amendment is being filed to provide financial statements and pro forma financial information required by Item 9.01 (a) and (b) of Form 8-K, which were not previously filed with the Original Form 8-K as permitted by the rules of the SEC. Any information required to be set forth in the Original Form 8-K which is not being amended or supplemented pursuant to this Amendment is hereby incorporated by reference. Except as set forth herein, no modifications have been made to the information contained in the Original Form 8-K and the Company has not updated any information contained therein to reflect the events that have occurred since the date of the Original Form 8-K. Accordingly, this Amendment should be read in conjunction with the Original Form 8-K.

FORWARD-LOOKING STATEMENTS

This Amendment, including the Exhibits attached hereto, contains “forward-looking statements” and information within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are subject to the “safe harbor” created by those sections. These forward-looking statements include, but are not limited to, statements that refer to projections, forecasts or other characterizations of future events or circumstances, such as our strategy, future operations, future financial position, future revenues, and plans and objectives of management, are forward-looking statements. The words “target,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “will,” “should,” “would”, “possible,” “potential,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The forward-looking statements contained in this Report are based on current expectations and beliefs concerning future developments and their potential effects on the Company and its subsidiaries. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve many risks, uncertainties (some of which are beyond the Company’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 2.01. Completion of Acquisition or Disposition of Assets.

Transaction Summary:

The acquisition of Screen Media by the Company was consummated pursuant to an Agreement and Plan of Merger ("Agreement"), dated November 3, 2017, by and among the Company, SMV Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company ("Merger Sub"), Screen Media and Media V Holdings, LLC, a Delaware limited liability company and the sole member of Screen Media ("MV Holding").

Pursuant to the Agreement, Merger Sub was merged with and into Screen Media, the separate corporate existence of Merger Sub ceased, and Screen Media continued as the surviving limited liability company of the merger and a wholly owned subsidiary of the Company.

Immediately prior to the closing of the merger, all subordinated indebtedness owed by Screen Media or any of its subsidiaries was transferred and assumed by an entity owned and controlled by the former principal equity holder of Screen Media, and all obligations owed by Screen Media with respect thereto were terminated, and the security interests related thereto were released.

Immediately prior to the closing of the merger, the Company made a loan to MV Holding in the principal amount of $5,522,855 ("MV Holding Loan"), which was evidenced by a promissory note. The proceeds of the MV Holding Loan were promptly contributed by MV Holding to the capital of Screen Media and immediately used, in part, by Screen Media to pay the sum of $4,905,355 ("Bank Loan Satisfaction Payment") in full satisfaction of all principal and interest owed by Screen Media under all loans to its banks, with the remainder of the MV Holding Loan proceeds used to pay certain transaction expenses and other liabilities of Screen Media. The entirety of the MV Holding Loan was forgiven by the Company as part of the purchase price paid by the Company for the acquisition of Screen Media. As a result of the foregoing transactions, Screen Media, as of the closing of the merger, had no indebtedness for borrowed money.

In connection with the transactions prescribed by the Agreement, the Company issued at closing Class Z warrants ("Kovacs Warrants"), which are exercisable from the date of issuance through June 30, 2022, to purchase up to an aggregate of 50,000 shares of the Company's Class A common stock at $12.00 per share, to Joseph Kovacs, the former principal equity holder and chief executive officer of Screen Media. The Kovacs Warrants are identical to the Class Z warrants issued by the Company in certain private placements in 2017. On January 2, 2018, the Company issued 35,000 shares of the Company's Class A common stock ("Kovacs Shares") to Mr. Kovacs.

The adjusted purchase price paid by the Company for all the outstanding equity ownership interests of Screen Media totaled $5,329,905 and was comprised of the Bank Loan Satisfaction Payment and the fair value of the Kovacs Warrants and the Kovacs Shares.

Screen Media and an entity controlled by Mr. Kovacs also entered into a two-year consulting agreement, pursuant to which Mr. Kovacs shall provide Screen Media with advice and assistance in connection with the transition of ownership of Screen Media to the Company. Mr. Kovacs' entity will be paid an annual consulting fee of $200,000.

The summaries of the agreements and transactions set forth in this Current Report as originally filed and as amended hereby, do not purport to be a complete statement of the terms of such document. The summary is qualified in its entirety by reference to the full text of the document, a copy of which has been filed with the Original Form 8-K as Exhibit 2.1, and is incorporated herein by reference.

Screen Media Ventures:

Screen Media is a strategic acquisition for the Company. It accelerates the Company's entry into the direct-to-consumer online video market through Popcornflix, an operating subsidiary of Screen Media. In addition, Screen Media's distribution capabilities across all media allows the Company to distribute its produced television series directly and eliminate the distribution fees (as much as 30% of revenues) that the Company currently pays to third parties for distribution of the rights the Company retains when it produces series with its sponsors. The Company believes that the cost savings from Screen Media's distribution capabilities will enhance the Company's revenues and profits from the Company's produced television series.

Screen Media generates meaningful revenue and Adjusted EBITDA and is estimated to have recognized net revenue in 2017 of approximately $12.0 million and Adjusted EBITDA of approximately $5.0 million. These updated figures are consistent with net revenue of $12.0 million and EBITDA of $5.0 million estimated by the Company in the Current Report on Form 8-K originally filed on November 6, 2017 announcing the Screen Media transaction (see "*Use of Non-GAAP Financial Measures*" below). Furthermore, the purchase price paid by the Company for the acquisition of Screen Media is significantly less than (a) an independent third-party valuation of Screen Media and its content library and Popcornflix previously obtained by Screen Media in connection with bank financing it had undertaken prior to the acquisition (which bank financing was repaid prior to the acquisition) and (b) a more recent independent third-party valuation recently obtained by the Company. The most recent independent third-party appraisal was completed in January 2018 and exceeded $27.9 million for the value of film rights and other assets owned by Screen Media and Popcornflix. The fair values of the total assets acquired were approximately $31.4 million. The gain on bargain purchase is over $22.0 million, up from the $10.0 million estimated by the Company in the Current Report on Form 8-K as originally filed on November 6, 2017.

Use of Non-GAAP Financial Measures:

In addition to the results reported in accordance with GAAP, Screen Media uses non-GAAP financial measures, which are not recognized under GAAP, as a supplemental indicator of its operating performance. The non-GAAP financial measures are provided to enhance the readers understanding of Screen Media's historical and current financial performance. Management believes that this measure provides useful information in that it excludes amounts that are not indicative of its core operating results and ongoing operations and provides a more consistent basis for comparison between periods. The non-GAAP financial measures that Screen Media currently uses are Adjusted EBITDA and EBITDA which are defined as follows:

"Adjusted EBITDA" means earnings before interest, taxes, depreciation, amortization, non-cash share-based compensation expense and adjustments for other identified charges that are non-recurring in nature. 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. Screen Media believes that Adjusted EBITDA is a meaningful indicator of its performance and provides useful information regarding its financial condition and results of operations. The most comparable GAAP measure is operating income.

"EBITDA" means earnings before interest, taxes, depreciation and amortization. EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, EBITDA may not be comparable to similar measures presented by other companies. Screen Media believes that EBITDA is a meaningful indicator of its performance that provides useful information regarding its financial condition and results of operations. The most comparable GAAP measure is operating income.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of business acquired.

The following financial statements of Screen Media Ventures, LLC are being filed as exhibits hereto and are incorporated by reference herein:

Exhibit 99.1 – Screen Media Ventures, LLC audited consolidated financial statements, including the independent auditor's report as of and for the year ended December 31, 2016.

Exhibit 99.2 — Screen Media Ventures, LLC audited consolidated financial statements, including the independent auditor's report as of and for the years ended December 31, 2015 and 2014.

Exhibit 99.3 – Screen Media Ventures, LLC condensed consolidated financial statements as of September 30, 2017 (unaudited) and December 31, 2016 and for the nine months ended September 30, 2017 and 2016 (unaudited).

(b) Pro forma financial information.

The following pro forma financial information is being filed as an exhibit hereto and is incorporated by reference herein:

Exhibit 99.4 – Unaudited pro forma condensed consolidated combined financial statements and explanatory notes for the Company as of September 30, 2017, for the nine months ended September 30, 2017 and for the year ended December 31, 2016.

(c) Not applicable.

(d) Exhibits.

2.1*	Agreement and Plan of Merger, dated as of November 3, 2017, by and among Chicken Soup for the Soul Entertainment, Inc., SMV Merger Sub, LLC, Screen Media Ventures, LLC and Media V. Holdings, LLC
10.1	Consulting Agreement, dated November 3, 2017 by and between Three Bridges Consulting LLC and Screen Media Ventures, LLC
99.1	Audited financial statements of Screen Media Ventures, LLC as of and for the year ended December 31, 2016 and Independent Auditor's Report thereon
99.2	Audited financial statements of Screen Media Ventures, LLC as of and for the years ended December 31, 2015 and 2014 and Independent Auditor's Report thereon
99.3	Condensed consolidated financial statements of Screen Media Ventures, LLC as of September 30, 2017 (unaudited) and December 31, 2016 and for the nine months ended September 30, 2017 and 2016 (unaudited)
99.4	Unaudited pro forma condensed consolidated combined financial statements and explanatory notes for Chicken Soup for the Soul Entertainment, Inc. as of September 30, 2017, for the nine months ended September 30, 2017 and for the year ended December 31, 2016
99.5*	Press Release of Chicken Soup for the Soul Entertainment, Inc. dated November 6, 2017

* Previously Filed with the Original Form 8-K

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: January 16, 2018

CHICKEN SOUP FOR THE SOUL ENTERTAINMENT, INC.

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

By: /s/ Daniel M. Pess
Name: Daniel M. Pess
Title: Chief Financial Officer

EXHIBIT 10.1

EXECUTION VERSION

CONSULTING AGREEMENT

CONSULTING AGREEMENT (“Agreement”), dated as of November 3, 2017 (the “Effective Date”), by and between **THREE BRIDGES CONSULTING LLC** (“Consultant”), having an address at 294 Riversville Road, Greenwich, CT 06831, and **SCREEN MEDIA VENTURES, LLC** (the “Company”), a Delaware limited liability company and subsidiary of Chicken Soup for the Soul Entertainment, Inc. (“Parent”), having an address at 132 E. Putnam Avenue, Cos Cob, Connecticut 06807.

WHEREAS, the Company desires to retain the services of Consultant, and Consultant desires to provide its services to the Company, on the terms and conditions herein set forth.

IT IS AGREED:

1. Services. During the Term (as defined herein), the Consultant shall provide the Company with advice and assistance with respect to (a) the transition of ownership of the Company from MV Holdings LLC to Parent, (b) relationships with the Company’s employees and vendors and (c) general operations of the Company. Consultant shall provide its services through Joseph Kovacs, who will be made available to the Company as reasonably requested by the Company, including by telephone when such services can be provided telephonically. The Consultant shall provide its services diligently and professionally. In connection with the services to be provided to the Company, the Consultant (and Mr. Kovacs) shall promote and protect the interests of Parent and the Company and their brands, concepts and products and services.

2. Compensation.

2.1 Fees. During the Term, the Company shall pay to Consultant a consulting fee at the annual rate of $200,000 (the “Fees”). The Fees shall be paid in substantially equal, monthly installments, commencing on December 1, 2017.

2.2 Expenses. During the Term, the Company shall reimburse Consultant in accordance with Parent’s reimbursement policies for all reasonable out-of-pocket expenses incurred by it in connection with the performance of its duties hereunder. All such expenses shall be preapproved by the Company.

3. Term. The term of this Agreement shall commence as of the Effective Date and shall continue until the close of business on the second anniversary of the Effective Date (the “Term”).

4. Termination.

4.1 Dissolution or Death or Termination of Kovacs. This Agreement shall automatically terminate upon the Consultant’s dissolution or bankruptcy, or upon the death of Mr. Kovacs, or if Mr. Kovacs is terminated by the Consultant or no longer otherwise engaged by the Consultant and made available to the Company for the services required hereunder.

4.2 Disability. This Agreement may be terminated by the Company by reason of Mr. Kovacs' Disability. "Disability" means that Mr. Kovacs is substantially unable to perform or effectively discharge the duties prescribed hereunder due to an accident, physical or mental condition, disability or illness for a period of 60 consecutive days or a period of any 120 days in any twelve month period.

4.3 By the Company with or without Cause. The Company may terminate this Agreement with or without Cause. "Cause" means (a) the continued and willful refusal or failure by Consultant to perform a material part of Consultant's duties hereunder; (b) the conviction of Consultant or Mr. Kovacs for any crime which constitutes a felony in the jurisdiction involved or any conviction of, or plea of guilty or nolo contendere to, any crime involving moral turpitude; (c) Consultant's (or Mr. Kovacs') commission of any act of fraud, misappropriation, or embezzlement, in any case involving the properties, assets or funds of the Company or Parent or Parent's other subsidiaries or affiliates, or the commission of other willful and dishonest conduct against the Company or Parent; (d) Consultant's (or Mr. Kovacs') commission of an act or failure to act that involves willful misconduct, bad faith or gross negligence of Consultant; or (f) any act by Consultant (or Mr. Kovacs) which has materially harmed or is reasonably likely to cause material harm to Parent's or the Company' brand identity or reputation. Notwithstanding the foregoing, "Cause," for purposes of clause (a) of this Section 4.3, shall not exist unless (x) within 90 days of first learning of the event(s) purporting to constitute Cause, the Company or Parent delivers written notice to the Consultant that specifically identifies such event(s); (y) if curable, the Consultant fails to cure such event within 30 days after the date of such notice; and (z) the Company terminates this Agreement by written notice within 30 days following the end of such cure period.

4.4 By Consultant with Good Reason. Consultant may terminate this Agreement with "Good Reason." "Good Reason" means the occurrence of any of the following circumstances without the Consultant's prior written consent: (a) a material breach of this Agreement by the Company; or (b) a failure by the Company to make any payment to Consultant when due, unless the payment is not material and is being contested by the Company in good faith. Notwithstanding the foregoing, "Good Reason," for purposes of clauses (a) of this Section 4.4, shall not exist unless (x) within 90 days of first learning of the event(s) purporting to constitute Good Reason, the Consultant delivers written notice to the Company that specifically identifies such event(s); (y) if curable, the Company fails to cure any such event within 30 days after the date of such notice; and (z) the Consultant terminates this Agreement by written notice within 30 days following the end of such cure period.

4.5 Obligations of Parent upon Termination.

(a) Dissolution or Mr. Kovacs' Death or Disability. In the event that this Agreement is terminated by reason of Consultant's dissolution or bankruptcy or the death or Disability of Mr. Kovacs, the Company shall pay to Consultant (or his executor, administrator or personal representative, as applicable) (i) the Fees through the date of termination (the "Date of Termination") and (ii) all allowable expenses incurred by Consultant, in accordance with Section 2.2, above, prior to the Date of Termination (the "Expenses").

(b) Termination by the Company for Cause or Consultant without Good Reason. In the event that this Agreement is terminated by the Company for Cause or by Consultant without Good Reason, the Company shall pay to Consultant (i) the Fees through the Date of Termination and (ii) the Expenses.

(c) Termination by the Company without Cause or Consultant for Good Reason. In the event that this Agreement is terminated by the Company without Cause or by Consultant with Good Reason, the Company shall pay to Consultant (i) the Fees through the remainder of the then current Term and (ii) the Expenses.

5. Protection of Confidential Information and Reputation; Noncompetition.

5.1 Acknowledgment. Consultant (and Mr. Kovacs) acknowledges that:

(a) As a result of Mr. Kovacs' role with the Company both prior to and after the Effective Date, Consultant and Mr. Kovacs has obtained and will obtain secret and confidential information concerning the business of Parent, the Company and their affiliates (referred to collectively in this Section 5 as the "Company"), including, without limitation, financial information, proprietary rights, trade secrets and "know-how", customers and sources ("Confidential Information"). "Confidential Information" shall not include information that: (i) at the time of disclosure is, or thereafter becomes, generally available to and known by the public other than as a result of, directly or indirectly, any violation of this Agreement by Consultant or Mr. Kovacs; (ii) at the time of disclosure is, or thereafter becomes, available to Consultant or Mr. Kovacs on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information to Consultant or Mr. Kovacs by a legal, fiduciary or contractual obligation to the Company; or (iii) was known by or in the possession of the Consultant or Mr. Kovacs or its or his representatives on a non-confidential basis, before being disclosed by or on behalf of the Company under this Agreement.

(b) The Company will suffer substantial damage which will be difficult to compute if, during the period of involvement with the Company or thereafter, Consultant or Mr. Kovacs should enter a business competitive with the Company or divulge Confidential Information.

(c) The provisions of this Agreement are reasonable and necessary for the protection of the business of the Company and that without these protections, neither Parent nor the Company would not have entered into this Agreement or provided Consultant or Mr. Kovacs with access to the Confidential Information or have consummated the merger between the Company and SMV Merger Sub on even date herewith ("Merger").

5.2 Confidentiality. Consultant agrees (and Mr. Kovacs agrees) that it or he will not at any time, during the Term or thereafter, divulge to any person or entity any Confidential Information obtained or learned by it or him as a result of its or his relationship with the Company both prior to and after the Effective Date, except (i) in the course of performing its or his duties hereunder, (ii) with Parent's prior written consent, (iii) to the extent that any such information is in the public domain other than as a result of Consultant's or Mr. Kovacs' or any of their affiliates' breach of any of its or his obligations hereunder or (iv) where required to be disclosed by court order, subpoena or other government process. If Consultant or Mr. Kovacs shall be required to make disclosure pursuant to the provisions of clause (iv) of the preceding sentence, Consultant promptly, but in no event more than 48 hours after learning of such subpoena, court order, or other government process, shall notify, confirmed by mail, Parent and, at Parent's expense, Consultant and Mr. Kovacs shall: (a) take all reasonably necessary and lawful steps required by Parent to defend against the enforcement of such subpoena, court order or other government process and (b) permit Parent to intervene and participate with counsel of its choice in any proceeding relating to the enforcement thereof at Parent's expense.

5.3 Documents. Upon termination of this Agreement, Consultant and Mr. Kovacs will promptly deliver to Parent (of, as directed by Parent, the Company) all memoranda, notes, records, reports, manuals, drawings, blueprints and other documents (and all copies thereof) relating to the business of the Company and all property associated therewith, which he may then possess or have under his control; provided, however, that Consultant and Mr., Kovacs shall be entitled to retain copies of such documents reasonably necessary to document his financial relationship with the Company.

5.4 Protection of Brand Identity and Reputation. During and after the Term, Consultant and Mr. Kovacs shall not:

(a) take any action or engage in any activity that would reasonably be likely to harm the reputation of the Company or diminish the value of its brands, concepts, products or services; or

(b) publicly or privately disparage Parent or its brands, concepts, products or services, officers, directors, employees or affiliates.

5.5 Non-Compete and Non-Solicitation.

(a) During the Term and for a period of six months thereafter, and in further consideration of Parent's purchase of the Company through the Merger, the Consultant and Mr. Kovacs shall not directly or through any affiliate engage in or have any ownership interest in any business or activity substantially similar to any of the components of the Business (as defined below) anywhere in the world. For purposes of this Agreement, "Business" shall mean (i) the production and dissemination of video content under titles using, in whole or part, the name "Chicken Soup for the Soul" or "Screen Media" variants or derivatives thereof, (ii) the production or dissemination of video content similar to that offered by the Company or Parent during the Term, and (c) other products and services using intellectual property of Parent or the Company or otherwise derived therefrom, including, but not limited to, television show, and films.

(b) Notwithstanding the foregoing, the following in and of themselves shall not be deemed a breach of Section 5.5(a):

(i) Ownership of less than 3% of the outstanding stock of any publicly traded corporation regardless of its business;

(ii) Passively investing in private companies the activities of which, at the time of such investment, would not reasonably be deemed to violate this Section 5.5 were Consultant or Mr. Kovacs to be engaged in such activity directly.

(c) During the Term and for period of two years thereafter, Consultant and Mr. Kovacs shall not, directly or indirectly, for itself or himself or any other person (i) induce or attempt to induce any employee to leave the employ of Parent or the Company or their successors, assigns and affiliates or (ii) in any way knowingly interfere with the relationship between Parent or the Company and any employee, customer, publisher, author or supplier of Parent or the Company.

5.6 Acknowledgement. Consultant and Mr. Kovacs acknowledges and agrees that the provisions of this Article V are reasonable in scope and are integral components of the consideration being provided to Parent and the Company for their agreement to enter into this Agreement and to consummate the Merger.

5.7 Injunctive Relief. If Consultant or Mr. Kovacs commits a breach, or threatens to commit a breach, of any of the provisions of Section 5, Parent or the Company shall have the right and remedy to seek to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed by Consultant and Mr. Kovacs that the services being rendered hereunder to the Company and Parent are of a special, unique and extraordinary character and that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to Parent or the Company. The rights and remedies enumerated in this Section shall be in addition to, and not in lieu of, any other rights and remedies available to Parent or the Company under law or equity.

5.8 Modification. If any provision of Section 5 is held to be unenforceable because of the scope, duration or area of its applicability, the tribunal making such determination shall have the power to modify such scope, duration, or area, or all of them, and such provision or provisions shall then be applicable in such modified form.

5.9 Survival. The provisions of this Section 5 shall survive the termination of this Agreement for any reason.

6. Miscellaneous Provisions.

6.1 Notices. All notices provided for in this Agreement shall be in writing, and shall be deemed to have been duly given when (a) delivered personally to the party to receive the same, or (b) when mailed first class postage prepaid, by certified mail, return receipt requested, addressed to the party to receive the same at his or its address set forth below, or such other address as the party to receive the same shall have specified by written notice given in the manner provided for in this Section 6.2. All notices shall be deemed to have been given as of the date of personal delivery or mailing thereof to the party at the address indicated in the preamble of this Agreement, with a copy in any case to:

If to Parent:

Chicken Soup for the Soul, LLC
132 E. Putnam Avenue
Floor 2W
Cos Cob, Connecticut 06807
Attention: Mr. William J. Rouhana, Jr.

If to Consultant:

Three Bridges Consulting LLC
294 Riversville Road
Greenwich, CT 06831
Attn: Joseph Kovacs

6.2 Arbitration. Except as set forth in Section 5.7 above, any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or the interpretation of this Agreement or any arrangements relating to this Agreement or contemplated in this Agreement or the breach, termination or invalidity thereof shall be settled by final and binding arbitration administered by JAMS/Endispute in Connecticut in accordance with the then-existing applicable JAMS/Endispute Arbitration Rules and Procedures. In the event of such an arbitration proceeding, Consultant and Parent shall select a mutually acceptable neutral arbitrator from among the JAMS/Endispute panel of arbitrators. In the event Consultant and Parent cannot agree on an arbitrator, the Administrator of JAMS/Endispute will appoint an arbitrator. Neither Consultant nor Parent nor the arbitrator shall disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties. Except as provided herein, the Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings. The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state of Connecticut, or federal law, or both, as applicable, and the arbitrator is without jurisdiction to apply any different substantive law. The arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator shall render an award and a written, reasoned opinion in support thereof. Judgment upon the award may be entered in any court having jurisdiction thereof.

6.3 Entire Agreement; Waiver. Effective as of the Effective Date, this Agreement (and the agreements attached as exhibits hereto) sets forth the entire agreement of the parties relating to the matters herein and prescribed hereby and is intended to supersede all prior negotiations, understandings and agreements. No provisions of this Agreement may be waived or changed except by a writing that is executed by the party or parties against whom such waiver or change is sought to be enforced. The failure of any party to require performance of any provision hereof or thereof shall in no manner affect the right at a later time to enforce such provision.

6.4 Governing Law. All questions with respect to the construction of this Agreement, and the rights and obligations of the parties hereunder, shall be determined in accordance with the internal law of the State of Connecticut applicable to agreements made and to be performed entirely in Connecticut.

6.5 Legal Fees. In connection with any legal action or proceeding arising out of or relating to this Agreement, the prevailing party in such action or proceeding shall be entitled to be reimbursed by the other party for the reasonable attorneys' fees and costs incurred by the prevailing party.

6.6 Binding Effect; Nonassignability. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company, as applicable. This Agreement shall not be assignable by Consultant, but shall inure to the benefit of and be binding upon Consultant's assigns and legal representatives. Parent shall be deemed a third party beneficiary of this Agreement.

6.7 Severability. Should any provision or this Agreement become legally unenforceable, no other provision of this Agreement shall be affected, and this Agreement shall continue as if the Agreement had been executed absent the unenforceable provision.

6.8 Independent Contractor. The Consultant's services under the terms of this Agreement shall be rendered by it and Mr. Kovacs as an independent contractor and all services and work product delivered by the Consultant (or Mr. Kovacs) shall be deemed works for hire, all of which shall be the sole property of the Company. The Consultant (and Mr. Kovacs) hereby affirmatively waives all claims to any work product produced by it or him in connection with its or his duties under this Agreement and hereby assigns to the Company any and all rights therein that would otherwise be deemed the Consultant's or Mr. Kovacs' property.

6.9 Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

SCREEN MEDIA VENTURES LLC

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

THREE BRIDGES CONSULTING LLC

By: ____________________
Name:
Title:

Acknowledged, agreed and accepted (for purposes of Sections 5.2, 5.5 and 5.7)

____
JOSPEH KOVACS, Individually

EXHIBIT 99.1

Screen Media Ventures, LLC and Subsidiaries

Consolidated Financial Statements as of and for the Year Ended December 31, 2016 and Independent Auditors' Report

SCREEN MEDIA VENTURES, LLC AND SUBSIDIARIES

TABLE OF CONTENTS

	Page Number
INDEPENDENT AUDITORS' REPORT	3–4
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016:	
Balance Sheet	5–6
Statement of Operations and Members' Deficiency	7
Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9–18

INDEPENDENT AUDITOR'S REPORT

To the Members of
Screen Media Ventures LLC and Subsidiaries
New York, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Screen Media Ventures LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016, and the related consolidated statements of operations and members' deficit and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated balance sheet.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above presents fairly, in all material respects, the financial position of Screen Media Ventures LLC and Subsidiaries as of December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

/s/ Roth & Company LLP

Brooklyn, New York
December 24, 2017

Screen Media Ventures, LLC and Subsidiaries
Consolidated Balance Sheet
December 31, 2016

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,097	
Accounts receivable, net	3,080,037	
Inventory	395,140	
Prepaid expenses	286,476	
TOTAL CURRENT ASSETS		$ 3,763,750
FIXED ASSETS		
Equipment and improvements, net		244,011
OTHER ASSETS		
Accounts receivable, long-term	247,128	
Film library, net	23,099,883	
Website and other development costs, net	1,138,071	
TOTAL OTHER ASSETS		24,485,082
TOTAL ASSETS		$ 28,492,843

See accompanying notes to the consolidated financial statement

Screen Media Ventures, LLC and Subsidiaries
Consolidated Balance Sheet
December 31, 2016

LIABILITIES AND MEMBERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 569,728	
Accrued expenses	256,398	
Customer deposits	220,109	
Accrued participation costs - current	410,479	
Film library acquisition obligations	678,100	
Revolving credit facility, net	13,447,740	
Accrued interest on revolving credit facility	82,716	
Note payable - convertible debt	14,000,000	
Accrued interest on convertible debt	11,182,861	
TOTAL CURRENT LIABILITIES		$ 40,848,131
LONG-TERM LIABILITIES		
Deferred rent	195,947	
Accrued participation costs	1,641,916	
TOTAL LONG-TERM LIABILITIES		1,837,863
MEMBERS' DEFICIT		(14,193,151)
TOTAL LIABILITIES AND MEMBERS' DEFICIT		$ 28,492,843

See accompanying notes to consolidated financial statement

Screen Media Ventures, LLC and Subsidiaries
Consolidated Statement of Operations and Members' Deficit
For The Year Ended December 31, 2016

REVENUES		
Video revenue	$ 2,645,598	
Film revenue	12,406,835	
TOTAL REVENUES		$ 15,052,433
Less: returns and allowances		(1,514,783)
NET REVENUES		13,537,650
COST OF SALES		
Amortization of film library	3,538,244	
Video and film distribution costs	2,134,833	
TOTAL COST OF SALES		5,673,077
GROSS PROFIT		7,864,573
OPERATING EXPENSES		
Salaries, payroll taxes, and employee benefits	3,105,333	
Bad debt expense	458,056	
Other selling, general and administrative expenses	1,849,719	
TOTAL OPERATING EXPENSES		5,413,108
INCOME FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION		2,451,465
Depreciation and amortization		818,015
INCOME FROM OPERATIONS		1,633,450
OTHER EXPENSES		
Interest expense	1,359,788	
Loss on sale of accounts receivable	252,648	
TOTAL OTHER EXPENSES		1,612,436
NET INCOME		21,014
MEMBERS' DEFICIT - BEGINNING		(16,000,757)
Debt conversion		1,798,776
Members' draws		(12,184)
MEMBERS' DEFICIT - ENDING		$ (14,193,151)

See accompanying notes to the consolidated financial statement

Screen Media Ventures, LLC and Subsidiaries
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		$ 21,014
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	$ 818,015	
Amortization of deferred financing costs reported as interest expense	155,776	
Amortization of film library	3,538,244	
Bad debt expense	458,056	
Loss on sale of accounts receivable	252,648	
Changes in operating assets and liabilities		
Accounts receivable	2,746,725	
Inventory	1,829	
Prepaid expenses	62,109	
Film library acquisitions	(3,507,051)	
Accounts payable and accrued expenses	371,630	
Film library acquisition obligations	(2,026,600)	
Interest payable	261,045	
Deferred rent	(12,908)	
Accrued participation costs	(298,272)	
Total adjustments		2,821,246
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,842,260
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(87,169)	
Website development costs	(179,830)	
NET CASH USED IN INVESTING ACTIVITIES		(266,999)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' draws	(12,184)	
Proceeds from revolving credit facility	13,385,661	
Payments on revolving credit facility	(15,817,749)	
Financing costs	(255,714)	
NET CASH USED IN FINANCING ACTIVITIES		(2,699,986)
NET DECREASE IN CASH		(124,725)
CASH, BEGINNING		126,822
CASH, ENDING		$ 2,097
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest paid		$ 942,966
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Conversion of debt to members' capital		$ 1,798,776

See accompanying notes to the consolidated financial statement

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Screen Media Ventures, LLC (the "company") is a limited liability company formed in Delaware on May 28, 1999. The company acquires, markets, promotes and distributes feature length motion picture film rights to television broadcast stations, networks and other parties throughout the United States and in other countries around the world. The company also distributes films in DVD formats to the retail and rental markets, releases films theatrically throughout the United States and distributes films into various digital delivery systems and video on demand (“VOD”) platforms.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables and other assets and liabilities.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Screen Media Ventures, LLC, and its wholly owned subsidiaries Screen Media Films, LLC, 757 Film Acquisition, LLC, Digital Media Enterprises, LLC, Popcornflix.com, LLC and Media Value Productions, LLC. All material intercompany balances and transactions have been eliminated in the consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit, certificates of deposit, money market accounts, and investment grade commercial paper that are readily convertible into cash and purchased with original maturities of three months or less.

Accounts Receivable

Accounts receivable are initially recorded at the amount the company expects to collect upon sale and are subsequently stated net of allowances for uncollectible accounts and video returns. The allowance for uncollectible accounts represents estimated losses resulting from the inability of customers to make the required payments. When determining the allowance, the company takes several factors into consideration including the overall composition of accounts receivable aging, historical collection experience, current trends, the type of customer and its day-to-day knowledge of specific customers.

Estimated losses resulting from uncollectible accounts are reported as bad debt expense in the consolidated statements of operations and members' deficiency.

Inventory

Inventory consists of DVD films held for resale to wholesale and retail customers. Inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method for all inventories. Market value is based on net realizable value. When the net realizable value falls below its cost, a provision for write-downs is recorded.

Fixed Assets

The company capitalizes all expenditures for property, plant and equipment in excess of $1,000 at cost. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and the remaining gain or loss is recognized in the consolidated statement of operations for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Depreciation for leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Deferred Financing Costs

Deferred financing costs of $220,995 are included as a reduction to the revolving credit facility liability. The amounts are being amortized over the remaining term of the loan. Accumulated amortization as of December 31, 2016 was $5,065,054. Amortization expense of $155,776 was included as a component of interest expense.

Intangible Assets

The company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to (1) a significant decrease in the market value if an asset, (2) a significant adverse change in the extent or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it.

Should the sum of the expected future net cash flows be less than the carrying value of asset being valuated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

Revenue Recognition

Film Revenue

The company generally licenses multi-film packages to its customers. Revenues from multi-film sales are allocated per title and recognized upon initial availability for exploitation by customers. Revenues from digital distribution and VOD platforms are recorded when revenue is reported by their respective platforms. The amounts of unrecognized revenues, prior to the initial availability of certain films was approximately $1.7 million as of December 31, 2016.

Video Revenue

Sales of DVD units are generally recorded upon their shipment to customers and provisions for future returns and other allowances are established based upon historical experience.

Operating Leases

The company has entered into operating lease agreements for its corporate office, some of which contain provisions for future rent increases or periods in which rent payments are reduced. In accordance with generally accepted accounting principles, the company records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent, which is reflected as a separate line item in the accompanying balance sheet.

Upon signing the leases, the company received a tenant improvement allowance as a lease incentive. Tenant allowance represents landlord contributions to the construction costs of improving the related leased property.

Total construction costs are capitalized as leasehold improvements, and the landlord construction allowance is recorded as a component of deferred rent which is amortized as a reduction of rent expense over the term lease.

Advertising Costs

The company has an obligation to make reimbursements for the advertising costs for its theatrically released titles. The amount for 2016 was approximately $891,000. These costs are capitalized as part of the film library acquisition costs and are amortized as such. Advertising expenditures for DVD releases are expensed when incurred, which is typically upon the release of the title. The amount for 2016 was approximately $6,000.

Income Taxes

Pursuant to Section 701 of the Internal Revenue Code, the company is treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits passed through to the members. As such, no recognition of federal or state income taxes has been provided for in the accompanying financial statements. Provisions have been made for applicable local income taxes. An uncertain tax position taken by the member is not an uncertain position of the company.

A tax position must meet a minimum probability threshold before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The company is subject to taxation in various jurisdictions. The company is subject to examination by U.S. federal, state and local authorities for the years 2013 through 2016.

Use of Estimates

The preparation of the company's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates inherent in the preparation of the accompanying consolidated financial statements include management's forecast of anticipated revenues from distributing the motion picture rights of its film library in order to evaluate its ultimate recoverability. Management periodically reviews such estimates, which determine the amortization of the film library and it is reasonably possible that management's assessment of recoverability of individual films may change based on actual results and other factors.

Recent Accounting Pronouncement

In April 2015, the Financial Accounting Services Board (FASB) published Accounting Standards Update (ASU) No. 2015 03, which changes the presentation and disclosure of debt issuance costs in the financial statements by requiring these amounts to be presented as a direct deduction from the carrying amount of the related debt. Previous U.S. GAAP required debt issuance costs to be reported as an asset. The new guidance does not change the subsequent accounting for debt issuance costs and these amounts will continue to be amortized over the term of the related debt. However, amortization of debt issuance costs will now be required to be reported as a component of interest expense. The Company reclassified the debt issuance costs of $220,995 for the year ended 2016, as a contra-account to the revolving credit facility liability.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable are presented net of allowances for doubtful accounts and video returns of $438,104 at December 31, 2016.

NOTE 3 EQUIPMENT AND IMPROVEMENTS

Equipment and improvements, at cost, consist of the following at December 31, 2016:

Furniture and fixtures	$ 104,541
Computer equipment	592,462
Leasehold improvements	401,655
Total equipment and improvements	1,098,658
Accumulated depreciation	(854,647)
Net equipment and improvements	$ 244,011

NOTE 4 FILM LIBRARY

Film library represents the cost of acquiring film distribution rights and related acquisition and accrued participation costs. Film library is amortized using the individual-film-forecast-computation method. Film library is stated at the lower of unamortized cost or fair value. Amortization is based upon management's best estimate of total future, or ultimate revenue. Amortization is adjusted when necessary to reflect increases or decreases in forecasted ultimate revenues. Ultimate revenues can include revenues for up to twenty years from the acquisition date for previously released films (ten years for a new release). The company generally acquires distribution rights covering periods of ten or more years.

Film library costs, consist of the following at December 31, 2016:

Acquisition costs	$ 117,944,590
Accumulated amortization	(94,844,707)
Total film library costs	$ 23,099,883

Amortization expense for the film library was $3,538,244 for the year ended December 31, 2016.

NOTE 5 WEBSITE DEVELOPMENT COSTS

Website development costs are stated at historical cost and amortization is computed using the straight-line method over the estimated life over five years from the date of implementation.

Website development costs, consist of the following at December 31, 2016:

Historical cost	$ 3,703,042
Accumulated amortization	(2,564,971)
Total website development costs	$ 1,138,071

Amortization expense for the website development costs was $717,961 for the year ended 2016.

NOTE 6 FILM LIBRARY ACQUISITION OBLIGATIONS

Film library acquisition obligations represent liabilities incurred in connection with the acquisition of film libraries. Pursuant to the film distribution rights agreements, the company's right to distribute films may revert to the licensor in the event that the company is unable to satisfy its remaining financial obligations with respect to the acquisition of those distribution rights.

NOTE 7 REVOLVING CREDIT FACILITY AND NOTE PAYABLE

The company has an available $13,950,000 revolving credit facility, with $13,668,735 outstanding as of December 31, 2016. Interest is payable on the revolving credit facility on the last day of each quarter and at the expiration of the LIBOR notes. The rate is the greater of 5% (4.5% if certain objectives are met) or applicable margin of 3.25% over Alternative Base Rate Loans (Prime), and 4.25% over London Interbank Offered Rate (LIBOR). Interest expense on the revolving credit facility for the year ended December 31, 2016 was $886,838.

The company also entered into an investment agreement which provides for convertible notes of $15,000,000 ($1,000,000 of which was purchased by the company's president) secured with a subordinated interest to the revolving credit facility agreement, which expires on December 31, 2017. The notes and all unpaid interest bear an interest rate of 1.17%.

At the option of the company, interest shall either be paid in cash, or accrue to the extent not paid. Accrued interest payable as of December 31, 2016 (before the equity conversion mentioned below) is $11,981,637. Upon maturity of the notes, the holders may require the company to purchase, whether converted or not, either the Special Class A Common Units or pay their equivalent value if unconverted. Interest expense on the notes for the year ended December 31, 2016 was $317,174.

In the event of a sale transaction, an initial public offering or the refinancing of the revolving credit facility, in which the company realizes proceeds in excess of the revolving credit facility, the excess proceeds would be used to pay the principal balance plus accrued interest on the convertible notes.

On December 31, 2016, the company's president exercised his option to convert his portion of the convertible notes, along with the applicable accrued interest, into his member's capital account.

This resulted in a reduction of the convertible notes to $14,000,000, and the balance of the accrued interest payable on these notes to $11,182,861 as of December 31, 2016.

All borrowings under the revolving credit facility and the convertible notes are collateralized by substantially all of the company's assets.

On November 3, 2017 the company paid the sum of $4,905,355 in full satisfaction of all principal and interest owed for both the revolving credit facility and the note payable (see Note 13).

NOTE 8 PARTICIPATION COSTS

The company accrues for participation costs using the individual-film-forecast computation method, which accrues such costs in the same ratio that current period revenue bears to the remaining ultimate revenue as of the beginning of the year. These costs are capitalized and amortized as part of the film library.

NOTE 9 MEMBERS' CAPITAL

The company's membership interest consists of Class A Common Units.

In accordance with the company's amended and restated operating agreement, the company is obligated to make annual distributions to the members at the rate of 45% of the company's taxable income.

Holders of Class A Common Units are entitled to one vote for each unit held. They are not entitled to any distributions, except for tax reimbursement distributions, until the holders of the note payable and the revolving credit facility are repaid.

NOTE 10 RENTAL OPERATIONS

The company leases its office facilities under the terms of a non-cancelable operating lease agreement that expires on February 28, 2020. Minimum annual rental commitments under the lease are as follows:

Year Ending December 31,	Amount
2017	$ 399,047
2018	408,025
2019	417,206
2020	71,043
Total	$ 1,295,321

Rent expense amounted to $351,596 for the year ended December 31, 2016.

NOTE 11 CONCENTRATIONS OF CREDIT RISK

Cash
At times, the company maintains cash balances in excess of the Federal Deposit Insurance Corporation’s insured limits. The company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss on cash.

Revenue
The company provides programming to television stations located throughout the United States and other countries of the world. The company generated 14% of its revenue from foreign contracts for the year ended December 31, 2016. Contracts are entered into based upon an evaluation of a customer’s financial condition, and an advance payment is generally required.

In addition, the company’s DVD videos are sold to mass merchandisers throughout the United States. The sale, warehousing, distribution, billing and collection of certain video sales are facilitated through a third-party distributor.

This distributor accounted for approximately 9% of net revenue during the year ended December 31, 2016. Also, one of the company’s subscription VOD customers accounted for approximately 15% of net revenue during the year ended December 31, 2016.

Accounts receivable
The company performs ongoing credit evaluations of its customers but generally does not require collateral to support accounts receivable.

As of December 31, 2016, approximately 38% of the company’s total accounts receivable were due from foreign customers.

NOTE 12 COMMITMENTS AND CONTINGENCIES

The company is involved in certain disputes arising under the normal course of its business. In the opinion of management, the outcome of these matters will not have a material effect on the company's financial position, cash flows or results of operations.

The company is contingently liable for a standby letter of credit in connection with its office lease agreement in the amount of $129,986 as of December 31, 2016.

NOTE 13 SUBSEQUENT EVENTS

The company has evaluated subsequent events through December 21, 2017, the date these financial statements were available to be issued. On November 3, 2017, the company entered into a business combination transaction by means of a merger, in which the Company became a wholly owned subsidiary in exchange for a payment of $5,522,855. The proceeds were used, in part, on the date of receipt by the company, to pay the sum of $4,905,355 in full satisfaction of all principal and interest owed by the company (see Note 7), and to pay certain transaction expenses and company liabilities as agreed by the company and the purchaser. There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 14 RECLASSIFICATION

Certain balances and amounts in the prior year financial statements have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

EXHIBIT 99.2

Screen Media Ventures, LLC and Subsidiaries
(A Limited Liability Company)

Consolidated Financial Statements
and Independent Auditor's Report

December 31, 2015 and 2014

Screen Media Ventures, LLC and Subsidiaries

Index

	Page
Independent Auditor's Report	2-3
Consolidated Financial Statements:	
Balance Sheets	4
Statements of Operations and Members' Deficiency	5
Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7

Independent Auditor's Report

To the Members
Screen Media Ventures, LLC

We have audited the accompanying consolidated financial statements of Screen Media Ventures, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations and members' deficiency and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Screen Media Ventures, LLC and Subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has not obtained extensions on their notes payable that are due October 31, 2016 and November 1, 2016. In addition, the Company has a members' deficiency of $16,000,757 as of December 31, 2015. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

/s/ COHNREZNICK LLP
New York, New York
October 27, 2016

Screen Media Ventures, LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2015 and 2014

	2015	2014
Assets		
Current assets:		
Cash	$ 126,822	$ 129,476
Accounts receivable, net of allowances of $642,408 and $664,308	6,320,386	7,459,305
Inventory	396,969	424,940
Prepaid expenses and other current assets	348,585	449,815
Total current assets	7,192,762	8,463,536
Accounts receivable, long-term portion	464,208	552,417
Film library	23,131,076	20,471,282
Website and other development costs, net of accumulated amortization of $1,847,010 and $1,191,380	1,676,202	1,921,430
Equipment and improvements, net	256,896	109,420
Deferred financing costs, net of accumulated amortization of $119,341 and $56,726	121,057	65,432
Totals	$ 32,842,201	$ 31,583,517
Liabilities and Members' Deficiency		
Current liabilities:		
Accounts payable and accrued expenses	$ 674,605	$ 634,716
Accrued participation costs	470,133	430,940
Film library acquisition obligations	2,704,700	2,278,684
Accrued interest on revolving credit facility	138,845	181,683
Note payable - revolving credit facility	16,100,823	15,584,137
Notes payable - convertible debt	15,000,000	15,000,000
Accrued interest on convertible debt	11,664,463	11,351,865
Total current liabilities	46,753,569	45,462,025
Deferred rent	208,855	-
Accrued participation costs	1,880,534	1,723,758
Total liabilities	48,842,958	47,185,783
Commitments and contingencies		
Members' deficiency	(16,000,757)	(15,602,266)
Totals	$ 32,842,201	$ 31,583,517

See Notes to Consolidated Financial Statements.

Screen Media Ventures, LLC and Subsidiaries

Consolidated Statements of Operations and Members' Deficiency
Years Ended December 31, 2015 and 2014

	2015	2014
Gross video revenue	$ 4,648,896	$ 4,750,580
Gross film revenue	13,239,471	13,855,660
Totals	17,888,367	18,606,240
Video returns and allowances	1,639,909	1,555,563
Net revenues	16,248,458	17,050,677
Costs and expenses:		
Amortization of film library	4,909,577	5,403,733
Amortization of website development costs	655,630	540,583
Video and film distribution costs	3,187,456	2,960,009
Salaries and benefits	3,355,436	3,350,252
Other selling, general and administrative	2,164,275	2,808,586
Bad debt expense	825,344	465,181
Management bonus	132,516	152,311
Depreciation and amortization	108,275	116,470
Total costs and expenses	15,338,509	15,797,125
Income from operations	909,949	1,253,552
Interest expense	(1,258,285)	(1,146,356)
(Loss) income before income taxes	(348,336)	107,196
Provision for income taxes	19,427	525
Net (loss) income	(367,763)	106,671
Members' deficiency, beginning of year	(15,602,266)	(24,065,956)
Member distributions	(30,728)	(42,981)
Modification of convertible debt	-	8,400,000
Members' deficiency, end of year	$ (16,000,757)	$ (15,602,266)

See Notes to Consolidated Financial Statements.

Screen Media Ventures, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Operating activities:		
Net (loss) income	$ (367,763)	$ 106,671
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	108,275	116,470
Amortization of film library	4,909,577	5,403,733
Amortization of website development costs	655,630	540,583
Amortization of deferred financing costs	119,341	56,727
Deferred rent	208,855	-
Bad debt expense	825,344	465,181
Changes in operating assets and liabilities:		
Accounts receivable	401,784	(1,579,967)
Prepaid expenses and other current assets	101,230	97,371
Film libraries acquired	(7,569,371)	(7,134,052)
Inventory	27,971	(212,791)
Accounts payable and accrued expenses	39,889	(97,307)
Accrued participation costs	195,969	460,116
Interest payable	269,760	452,407
Film acquisition obligations payable	426,016	1,491,377
Net cash provided by operating activities	352,507	166,519
Investing activities:		
Capital expenditures	(255,751)	(31,189)
Website development costs	(410,403)	(676,862)
Net cash used in investing activities	(666,154)	(708,051)
Financing activities:		
Member distributions	(30,728)	(42,981)
Proceeds from revolving credit facility	16,250,000	13,820,000
Payments under revolving credit facility	(15,733,314)	(13,098,855)
Financing and debt restructuring costs	(174,965)	(93,059)
Net cash provided by financing activities	310,993	585,105
Net (decrease) increase in cash	(2,654)	43,573
Cash, beginning of year	129,476	85,903
Cash, end of year	$ 126,822	$ 129,476
Supplemental disclosures of cash flow data:		
Cash paid for interest	$ 869,183	$ 637,224
Cash paid for income taxes	$ 19,427	$ 525
Supplementary disclosure of non-cash financing activities:		
Modification of convertible debt	$ -	$ 8,400,000

See Notes to Consolidated Financial Statements.

Note 1 - Organization and description of business

Screen Media Ventures, LLC and Subsidiaries, a Limited Liability Company, and its wholly-owned subsidiaries, Screen Media Films, LLC, 757 Film Acquisition, LLC and Media Value Productions, LLC, acquire, market, promote and distribute feature length motion picture film rights to television broadcast stations, networks and other parties throughout the United States and in other countries of the world. In addition, the Company distributes films in DVD formats to the retail and rental markets, releases films theatrically throughout the United States and distributes films into various digital delivery systems and video on demand ("VOD") platforms.

Note 2 - Significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Screen Media Ventures, LLC and its wholly-owned subsidiaries Screen Media Films, LLC, 757 Film Acquisition, LLC and Media Value Productions, LLC, herein referred to as the "Company". All significant inter-company transactions have been eliminated in consolidation.

Concentrations of risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed Federally insured limits. Concentrations of credit risk with respect to domestic trade receivables are limited due to the large number of customers comprising the Company's customer base, their dispersion across different geographic areas, and generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers while maintaining allowances for potential credit losses, when estimable. On a periodic basis, the Company evaluates its trade accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit considerations. A portion of the Company's accounts receivable are with customers in foreign countries with volatile economies and, therefore, are riskier than domestic receivables. The Company's allowances address this risk.

The Company provides programming to television stations located throughout the United States and other countries of the world. The Company generated 18% and 17% of its revenue from foreign contracts for the years ended December 31, 2015 and 2014, respectively. Contracts are entered into based upon an evaluation of customers' financial condition, and generally some advance payment is required. The Company generally does not require collateral from its customers.

Credit losses are provided for in the consolidated financial statements and generally have been within management's expectations. Substantially all transactions with foreign customers are denominated in United States dollars.

In addition, the Company's DVD videos are sold to mass merchandisers throughout the United States. The sale, warehousing, distribution, billing and collection of certain video sales are facilitated through a third-party distributor. This distributor accounted for approximately 13% and 10% of net revenues during the years ended December 31, 2015 and 2014, respectively.

Also, one of the Company's Subscription VOD customers accounted for approximately 11% of net revenues during the year ended December 31, 2015.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates inherent in the preparation of the accompanying consolidated financial statements include returns and allowances on DVD sales and management's forecasts of anticipated revenues from distributing the motion picture rights of its film library in order to evaluate its ultimate recoverability. Management periodically reviews such estimates, which determine the amortization of the film library and it is reasonably possible that management's assessment of recoverability of individual films may change based on actual results and other factors. The reserve for returns and allowances as of December 31, 2015 and 2014 was approximately $192,000 and $232,000, respectively.

Revenue recognition

The Company generally licenses multi-film packages to its customers. Revenues from multi-film sales are allocated per title and recognized upon initial availability for exploitation by customers. These revenues are recorded as gross film revenue on the consolidated statement of operations and members' deficiency. The amounts of unrecognized revenues, prior to the initial availability of certain films, were approximately $2.2 million and $2.7 million, respectively, as of December 31, 2015 and 2014.

Revenues from digital distribution and VOD platforms are recorded when revenue is reported by their respective platforms and is recorded as a component of gross film revenue on the consolidated statement of operations and members' deficiency.

Sales of DVD units are generally recorded upon their shipment to customers and provisions for future returns and other allowances are established based upon historical experience. These revenues are recorded as gross video revenue on the consolidated statement of operations and members' deficiency.

Inventory

Inventory consists of DVD films held for resale to wholesale and retail customers. Inventory is stated at the lower of cost (first-in, first-out) or market. When the net realizable value falls below its cost, a provision for write-downs is recorded.

Website development costs

Website development costs are stated at historical cost and amortization is computed on a straight-line basis over the estimated life of five years from the date of implementation.

Film library

Film library represents the cost of acquiring film distribution rights and related acquisition cost and accrued participation cost. Film library is amortized using the individual-film-forecast-computation method. Film library is stated at the lower of unamortized cost or fair value.

Amortization is based upon management's best estimates of total future, or ultimate revenue. Amortization is adjusted when necessary to reflect increases or decreases in forecasted ultimate revenues. Ultimate revenues can include revenues for up to 20 years from the acquisition date for previously released films (10 years for a new release). The Company generally acquires film distribution rights covering periods of 10 or more years.

	2015	2014
Acquisition cost	$ 114,437,539	$ 106,868,168
Accumulated amortization	91,306,463	86,396,886
Totals	$ 23,131,076	$ 20,471,282

Film library acquisition obligations
Film library acquisition obligations represent liabilities incurred in connection with the acquisition of film libraries. Pursuant to the film distribution rights agreements, the Company's right to distribute films may revert to the licensor in the event that the Company is unable to satisfy its remaining financial obligations with respect to the acquisition of those distribution rights.

Deferred financing costs
Deferred financing costs are stated at cost, net of accumulated amortization. The deferred financing costs are amortized over the life of the related debt using the interest method over the term of the related debt.

Equipment and improvements
Equipment and improvements are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets ranging from three to five years. Leasehold improvements are amortized by the straight-line basis over the lesser of the life of the improvement or the term of the lease.

Impairment of long-lived assets
The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Company compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that an impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. The Company does not believe that any material impairment currently exists related to its long-lived assets.

Income taxes
The Company has no unrecognized tax benefits at December 31, 2015 and 2014. The Company's Federal and state income tax returns prior to fiscal year 2012 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Company would recognize interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the consolidated balance sheets.

The Company is treated as a partnership for income tax purposes. The Company is subject to New York City and various states' equivalent of the unincorporated business tax and certain foreign taxes. Accordingly, no provision for Federal income taxes or credits has been reflected in the accompanying consolidated financial statements.

Advertising costs

The Company recognizes advertising costs for its theatrically released titles in accordance with accounting principles generally accepted in the United States of America. The Company has an obligation to make reimbursements for these theatrical advertising costs. These costs are capitalized as part of the film library acquisition cost and are amortized as such.

The amounts for theatrical advertising costs were approximately $1,383,000 and $1,415,000, respectively, as of December 31, 2015 and 2014 and are included in the cost of the film library.

In the case of DVD releases, advertising costs are expensed when incurred, which is typically upon the release of the title. Advertising costs for the years ended December 31, 2015 and 2014 were approximately $10,000 and $49,000, respectively.

Participation costs

The Company accrues for participation costs using the individual-film-forecast computation method, which accrues such costs in the same ratio that current period revenue bears to remaining ultimate revenue as of the beginning of the current year. These costs are capitalized and amortized as part of the Film Library.

Deferred rent

The Company's lease agreement provides for scheduled rent increases during the lease term or for rental payments commencing at a date other than initial occupancy. Rent expense is recognized on a straight-line basis over the term of the respective lease. The Company received a tenant improvement allowance as a lease incentive. Tenant allowance represents landlord contributions to the construction costs of building out the related leased property. Total construction costs are capitalized as equipment and improvements and the landlord construction allowance is recorded as a lease incentive, a component of deferred rent, which is amortized as a reduction of rent expense over the lease term.

Subsequent events

The Company has evaluated subsequent events through October 27, 2016, which is the date the consolidated financial statements were available to be issued.

Note 3 - Going concern

As shown in the accompanying consolidated financial statements, the Company has a members' deficiency of $16,000,757 as of December 31, 2015 and, as of that date, the Company's current liabilities exceeded its current assets by $39,560,807. Those factors, as well as the uncertain conditions that the Company faces regarding its loan agreements (as discussed in Note 5), create an uncertainty about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on acceptance of the Company's financial plan by the Company's bank creditors, private investment fund and the Company's President. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4 - Equipment and improvements

Equipment and improvements are comprised of the following:

	2015	2014
Furniture and fixtures	$ 89,847	$ 81,690
Computer equipment	566,929	502,996
Leasehold improvements	354,713	171,052
	1,011,489	755,738
Less accumulated depreciation and amortization	754,593	646,318
Totals	$ 256,896	$ 109,420

Note 5 - Notes payable - revolving credit facility and investment agreement

In July 2004, the Company entered into certain Accounts Financing and Security Agreements with a bank group (the "Credit Agreement"), a private investment fund, and the Company's President (the "Investment Agreement").

The Credit Agreement as amended on January 27, 2014 (and from time to time as required) provides for a line of credit of up to $18,000,000 based on eligible collateral, as defined, and expires on April 29, 2016. On May 17, 2016, The Company executed a Forbearance Agreement with the bank group which expired on August 1, 2016 and has been subsequently renewed through October 31, 2016. The line of credit has been subsequently reduced per the provisions of the Forbearance Agreement and is currently $16,900,000 as of July 1, 2016 and will be further reduced to the amounts per the following schedule:

$16,750,000 as of August 31, 2016
$16,550,000 as of September 30, 2016
$16,250,000 as of October 30, 2016

Interest is payable on this line of credit on the last day of each quarter and at the expiration of the LIBOR notes. The Company's interest rate is the greater of 5.00% (4.5% if certain objectives are met) or applicable margin of 3.25% over Alternate Base Rate Loans (Prime), and 4.25% over Eurodollar Loans (LIBOR). The balance outstanding at December 31, 2015 and 2014 is $16,100,823 and $15,584,137, respectively. For the years ended December 31, 2015 and 2014, the weighted average interest rate was 5.2% and 5.1%, respectively. Interest expense for the years ended December 31, 2015 and 2014 was $826,345 and $780,696, respectively.

The Investment Agreement provides for long-term convertible notes of $15,000,000 ($1,000,000 of which was purchased by the Company's President) secured with a subordinated interest to the Credit Agreement, by eligible collateral, as defined, and expires on November 1, 2016. Effective January 1, 2012, the notes and all unpaid interest bear interest at 1.17% per annum. At the option of the Company, interest shall either be payable in cash, or accrue to the extent not paid. On January 2, 2014, the Investment Agreement was amended to provide for a reduction in indebtedness of $8,400,000 and the removal of the contingent interest provision as well as a change in the conversion provision that increased the amount of Special Class A Common Units to represent approximately 74% of the fully diluted ownership in the Company. Accrued interest payable as of December 2015 and 2014 is $11,664,463 and $11,351,865, respectively. Upon maturity of the notes, the holders may require the Company to purchase, whether converted or not, either the Special Class A Common Units or pay their equivalent value if unconverted. Interest expense for the years ended December 31, 2015 and 2014 was $312,599 and $308,934, respectively.

In the event of a sale transaction, an initial public offering or the refinancing of the revolving credit facility, in which the Company realizes proceeds in excess of the revolving credit facility, the excess proceeds would pay the principal balance plus accrued interest on the convertible notes.

Outstanding borrowings under the Credit and Investment Agreements are collateralized by substantially all of the Company's assets. Both the Credit Agreement and Investment Agreement contain certain restrictive covenants, which among other things, requires the Company to maintain specified maximum debt to EBITDA ratios and a minimum debt coverage ratio, both as defined.

Note 6 - Members' interest

The Company's membership interest consists of Class A Common Units.

In accordance with the Company's Amended and Restated Operating Agreement, the Company is obligated to make annual distributions to the members at the rate of 45% of the Company's taxable income.

Holders of Class A Common Units are entitled to one vote for each unit held. Holders of Class A Common Units are not entitled to any distributions, except for tax reimbursement distributions, until the holders of the note payable - convertible debt and notes payable - revolving credit facility are repaid.

Note 7 - Commitments

Lease

The Company leases its office facilities under a lease agreement that expires on February 28, 2020. Future minimum lease payments (secured by a standby letter of credit from a bank) in each of the five years subsequent to fiscal 2015 are as follows:

2016	$ 372,000
2017	399,000
2018	408,000
2019	417,000
2020	71,000
Total	$1,667,000

Rent expense was approximately $423,000 and $438,000 for the years ended December 31, 2015 and 2014, respectively.

Note 8 - Contingencies

The Company is involved in certain disputes arising under the normal course of its business. In the opinion of management, the outcome of these matters will not have a material effect on the Company's consolidated financial position, cash flows or results of operations.

The Company is contingently liable for a standby letter of credit in connection with a certain lease agreement (see Note 7) in the amount of $129,986 as of December 31, 2015.

EXHIBIT 99.3

Screen Media Ventures, LLC and Subsidiaries
New York City, New York
Contents

	Page Number
Financial Statements	
Condensed Consolidated Balance Sheets at September 30, 2017 (unaudited) and December 31, 2016	2
Unaudited Condensed Consolidated Statements of Operations and Members' Deficiency for the nine months ended September 30, 2017 and 2016	3
Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 and 2016	4
Notes to Unaudited Condensed Consolidated Financial Statements	5- 12

Screen Media Ventures, LLC and Subsidiaries
Condensed Consolidated Balance Sheets

	September 30, 2017 (unaudited)	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	$ 297,969	$ 2,097
Accounts receivable, net	2,262,560	3,080,037
Inventory	431,138	395,140
Prepaid expenses	235,464	286,476
Total current assets	3,227,131	3,763,750
Fixed Assets		
Equipment and improvements, net	184,644	244,011
Other Assets		
Accounts receivable, noncurrent	467,313	247,128
Film library, net	23,596,658	23,099,883
Website and other development costs, net	733,279	1,138,071
Total other assets	24,797,250	24,485,082
Total assets	$ 28,209,025	$ 28,492,843
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,258,127	$ 908,842
Customer deposits	247,245	220,109
Accrued participation costs, current	443,514	410,479
Film library acquisition obligations	853,600	678,100
Revolving credit facility, net of deferred financing costs of $341,445 and $220,995, respectively	13,246,300	13,447,740
Notes payable, convertible debt	14,000,000	14,000,000
Accrued interest on convertible debt	11,422,256	11,182,861
Total current liabilities	41,471,042	40,848,131
Noncurrent Liabilities		
Deferred rent	160,917	195,947
Accrued participation costs	1,774,052	1,641,916
Total noncurrent liabilities	1,934,969	1,837,863
Commitments and contingencies		
Members' deficiency	(15,196,986)	(14,193,151)
Total liabilities and members' deficit	$ 28,209,025	$ 28,492,843

See accompanying notes to unaudited condensed consolidated financial statements

Screen Media Ventures, LLC and Subsidiaries
Condensed Consolidated Statements of Operations and Members' Deficiency
(unaudited)

	Nine Months Ended September 30,	
	2017	**2016**
Revenue:		
Video revenue	$ 1,255,477	$ 2,341,026
Film revenue	6,776,283	10,065,364
Total revenues	8,031,760	12,406,390
Less: returns and allowances	(596,990)	(1,087,630)
Net revenue	7,434,770	11,318,760
Cost of revenue		
Amortization of film library	2,003,540	2,835,967
Video and film distribution costs	1,275,710	1,678,643
Total cost of revenue	3,279,250	4,514,610
Gross profit	4,155,520	6,804,150
Operating expenses:		
Selling, payroll and employee benefits	1,915,045	2,301,659
Bad debt expense	204,093	434,558
Other selling, general and administrative expenses	1,290,190	1,450,160
Total operating expenses	3,409,328	4,186,377
Income from operations before depreciation and amortization	746,192	2,617,773
Depreciation and amortization	489,261	611,460
Income from operations	256,931	2,006,313
Other expenses		
Interest expense	(1,241,944)	(999,329)
Loss on sale of accounts receivable	(1,190)	-
Total other expenses	(1,243,134)	(999,329)
Net (loss) income	(986,203)	1,006,984
Members' deficiency - beginning	(14,193,151)	(16,000,757)
Members' draws	(17,632)	(9,159)
Members' deficiency - ending	$ (15,196,986)	$ (15,002,932)

See accompanying notes to unaudited condensed consolidated financial statements.

Screen Media Ventures, LLC and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Nine Months Ended September 30,	
	2017	**2016**
Cash flows from Operating Activities:		
Net (loss) income	$ (986,203)	$ 1,006,984
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	489,261	611,460
Amortization of film library	2,003,541	2,835,967
Amortization of deferred financing costs	275,419	80,930
Bad debt expense	466,842	434,556
Loss on sale of accounts receivable	1,190	-
Changes in operating assets and liabilities:		
Trade accounts receivable	129,259	(403,815)
Prepaid expenses	36,408	43,606
Inventory	(21,394)	(33,357)
Film library	(2,324,816)	(4,792,271)
Accounts payable and accrued expenses	615,814	711,216
Deferred rent	(35,030)	5,839
Accrued participation costs	165,172	(221,235)
Net cash provided by operating activities	815,463	279,880
Cash flows from Investing Activities:		
Purchase of property, plant and equipment	(12,743)	(80,264)
Website development costs	(12,358)	(179,630)
Net cash used in investing activities	(25,101)	(259,894)
Cash flows from Financing Activities:		
Members' draws	(17,632)	(9,159)
Proceeds from revolving credit facility	6,656,611	10,398,687
Repayments of revolving credit facility	(6,737,599)	(10,316,334)
Payment of deferred financing cost	(395,870)	(150,097)
Net cash used in financing activities	(494,490)	(76,903)
Net increase (decrease) in cash and cash equivalents	295,872	(56,917)
Cash and cash equivalents at beginning of period	2,097	126,822
Cash and cash equivalents at end of the period	$ 297,969	$ 69,905
Supplemental data:		
Interest paid in cash	$ 549,436	$ 654,821

See accompanying notes to the unaudited condensed consolidated financial statements.

Note 1 – The Company, Description of Business and Sale of the Company

Screen Media Ventures, LLC and Subsidiaries (the "Company"), is a limited liability company formed in Delaware on May 28, 1999. The Company acquires, markets, promotes and distributes feature length motion picture film rights to television broadcast stations, networks and other parties throughout the United States and in other countries around the world. The Company also distributes films in DVD formats to the retail and rental markets, releases films theatrically throughout the United States and distributes films into various digital delivery systems and video on demand ("VOD") platforms.

As discussed in Note 9 – "*Subsequent Events*", on November 3, 2017, Chicken Soup for the Soul Entertainment, Inc. ("CSS Entertainment") entered into an Agreement and Plan of Merger with the Company, whereby CSS Entertainment acquired all of the outstanding equity ownership interests of the Company.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The condensed consolidated balance sheet as of December 31, 2016 included herein was derived from the audited financial statements as of that date, but does not include all disclosures, including notes, required by GAAP.

The unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company at September 30, 2017, and the results of its operations for the nine months ended September 30, 2017 and 2016. The results of operations of any interim period are not necessarily indicative of the results of operations to be expected for the full fiscal year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's audited financial statements for the years ended December 31, 2016, 2015 and 2014.

Going Concern

The accompanying condensed consolidated unaudited financial statements have been prepared assuming that the Company continues as a going concern. The Company's independent auditors and their reports thereon, raised substantial doubt about its ability to continue as a going concern. This resulted primarily due to the Company's inability to obtain extensions on their notes payable that were due on October 31, 2017, and the Company's working capital deficit as of December 31, 2016. The condensed consolidated unaudited financial statements do not include any adjustments that may have resulted from the outcome of these uncertainties. However, as described in Note 9 – "*Subsequent Events*", on November 3, 2017, CSS Entertainment acquired all of the outstanding equity ownership interests of the Company. Furthermore, as of the closing of the acquisition, the notes payable described above were terminated and security interests were released, and as a result, the Company had no indebtedness for borrowed money.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting periods. Significant estimates inherent in the preparation of the accompanying consolidated financial statements include returns and allowances on DVD sales and management's forecast of anticipated revenues from distributing the motion picture rights of its film library in order to evaluate its ultimate recoverability. Management periodically reviews such estimates, which determine the amortization of the film library and it is reasonably possible that management's assessment of recoverability of individual films may change based on actual results and other factors. The reserve for returns and allowances related to DVD sales as of September 30, 2017 and 2016 was approximately $597,000 and $1,088,000, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less and consist primarily of money market funds. Such investments are stated at cost, which approximates fair value.

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1—Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2—Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Valuations based on unobservable inputs reflecting our own assumptions. These valuations require significant judgment and estimates.

At September 30, 2017 and December 31, 2016, the fair value of the Company's financial instruments including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, accrued participation costs and film library acquisition obligations, approximated their carrying value due to the relatively short-term nature of these instruments.

Accounts Receivable

Accounts receivable are stated at the amounts management expects to collect. An allowance for doubtful accounts is recorded based on a combination of historical experience, aging analysis and information on specific accounts. Account balances are written off against the allowance after all means of collections have been exhausted and the potential for recovery is considered remote. Accounts are considered past due or delinquent based on contractual terms and how recently payments have been received. Estimated losses resulting from uncollectible accounts are reported as bad debt expense in the condensed consolidated statements of operations. At September 30, 2017 and December 31, 2016, an allowance for uncollectible accounts was approximately $414,000 and $438,000, respectively.

For the nine months ended September 30, 2017 and for the year ended December 31, 2016, the Company had $262,750 and $0, respectively, of accounts receivable write offs.

Inventory

Inventory consists of DVD films held for resale to wholesale and retail customers. Inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method for all inventories. Market value is based on net realizable value. When the net realizable value falls below its cost, a provision for write-downs is recorded.

Fixed Assets

The company capitalizes all expenditures for property, plant and equipment in excess of $1,000 at cost. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and the remaining gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Depreciation for leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Website development costs

Website development costs are stated at historical cost and amortization is computed on a straight-line basis over the estimated life of five years from the date of implementation.

Film library

Film library represents the cost of acquiring film distribution rights and related acquisition cost and accrued participation cost. Film library is amortized using the individual-film-forecast-computation method. Film library is stated at the lower of unamortized cost or fair value.

Amortization is based upon management's best estimate of total future, or ultimate revenue. Amortization is adjusted when necessary to reflect increases or decreases in forecasted ultimate revenues. Ultimate revenues can include revenues for up to twenty years from the acquisition date for previously released films (ten years for a new release). The Company generally acquires distribution rights covering periods of ten or more years.

Film library acquisition obligations

Film library acquisition obligations represent liabilities incurred in connection with the acquisition of film libraries. Pursuant to the film distribution rights agreements, the company's right to distribute films may revert to the licensor in the event that the company is unable to satisfy its remaining financial obligations with respect to the acquisition of those distribution rights.

Deferred financing costs

Deferred financing costs of $341,995 are included as a reduction to the revolving credit facility liability. The amounts are being amortized over the remaining term of the loan. Accumulated amortization as of September 30, 2017 and December 31, 2016 was $5,340,474 and $5,065,054, respectively. Amortization expense of $275,419 and $80,930 for the nine months ended September 30, 2017 and 2016, respectively, was included as a component of interest expense.

Income Taxes

Pursuant to Section 701 of the Internal Revenue Code, the Company is treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits passed through to the members.

As such, no recognition of federal or state income taxes has been provided for in the accompanying financial statements. Provisions have been made for applicable local income taxes. An uncertain tax position taken by the member is not an uncertain position of the company.

A tax position must meet a minimum probability threshold before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The Company is subject to taxation in various jurisdictions. The Company is subject to examination by U.S. federal, state and local authorities for the years 2013 through 2016.

Long-Lived Assets

The Company evaluates the recoverability of long-lived assets whenever events or changes in circumstances indicate that a long-lived asset’s carrying amount may not be recoverable. Such circumstances could include, but are not limited to (1) a significant decrease in the market value of an asset, (2) a significant adverse change in the extent or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The Company measures the carrying value of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

Revenue Recognition

The Company generally licenses multi-film packages to its customers. Revenues from multi-film sales are allocated per title and recognized upon initial availability for exploitation by customers. Revenues from digital distribution and VOD platforms are recorded when revenue is reported by their respective platforms. The amounts of unrecognized revenues, prior to the initial availability of certain films, were approximately $1.1 million and $1.9 million as of September 30, 2017 and 2016, respectively.

Sales of DVD units are generally recorded upon their shipment to customers and provisions for future returns and allowances are established based upon historical experience.

Deferred rent

The Company's lease agreement provides for scheduled rent increases during the lease term or for rental payments commencing at a date other than initial occupancy. Rent expense is recognized on a straight-line basis over the term of the respective lease.

The Company received a tenant improvement allowance as a lease incentive. Tenant allowance represents landlord contributions to the construction costs of improving the related leased property. Total construction costs are capitalized as leasehold improvements, and the landlord construction allowance is recorded as a component of deferred rent which is amortized as a reduction of rent expense over the term lease.

Participation costs

The Company accrues for participation costs using the individual-film-forecast computation method, which accrues such costs in the same ratio that current period revenue bears to remaining ultimate revenue as of the beginning of the current year. These costs are capitalized and amortized as part of the film library.

Concentration of Credit Risk

The Company maintains cash balances at its bank. Accounts for each entity are insured by the Federal Deposit Insurance Corporation subject to certain limitations. At various times during the fiscal year, the Company's cash in bank balances exceeded the federally insured limits. The uninsured balance at September 30, 2017 and December 31, 2016 was $47,969 and $0, respectively.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash in bank, revenue and accounts receivable. Concentrations of credit risk with respect to accounts receivable and revenue are significant due to the small number of customers comprising the Company's customer base.

For the nine months ended September 30, 2017 and 2016, the Company generated 16% and 14%, respectively, of its revenue from foreign contracts. Contracts are entered into based upon an evaluation of customer's financial condition, and generally some advance payment is required. Additionally, one of the Company's subscription VOD customers accounted for approximately 9% and 16% of net revenues for the nine months ended September 30, 2017 and 2016, respectively.

For the nine months ended September 30, 2017, approximately 28% of the Company's total accounts receivable were due from foreign customers.

Note 3 – Equipment and Improvements

Equipment and improvements, net of depreciation, consists of the following:

	September 30, 2017	December 31, 2016
Furniture and fixtures	$ 114,710	$ 104,541
Computer equipment	595,036	592,462
Leasehold improvements	401,655	401,655
	1,111,401	1,098,658
Accumulated depreciation	(926,757)	(854,647)
Equipment and improvements, net	$ 184,644	$ 244,011

Depreciation expense was $72,110 for the nine months ended September 30, 2017 and $100,054 for the year ended December 31, 2016.

Note 4 – Film Library

Film library, net of amortization, consists of the following:

	September 30, 2017	December 31, 2016
Acquisition costs	120,444,906	117,944,590
Accumulated amortization	(96,848,248)	(94,844,707)
Film library, net	$ 23,596,658	$ 23,099,883

Amortization expense for the film library was $2,003,540 and $2,835,967 for the nine months ended September 30, 2017 and 2016, respectively.

Note 5 – Website Development Costs

Website development costs, net of amortization, consists of the following:

	September 30, 2017	December 31, 2016
Historical costs	3,715,400	3,703,042
Accumulated amortization	(2,982,121)	(2,564,971)
Website development costs, net	$ 733,279	$ 1,138,071

Amortization expense for the website development costs was $417,150 and $535,750 for the nine months ended September 30, 2017 and 2016, respectively.

Note 6 – Revolving Credit Facility and Notes Payable

Revolving Credit Facility

The Company had an available $13,950,000 revolving credit facility with a bank, $13,587,745 of which was outstanding as of September 30, 2017. The Company has executed a forbearance agreement with the bank which was due to expire on October 31, 2017, such date extended to November 3, 2017 to allow for the sale of the Company. As of the closing of the acquisition, the revolving credit facility was terminated and security interests related thereto were released, and as a result, the Company had no indebtedness under the revolving credit facility (Note 9).

Interest was payable on the revolving credit facility on the last day of each quarter and at the expiration of the LIBOR notes. The rate was the greater of 5% (4.5% if certain objectives are met) or applicable margin of 3.25% over Alternative Base Rate Loans (Prime), and 4.25% over Eurodollar Loans (LIBOR). During the forbearance period, the Company's option to borrow on LIBOR was eliminated.

Interest expense on the revolving credit facility for the nine months ended September 30, 2017 and 2016 was $727,130 and $680,952, respectively.

Notes Payable

The Company had also entered into an investment agreement which provided for convertible notes of $15,000,000 secured with a subordinated interest to the revolving credit facility agreement and was due to expire on December 31, 2017. The notes and all unpaid interest bore interest at a rate of 1.17%, and at the option of the Company, interest was to be paid in cash, or accrue to the extent not paid. Accrued interest payable as of September 30, 2017 and December 31, 2016 (before the equity conversion mentioned below) is $11,422,256 and $11,182,861, respectively. Upon maturity of the notes, the holders could have required the Company to purchase, whether converted or not, either Special Class A Common Units or pay their equivalent value if unconverted. As of the closing of the acquisition, the convertible notes were terminated and security interests related thereto were released, and as a result, the Company had no indebtedness with respect to the convertible notes (Note 9).

Interest expense on the notes for the nine months ended September 30, 2017 and 2016 was $239,395 and $237,447, respectively.

All borrowings under the revolving credit facility and the convertible notes were collateralized by substantially all of the Company's assets, prior to the sale of the Company.

Note 7 – Members' Capital

The Company's membership interests consist of Class A Common Units. On November 3, 2017, CSS Entertainment acquired all of the outstanding equity ownership interests of the Company (Note 9).

In accordance with the Company's amended and restated operating agreement, the Company was obligated to make annual distributions to the members at the rate of 45% of the Company's taxable income.

Holders of Class A Common Units were entitled to one vote for each unit held. They were not entitled to any distributions, except for tax reimbursement distributions, until the holders of the notes payable and the revolving credit facility were repaid in full.

Note 8 – Commitments and Contingencies

The Company leases its office facilities under the terms of a non-cancelable operating lease agreement that expires on February 28, 2020. Rent expense for the nine months ended September 30, 2017 and 2016 was $455,082 for each period. Future minimum lease payments under the operating lease agreement in excess of one year as of September 30, 2017 are as follows:

Year Ending December 31,	Amount
2017 (Oct - Dec)	$ 99,997
2018	408,025
2019	417,206
2020	71,043
	$ 996,271

In the normal course of business, the Company is subject to various legal claims by third parties. The Company establishes accruals for litigation when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Company does not establish accruals. As of September 30, 2017, the Company does not believe that its loss contingencies arising from pending litigation will have a material effect on the Company's financial position, cash flows or results of operations.

Note 9 – Subsequent Events

On November 3, 2017, CSS Entertainment, a Delaware corporation and publicly-traded company, entered into an Agreement and Plan of Merger (the "Agreement") with the Company and its wholly owned subsidiaries, whereby CSS Entertainment acquired all of the outstanding equity ownership interests of the Company for a total purchase price of $5,329,905. CSS Entertainment paid the purchase price using cash on hand and by issuing common stock warrants to purchase up to an aggregate of 50,000 shares of its Class A common stock at $12.00 per share to the former principal equity holder and chief executive officer of the Company (the "Former CEO"). Additionally, on January 2, 2018, CSS Entertainment issued 35,000 shares of its Class A common stock to the Former CEO.

Immediately prior to the execution of the Agreement, all subordinated indebtedness owed by the Company or any of its subsidiaries was transferred and assumed by an entity owned and controlled by the Former CEO of the Company, and all obligations owed by the Company with respect thereto were terminated, and the security interests related thereto were released. In addition, the majority of the purchase price paid pursuant to the Agreement was paid to the Company's banks in full satisfaction of all principal and interest owed by the Company under all loans to such banks, As a result of the foregoing transactions, the Company, as of the closing of the Agreement, had no indebtedness for borrowed money.

EXHIBIT 99.4

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMBINED FINANCIAL INFORMATION

Description of the transaction

On November 3, 2017, Chicken Soup for the Soul Entertainment, Inc., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger ("Agreement) with SMV Merger Sub, LLC, a Delaware limited liability company ("Merger Sub"), and Screen Media Ventures, LLC ("Screen Media"), its wholly owned subsidiary, whereby the Company acquired all of the outstanding equity ownership interests in Screen Media from Merger Sub for a total purchase price of $5,329,905. The Company paid the purchase price using cash on hand and by issuing Class Z warrants to purchase up to an aggregate of 50,000 shares of the Company's Class A common stock at $12.00 per share to the former principal equity holder and chief executive officer of Screen Media ("Mr. Kovacs"). Additionally, on January 2, 2018, the Company issued 35,000 shares of the Company's Class A common stock to Mr. Kovacs.

Basis of presentation

The Company accounted for the acquisition of Screen Media as a business combination as prescribed in Accounting Standards Codification 805, "*Business Combinations*" ("ASC 805"). In accordance with ASC 805, the Company applied the acquisition method of accounting. The acquisition method of accounting requires, among other things, that the assets acquired and the liabilities assumed in a business combination be measured at their fair values as of the closing date of the transaction.

The accompanying unaudited condensed consolidated combined balance sheet as of September 30, 2017 has been presented as if the acquisition of Screen Media had occurred on September 30, 2017.

The accompanying unaudited pro forma condensed consolidated combined statements of operations for the year ending December 31, 2016 and for the nine-month period ending September 30, 2017, are presented as if the acquisition of Screen Media had occurred on January 1, 2016.

These unaudited pro forma condensed consolidated combined statements should be read in connection with (1) the Company's audited consolidated financial statements on Form 1-A POS for the year ended December 31, 2016 and the notes thereto, filed with the U.S. Securities and Exchange Commission, (2) the Company's unaudited condensed consolidated financial statements on Form 10-Q for the period ended September 30, 2017 and the notes thereto, filed with the U.S. Securities and Exchange Commission, (3) the audited consolidated financial statements of Screen Media for the years ended December 31, 2016, 2015 and 2014 and the notes thereto, included as Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K/A, and (4) the unaudited condensed consolidated financial statements of Screen Media for the nine months ended September 30, 2017 and 2016 and the notes thereto, included as Exhibit 99.3 to this Current Report on Form 8-K/A.

In management's opinion, all adjustments necessary to reflect the significant effects of these transactions have been made. These consolidated financial statements are based on assumptions and estimates considered appropriate by our management; however, they are unaudited and are not necessarily, and should not be assumed to be, an indication of our financial position or results of operations that would have been achieved had the acquisitions been completed as of the dates indicated or that may be achieved in the future. The unaudited pro forma condensed consolidated combined statements of operations do not include the effects of any cost savings that may result from operating efficiencies as a result of this transaction. The historical financial information has been adjusted in the accompanying unaudited pro forma condensed consolidated combined financial statements to give effect to pro forma events that are (1) directly attributable to the transaction, (2) factually supportable and (3) with respect to the unaudited pro forma condensed consolidated combined statements of operations, are expected to have a continuing impact on the combined results.

The Company prepared the unaudited pro forma condensed consolidated combined financial information pursuant to Regulation S-X Article 11 of the Securities Exchange Act of 1934. Accordingly, our cost to acquire Screen Media of approximately $5.3 million has been allocated to the assets acquired and liabilities assumed according to their fair values at the date of acquisition, as determined by an independent, third party valuation. The excess of the fair value of the net assets acquired over the purchase price paid has been recorded as gain on bargain purchase in the accompanying unaudited pro forma condensed consolidated balance sheet. The preliminary fair values are reflected in the accompanying unaudited pro forma condensed consolidated combined financial information to understand the impact of this transaction to our financial results. As permitted, the final determination of these fair values will be completed as soon as possible but no later than one year from the acquisition date to record any updates in fair value amounts included herein that may arise. Although the final determination may result in asset and liability fair values that are different than the preliminary estimates of these amounts included herein, it is not expected that those differences will be material to an understanding of the impact of this transaction to our financial results.

Chicken Soup for the Soul Entertainment, Inc.
Pro Forma Condensed Consolidated Combined Balance Sheet
September 30, 2017
(unaudited)

	CSS Entertainment	Screen Media (1)	Pro Forma Adjustments		Pro Forma Combined
ASSETS					
Cash and cash equivalents	$ 10,076,573	$ 297,969	$ (5,522,855)	**(A)**	$ 4,851,687
Accounts receivable, net	1,180,173	2,729,873	-		3,910,046
Prepaid expenses	1,410,357	235,464	(1,376,667)	**(B)**	269,154
Intangible asset - video content license	5,000,000	-	-		5,000,000
Prepaid distribution fees	2,062,852	-	-		2,062,852
Popcornflix film rights and other assets	-	733,279	7,592,283	**(C)**	8,325,562
SMV Film library, net	-	23,596,658	(3,982,615)	**(D)**	19,614,043
Due from affiliated companies	5,043,973	-	-		5,043,973
Programming costs, net	8,599,082	-	-		8,599,082
Other assets, net	-	615,782	(157,845)	**(E)**	457,937
Total assets	$ 33,373,010	$ 28,209,025	$ (3,447,699)		$ 58,134,336
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	$ 566,883	$ 1,258,128	$ (195,986)	**(F)**	$ 1,629,025
Income taxes payable	99,000	-	(87,000)	**(I)**	12,000
Accrued programming costs	1,562,520	-	-		1,562,520
Film library acquisition obligations	-	853,600	-		853,600
Revolving credit facility, net	-	13,246,300	(13,246,300)	**(G)**	-
Notes payable - convertible debt	-	14,000,000	(14,000,000)	**(G)**	-
Accrued interest on convertible debt	-	11,422,256	(11,422,256)	**(G)**	-
Accrued participation costs	-	2,217,565	-		2,217,565
Other liabilities	-	408,162	(160,917)	**(H)**	247,245
Deferred tax liability, net	201,000	-	(138,000)	**(I)**	63,000
Deferred revenue	1,052,500	-	-		1,052,500
Total liabilities	3,481,903	43,406,011	(39,250,459)		7,637,455
Commitments and contingencies					
Stockholders' equity					
Preferred stock	-	-	-		-
Class A common stock	350	-	3	**(J)**	353
Class B common stock	807	-	-		807
Membership units	-	(11,366,666)	11,366,666	**(J)**	-
Additional paid-in capital	31,696,017	-	424,547	**(J)**	32,120,564
Accumulated (deficit) earnings	(1,806,067)	(3,830,320)	24,011,544	**(J)**	18,375,157
Total stockholders' equity	29,891,107	(15,196,986)	35,802,760		50,496,881
Total liabilities and stockholders' equity	$ 33,373,010	$ 28,209,025	$ (3,447,699)		$ 58,134,336

(1) Certain reclassifications were made to conform to CSS Entertainments' financial statement presentation.

See accompanying notes to pro forma unaudited condensed consolidated combined financial statements.

Chicken Soup for the Soul Entertainment, Inc.
Pro Forma Condensed Consolidated Combined Statement of Operations
For the year ended December 31, 2016
(unaudited)

	CSS Entertainment	Screen Media (1)	Pro Forma Adjustments		Pro Forma Combined
Revenue, net	$ 8,118,632	$ 13,537,650	$ -		$ 21,656,282
Cost of revenue	3,155,668	5,673,077	-		8,828,745
Gross profit	4,962,964	7,864,573	-		12,827,537
Operating expenses:					
Selling, general and administrative	2,370,912	6,483,771	(66,423)	**(K)**	8,788,260
Management and license fees	811,863	-	1,353,765	**(L)**	2,165,628
Acquisition costs			2,231,923	**(M)**	2,231,923
Total operating expenses	3,182,775	6,483,771	3,519,265		13,185,811
Operating income (loss)	1,780,189	1,380,802	(3,519,265)		(358,274)
Interest income	13	-	-		13
Interest expense	(560,069)	(1,359,788)	1,359,788	**(N)**	(560,069)
Income (loss) before income taxes	1,220,133	21,014	(2,159,477)		(918,330)
Provision for (benefit from) income taxes	439,000	-	(355,000)	**(O)**	84,000
Net income (loss)	$ 781,133	$ 21,014	$ (1,804,477)		$ (1,002,330)
Net income (loss) per common share:					
Basic net income (loss) per common share	$ 0.09	$ -	$ -		$ (0.11)
Diluted net income (loss) per common share	$ 0.09	$ -	$ -		$ (0.11)
Weighted average basic shares outstanding	8,835,930	-	35,000	**(P)**	8,870,930
Weighted average diluted shares outstanding	8,996,636	-	35,000	**(P)**	9,031,636

(1) Certain reclassifications were made to conform to CSS Entertainments' financial statement presentation.

See accompanying notes to pro forma unaudited condensed consolidated combined financial statements.

Chicken Soup for the Soul Entertainment, Inc.
Pro Forma Condensed Consolidated Combined Statement of Operations
For the nine months ended September 30, 2017
(unaudited)

	CSS Entertainment	Screen Media (1)	Pro Forma Adjustments		Pro Forma Combined
Revenue, net	$ 2,258,281	$ 7,434,770	$ -		$ 9,693,051
Cost of revenue	794,923	3,279,250	-		4,074,173
Gross profit	1,463,358	4,155,520	-		5,618,878
Operating expenses:					
Selling, general and administrative	1,505,589	3,899,779	(79,048)	**(Q)**	5,326,320
Management and license fees	225,828	-	743,477	**(R)**	969,305
Acquisition costs	-	-	2,208,590	**(S)**	2,208,590
Total operating expenses	1,731,417	3,899,779	2,873,019		8,504,215
Operating (loss) income	(268,059)	255,741	(2,873,019)		(2,885,337)
Interest income	2,568	-	-		2,568
Interest expense	(1,176,580)	(1,241,944)	1,241,944	**(T)**	(1,176,580)
Loss before income taxes	(1,442,071)	(986,203)	(1,631,075)		(4,059,349)
Benefit from income taxes	(87,000)	-	(225,000)	**(U)**	(312,000)
Net loss	$ (1,355,071)	$ (986,203)	$ (1,406,075)		$ (3,747,349)
Net loss per common share:					
Basic and diluted net loss per common share	$ (0.14)	$ -	$ -		$ (0.39)
Weighted average basic and diluted shares outstanding	9,549,413	-	35,000	**(V)**	9,584,413

(1) Certain reclassifications were made to conform to CSS Entertainments' financial statement presentation.

See accompanying notes to pro forma unaudited condensed consolidated combined financial statements

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMBINED FINANCIAL STATEMENTS

Note 1 – Description of Transaction

On November 3, 2017, Chicken Soup for the Soul Entertainment, Inc., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger ("Agreement) with SMV Merger Sub, LLC, a Delaware limited liability company ("Merger Sub"), and Screen Media Ventures, LLC ("Screen Media"), its wholly owned subsidiary, whereby the Company acquired all of the outstanding equity ownership interests in Screen Media from Merger Sub for a purchase price of $5,329,905. The Company paid the purchase price with cash and by issuing Class Z warrants to purchase up to an aggregate of 50,000 shares of the Company's Class A common stock at $12.00 per share to the former principal equity holder and chief executive officer of Screen Media ("Mr. Kovacs"). Additionally, on January 2, 2018, the Company issued 35,000 shares of the Company's Class A common stock to Mr. Kovacs.

Note 2 – Basis of Presentation and Purchase Price Allocation

These pro forma financial statements were prepared using the purchase method of accounting in accordance with Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 805, Business Combinations, and using the fair value concepts defined in ASC 820, Fair Value Measurements and Disclosures. Certain reclassifications have been made to the historical financial statements of Screen Media to conform to the Company's presentation. Under the purchase method of accounting, the total consideration transferred will be allocated to Screen Media assets acquired and liabilities assumed based on the estimated fair value of Screen Media tangible and intangible assets and liabilities as of the beginning of business on November 3, 2017. The excess of the net tangible and intangible assets over total consideration paid, approximately $22.2 million, is recorded as gain on bargain purchase.

The total consideration of $5,329,905 that was transferred to acquire Screen Media is comprised of $4,905,355 in cash, $281,050 fair value of the Company's Class A common stock (measured on the acquisition date) and $143,500 fair value of the Class Z warrants issued. The equity consideration is calculated based on 35,000 shares of the Company's Class A common stock issued at a closing stock price on November 3, 2017 of $8.03 per share. The equity warrants consideration is calculated based on Class Z warrants exercisable to purchase up to an aggregate of 50,000 shares of the Company's Class A common stock at $12.00 per share at a fair value price per warrant of $2.87.

The Company has made an allocation of the total purchase price consideration based on fair valuation of net assets acquired from Screen Media as of November 3, 2017 as follows:

Purchase Price Consideration Allocation:

Cash consideration	$ 4,905,355
Equity consideration - Class A common stock	281,050
Equity consideration - Class Z warrants	143,500
Purchase price consideration	**5,329,905**
Less: cash acquired	(221,541)
Total purchase consideration, less cash acquired	**$ 5,108,364**

Purchase price consideration allocated to fair value of net assets acquired:

Accounts receivable, net	$ 2,605,654
Prepaid expenses	175,719
Video inventory	330,478
Property and equipment, net	123,115
Popcornflix film rights and other assets	8,325,562
SMV Film library, net	19,614,043
Assets acquired	**31,147,571**
Accounts payable and accrued expenses	(774,349)
Customer deposits	(210,846)
Accrued participations payable	(2,137,983)
Film obligations	(723,600)
Liabilities assumed	**(3,846,778)**
Gain on bargain purchase	(22,219,429)
Total purchase consideration, less cash acquired	**$ 5,108,364**

As the gain on bargain purchase is a material nonrecurring charge, it has been excluded from the pro forma condensed combined statement of operations for the year ended December 31, 2016 and for the nine months ended September 30, 2017.

The Company paid the cash portion of the total consideration using cash on hand. The Company paid transaction related fees and expenses of approximately $2.2 million for the acquisition, including legal fees, accounting fees and investment advisory fees, of which $617,500 was paid on closing date of the acquisition. The transaction related fees and expenses have been included in the pro forma adjustments on the September 30, 2017 Pro Forma Condensed Consolidated Combined Balance Sheet and the Pro Forma Condensed Consolidated Combined Statement of Operations for the year ended December 31, 2016 and for the nine months ended September 30, 2017.

The preliminary estimates of fair values are reflected in the accompanying unaudited pro forma condensed consolidated combined financial information to understand the impact of this transaction to our financial results. As permitted, the final determination of these fair values will be completed as soon as possible but no later than one year from the acquisition date to record any updates in fair value amounts included herein that may arise. Although the final determination may result in asset and liability fair values that are different than the preliminary estimates of these amounts included herein, it is not expected that those differences will be material to an understanding of the impact of this transaction to our financial results**.**

Note 3 – Unaudited Pro Forma Condensed Consolidated Combined Balance Sheet Adjustments

Adjustments included in the column under the heading "Pro Forma Adjustments" in the Unaudited Pro Forma Condensed Consolidated Combined Balance Sheet consists of the following:

(A)	To reflect the cash consideration for the acquisition and transaction related costs paid at closing	$	(5,522,855)
(B)	To expense investment advisory fees related to the acquisition	$	(1,376,667)
(C)	To fully amortize the book value of certain development costs	$	(8,577)
	To adjust Popcornflix film rights and other assets to fair value		7,592,283
	Total adjustments to Popcornflix and other development costs	$	7,583,706
(D)	To adjust the SMV Film library to fair value	$	(3,982,615)
(E)	To adjust the value of video inventory and fixed assets to fair value	$	(157,845)
(F)	To reverse bonus amount accrued to former CEO of Screen Media	$	(249,998)
	To reverse interest accrual on Screen Media's Senior Secured Facility		(260,411)
	To accrue for unpaid transaction related costs		214,423
	To adjust for unpaid salary due to current President of Screen Media		100,000
	Total adjustments to accounts payable and accrued expense	$	(195,986)
(G)	To reverse Screen Media's Mezzanine Facility eliminated at closing	$	(14,000,000)
	To reverse Screen Media's Mezzanine Facility interest payable, eliminated at closing		(11,422,256)
	To reverse Screen Media's Senior Secured Facility eliminated at closing		(13,246,300)
	Total adjustments to long term debt	$	(38,668,556)
(H)	To eliminate the deferred rent liability	$	(160,917)
(I)	To record the effect of pro forma adjustments on income taxes - deferred benefit	$	(225,000)
	Reclass of deferred taxes payable		87,000
	Total adjustments to deferred taxes payable		(138,000)
	Reclass of current taxes payable	$	(87,000)
(J)	To record par value of 35,000 shares issued as part consideration for the acquisition	$	3
	To eliminate Screen Media's membership units deficit		11,366,666
	To record additional paid in capital for the 35,000 shares issued as part consideration for the acquisition		424,547
	To eliminate Screen Media's accumulated deficit		3,961,695
	To record estimated acquisition costs related to the acquisition		(2,208,590)
	To record gain on bargain purchase related to the acquisition		21,587,299
	To fully amortize the book value of certain development costs		(8,577)
	To reverse salary expense of former CEO of Screen Media		206,250
	To expense consulting agreement with former CEO of Screen Media		(150,000)
	To expense salary payable to Screen Media's current President		(100,000)
	To record management and license fees due to Chicken Soup for the Soul, LLC		(743,477)
	To record the effect of pro forma adjustments on income taxes		225,000
	To reverse interest expense on long term debt incurred by Screen Media		1,241,944
	Total adjustments to stockholders' equity	$	35,802,760

Note 4 – Unaudited Pro Forma Condensed Consolidated Combined Statement of Operations Adjustments for the Year Ended December 31, 2016

Adjustments included in the column under the heading "Pro Forma Adjustments" in the Unaudited Condensed Consolidated Combined Statement of Operations for the year ended December 31, 2016 consists of the following:

(K)	To fully amortize the book value of certain development costs	$	8,577
	To reverse salary expense of former CEO of Screen Media		(275,000)
	To expense consulting agreement with former CEO of Screen Media		200,000
	Total adjustments to selling, general and administrative expenses	$	(66,423)
(L)	To record management and license fees due to Chicken Soup for the Soul, LLC	$	1,353,765
(M)	To record estimated acquisition costs related to the acquisition	$	2,231,923
(N)	To reverse interest expense on long term debt incurred by Screen Media	$	(1,359,788)
(O)	To record the effect of pro forma adjustments on income taxes	$	(355,000)
(P)	Represents the shares issued as part consideration for the acquisition to the former CEO of Screen Media. The Class Z warrants are excluded as they are anti-dilutive to net loss per share		35,000

Note 5 – Unaudited Pro Forma Condensed Consolidated Combined Statements of Operations Adjustments for the Nine Months Ended September 30, 2017

Adjustments included in the column under the heading "Pro Forma Adjustments" in the Unaudited Condensed Consolidated Combined Statement of Operations for the nine months ended September 30, 2017 consists of the following:

(Q)	To fully amortize the book value of certain development costs	$	8,577
	To reverse Echo Bridge AR already reflected in prior period allowance		(131,375)
	To reverse salary expense of former CEO of Screen Media		(206,250)
	To expense salary payable to Screen Media's current President		100,000
	To expense consulting agreement with former CEO of Screen Media		150,000
	Total adjustments to selling, general and administrative expenses	$	(79,048)
(R)	To record management and license fees due to Chicken Soup for the Soul, LLC	$	743,477
(S)	To record estimated acquisition costs related to the acquisition	$	2,208,590
(T)	To reverse interest expense on long term debt incurred by Screen Media	$	(1,241,944)
(U)	To record the effect of pro forma adjustments on income taxes	$	(225,000)
(V)	Represents the shares issued as part consideration for the acquisition to the former CEO of Screen Media. The Class Z warrants are excluded as they are anti-dilutive to net loss per share		35,000