

## Facts & Figures

<http://www.chickensoup.com/about/facts-and-figures>

- The Chicken Soup for the Soul book series of over 250 titles has sold more than 110 million copies in the U.S. and Canada.
- Chicken Soup for the Soul books have been translated into 43 languages, have been published in over 100 countries, and have sold more than 500 million copies worldwide.
- Retail sales of Chicken Soup for the Soul-branded products exceed \$100 million per year in the U.S. and Canada.
- Total worldwide retail sales of Chicken Soup for the Soul-branded products have exceeded \$2 billion.
- Chicken Soup for the Soul is one of the world's best-known brands. In the U.S., according to a Harris Poll, 88.7% of the public recognizes Chicken Soup for the Soul.
- Chicken Soup for the Soul receives hundreds of millions of monthly media impressions as a result of 5 weekly columns syndicated to newspapers by King Features, a radio network of over 200 radio stations covering over 65% of the United States, a blog network with over 9.5 million monthly unique visitors and press coverage.
- Chicken Soup for the Soul puzzle books from licensee Kappa Books have sold more than 5 million units.
- In 2004, Chicken Soup for the Soul launched a wholesome and balanced pet food, Chicken Soup for the Pet Lover's Soul, which today can be found in over 5,000 independent pet specialty stores throughout the U.S. and Canada.
- In 2007, USA Today named Chicken Soup for the Soul one of the five most impactful books of the past 25 years.
- In 2008, Chicken Soup for the Soul became the best-selling trade paperback series of all time.
- In 2008, Chicken Soup for the Soul began distributing its books in the U.S. and Canada through Simon & Schuster.
- Since 2009, the number of stores selling Chicken Soup for the Soul books has expanded from 9,000 to over 30,000.
- In 2013 Kerner Entertainment and Alcon Entertainment agreed to produce a major motion picture based on Chicken Soup for the Soul.

## CSSE (Chicken Soup for the Soul Entertainment), inc going public:

Chicken Soup for the Soul Entertainment, Inc., a video offering from the feel-good book brand, launched its mini-IPO Monday, which will allow the average person to buy stock in the company. The company is planning to use the mini-IPO to offer shares to everyday investors before listing on the Nasdaq, with future growth propelled by its large fan base and, in part, actor Ashton Kutcher.

The company is offering 900,000 shares of class A common stock, which includes up to 258,017 that can be sold by some of its existing stockholders, to raise up to \$30 million with a \$12 issue price.

Once that offering closes, the plan is for the stock to trade on the Nasdaq Global Market under the symbol “CSSE.”

Under its Regulation A+ offering, which went into effect in 2015, anyone 18 or older can buy shares in the company. Typically these offerings set a limit for non-accredited investors, meaning those who do not have a net worth of \$1 million, so that they cannot invest more than 10% of their annual income or net worth, depending on which amount is greater. Because CSS Entertainment expects to list directly on the Nasdaq, that limit is not in place.

Unlike traditional IPOs, offerings under the JOBS Act, such as mini-IPOs, have the advantage of being able to market the offering to the public and even determine interest before launching the offering.

For example, Bobby Flay’s restaurant, Bobby’s Burger Palace, [announced its intention to launch a \\$15 million Regulation A+ offering Monday](#). The offering is not yet available for investment but anyone able to invest a \$600 minimum can indicate interest in the offering. The potential downside for investors comes as companies do not have to have to disclose as much information. The filing touches on most of the same subject areas, including two years of financials, but the overall information is “truncated,” said Gary Ross, managing attorney at Jackson Ross PLLC.

CSS Entertainment will have to file quarterly reports as a Nasdaq-listed company.

Still, he adds that even first-time investors should be able to read a company’s filing and determine its viability by how much information is given.

“If it’s just a couple of kids in a dorm room with just an idea it would be hard to come up with a lot of disclosure,” Ross said.

He added that Reg A+ offerings generally appeal to mid-stage companies that already have revenue, while regulation crowdfunding, in which anyone can buy equity in a company through online portals and without an SEC registration statement, appeal to early-stage companies.

Chicken Soup for the Soul Entertainment came out of the Chicken Soup brand, which was popularized by a book series that has more than 250 published titles, and had more than 2.6 million Facebook fans as of March 2017. CSS is focused on video content, which includes long-form programs “Hidden Heroes” and “Project Dad,” as well shorter videos.

The company chose to do a Regulation A+ offering because of its large fan base, and the fact that it is hard for individual investors to buy stock in a traditional offering, said William Rouhana Jr., chief executive of CSS Entertainment and CEO of Chicken Soup for the Soul. “We’re hoping that this is a pathway that levels the playing field to some extent,” Rouhana said in an interview with MarketWatch.

The Chicken Soup brand also includes a pet food company, but Rouhana said this is likely the only Chicken Soup brand that will go public, because it’s a fast-growth business compared to the others.

CSS inked an exclusive deal with A Sharp Inc. in 2016, which gives the company the rights to distribute A Plus content and “access to A Plus’ celebrity influencers,” including the company’s co-founder Ashton Kutcher, as well as Britney Spears, Lil Wayne and George Takei. That company is majority-owned by an affiliate of CSS Entertainment.

In June, Kutcher signed a three-year deal to work as an executive producer on two of CSS’s future television series, which includes “significant profit participation.” He also has holdings in

the company, with an undisclosed amount of Class A stock and warrants to buy more shares.

CSS Entertainment launched its own network in March, in which users will either subscribe to the service, pay a fee or watch some videos that are supported by advertising.

Rouhana said he believes the company's growth will come from a combination of its TV offerings and its online content.

"We believe that increasing consumer demand for hopeful and enduring real-life stories will continue to drive our growth," the company said in its filing.

The company swung to a profit of \$781,000 in 2016, from a loss of \$753,463 in 2015, with the majority of its revenue coming from its television offerings. It posted revenue of \$8.1 million, up from \$1.5 million the previous year. As it stands, the company generates most of its money in the fourth-quarter of its fiscal year, which likely will not change until it diversifies its video offerings.

Shareholders will not have much of a say in the company, as Rouhana will have majority voting power.

The offering is being underwritten by HCFP/Capital Markets, Benchmark and Weild & Co. This is the third regulation A+ offering to list on the Nasdaq, according to a spokeswoman. Many companies will use a mini-IPO as a way to get listed on a major exchange, without having to do a road show or go through a long comment period with the Securities and Exchange Commission.

"Regulation A+ is an easier way to get listed," Ross said.