



**Authentic. Passionate. Loyal.**

**Investor Presentation**

September 2020

This document may contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact, including statements regarding the public offering, are forward-looking. The Company often use words such as anticipates, believes, estimates, expects, intends, seeks, predicts, hopes, should, plans, will and similar expressions to identify forward-looking statements. These statements are based on management's current expectations and accordingly are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to various important factors, including (but not limited to): variability in consumer preferences, shopping behaviors, spending and debt levels; the general economic and credit environment, including COVID-19; interest rates; seasonal variations in consumer purchasing activities; the ability to achieve the most effective product category mixes to maximize sales and margin objectives; competitive pressures on sales and sales promotions; pricing and gross sales margins; the level of cable and satellite distribution for the Company’s programming and the associated fees or estimated cost savings from contract renegotiations; the Company’s ability to establish and maintain acceptable commercial terms with third-party vendors and other third parties with whom the Company has contractual relationships, and to successfully manage key vendor and shipping relationships and develop key partnerships and proprietary and exclusive brands; the ability to manage operating expenses successfully and the Company’s working capital levels; the ability to remain compliant with the Company’s credit facilities covenants; customer acceptance of the Company’s branding strategy and its repositioning as a video commerce company; the ability to respond to changes in consumer shopping patterns and preferences, and changes in technology and consumer viewing patterns; changes to the Company’s management and information systems infrastructure; challenges to the Company’s data and information security; changes in governmental or regulatory requirements; including without limitation, regulations of the Federal Communications Commission and Federal Trade Commission, and adverse outcomes from regulatory proceedings; litigation or governmental proceedings affecting the Company’s operations; significant events (including disasters, weather events or events attracting significant television coverage) that either cause an interruption of television coverage or that divert viewership from its programming; disruptions in the Company’s distribution of its network broadcast to customers; the Company’s ability to protect its intellectual property rights; our ability to obtain and retain key executives and employees; the Company’s ability to attract new customers and retain existing customers; changes in shipping costs; expenses related to the actions of activist or hostile shareholders; the Company’s ability to offer new or innovative products and customer acceptance of the same; changes in customer viewing habits of television programming; and the risks identified under Item 1A(Risk Factors) in the Company’s most recently filed Form 10-K and any additional risk factors identified in its periodic reports since the date of such Form 10-K. More detailed information about those factors is set forth in the Company’s filings with the Securities and Exchange Commission, including its annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. the Company’s is under no obligation (and expressly disclaim any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

# Key Investment Considerations

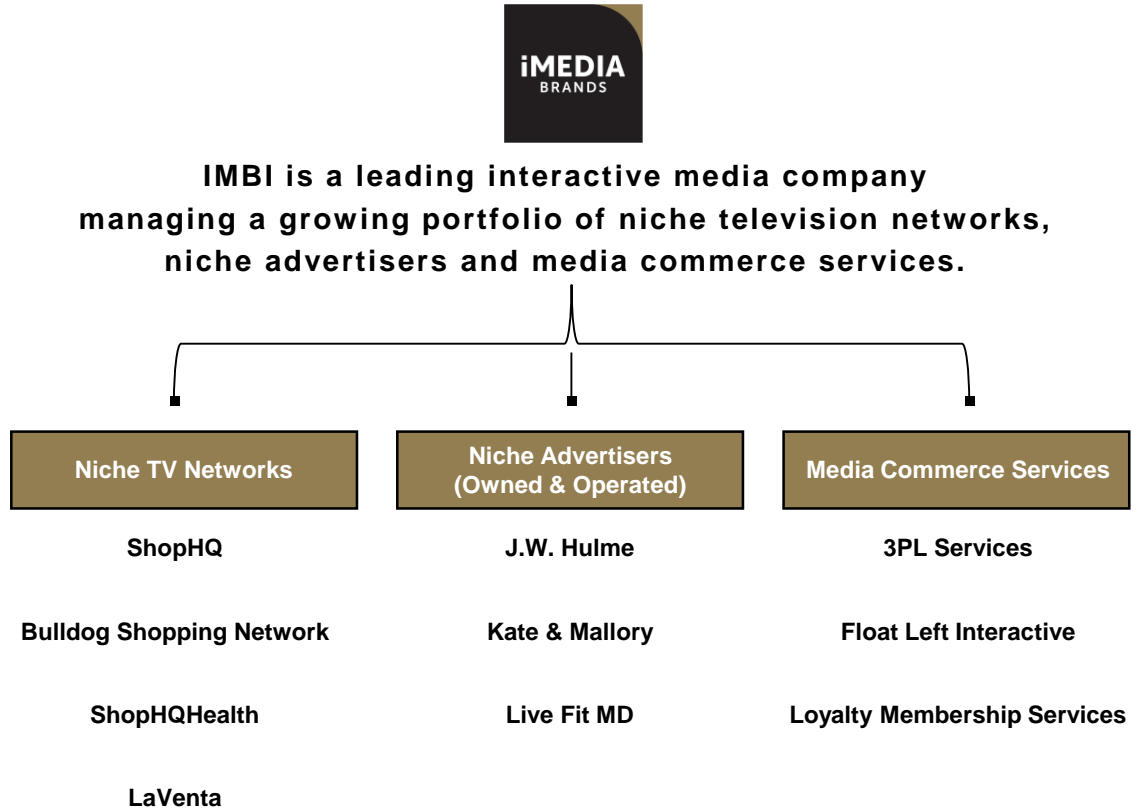
- Tim Peterman rejoined iMedia as CEO in May 2019
- Introduced innovative interactive media growth strategy
- Dramatically improved performance of core ShopHQ business
- Launched and acquired key new businesses that demonstrate new interactive media strategy
- Re-established profitability and customer growth
- Redefined content distribution strategy to include OTT, TVE, and social commerce to capitalize on “cord-cutting”
- Company now on a path to achieve consistent revenue growth

# Where We Are Today



Company Overview	
Company	iMedia Brands, Inc.
Headquarters	Eden Prairie, MN
Fulfilment Center	Bowling Green, KY
Employees	~750
Exchange / Ticker	NASDAQ / IMBI
Market Cap (9/8/2020)	\$75 million
TTM August Revenue*	\$459 million
Analyst Coverage	Craig-Hallum D.A. Davidson Lake Street

\*Through fiscal Q2 ending 8/1/2020.



## Q2 Financial Highlights

- On August 18<sup>th</sup>, iMedia announced its FY2Q20 financial results
- iMedia demonstrates significant progress in its turnaround effort

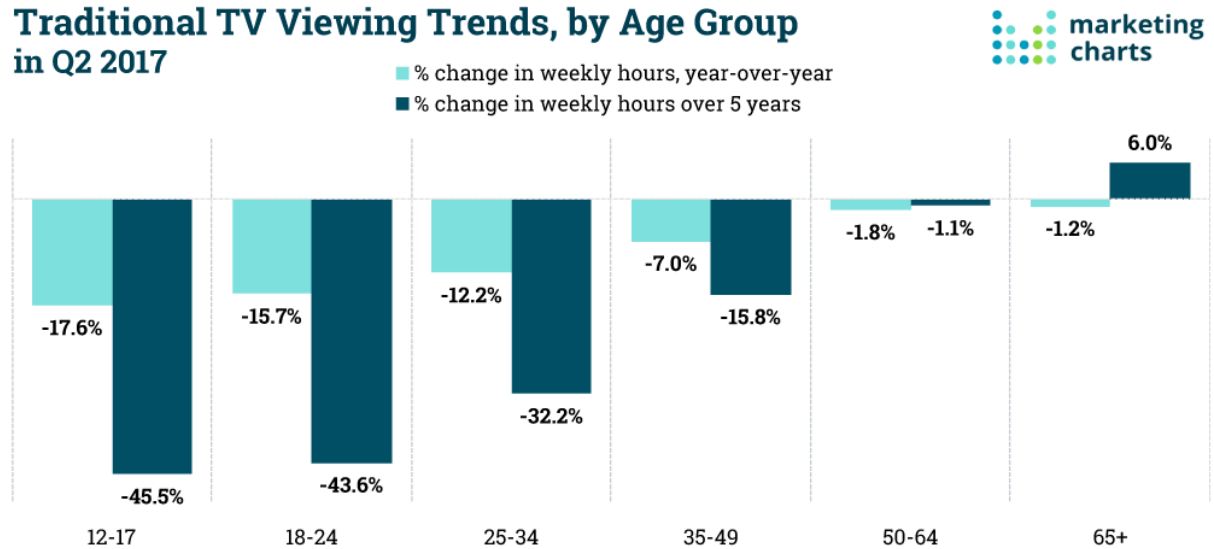
- Revenue: 5% YoY decline vs. ~15-20% declines in FY19 quarters
- Gross Margin %: Increased 90 bps over 2Q19
  - 1H20 gross margin of 37.1%, a 480 bps increased over 1H19
- Adj. EBITDA: Increased \$10.5 million from 2Q19
- EPS: Increased \$1.46 from 2Q19

	2Q20	2Q19
<b>Net Sales</b>	\$124.5	\$131.5
<b>Gross Margin %</b>	37.2%	36.3%
<b>Adj. EBITDA</b>	\$10.7	\$0.2
<b>EPS</b>	\$0.11	(\$1.35)

- In Q2 the active customer file grew 1% year over year driven by a 38% increase in new customers
- New product launches help drive revenue growth
  - ShopHQ launched 40 new brands in Q1 and Q2, which combined represents the highest number of new product launches for the first two quarters in the company's thirty-year history
  - Revenue for these new product launches generated 19% of the company's total revenue for the first two quarters of 2020
- Liquidity: Unrestricted cash of \$18.7 million and \$9.4 million of unused availability on revolver
- Outlook: Company expects mid-to-high single digit millions for Adjusted EBITDA in Q3 and Q4

# U.S. TV Retailing Marketplace: TV Viewership by Age

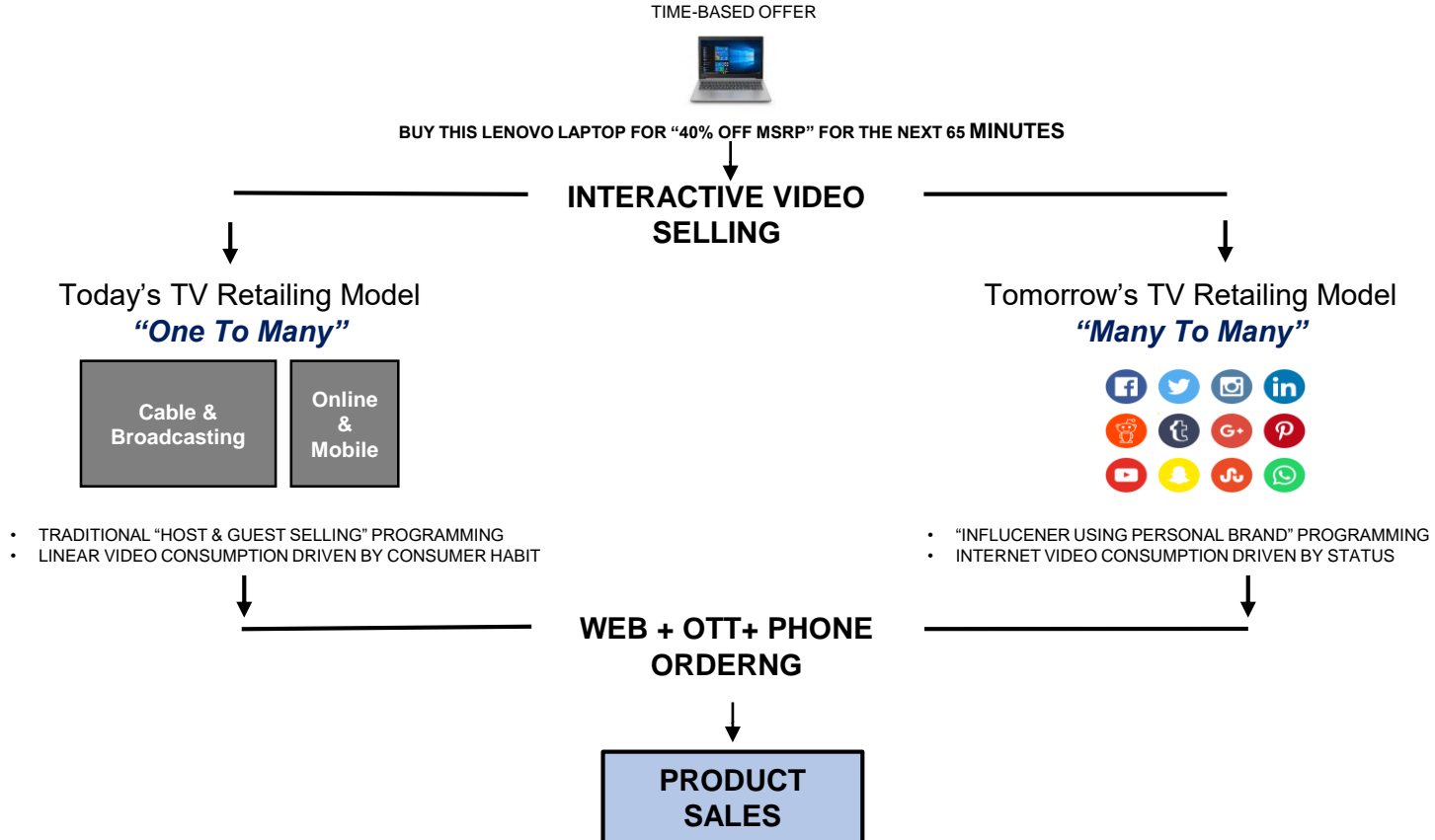
- While teens and millennials have seen their traditional TV viewing evaporate over the past 5 years (down more than 40%), the age groups 50+ are largely unchanged with their TV viewing YoY and over the past 5 years, with the age group 65+ up 6% over the past 5 years in the amount of weekly hours spent watching TV.
- This study indicates that our core demographic continues to watch the same amount of traditional TV, and in the 65+ age group more traditional TV over the past 5 years.



Published on MarketingCharts.com in December 2017 | Data Source: MarketingCharts.com analysis of Nielsen data  
*\*Traditional TV refers to all live + DVR/time-shifted TV viewing during the quarter for the total population  
In Q2 2017, live viewing averaged 24:26 per week for the 2+ population and DVR/time-shifted TV 3:18 per week.*

# U.S. TV Retailing Marketplace – iMedia’s Strategy For Emerging Technologies

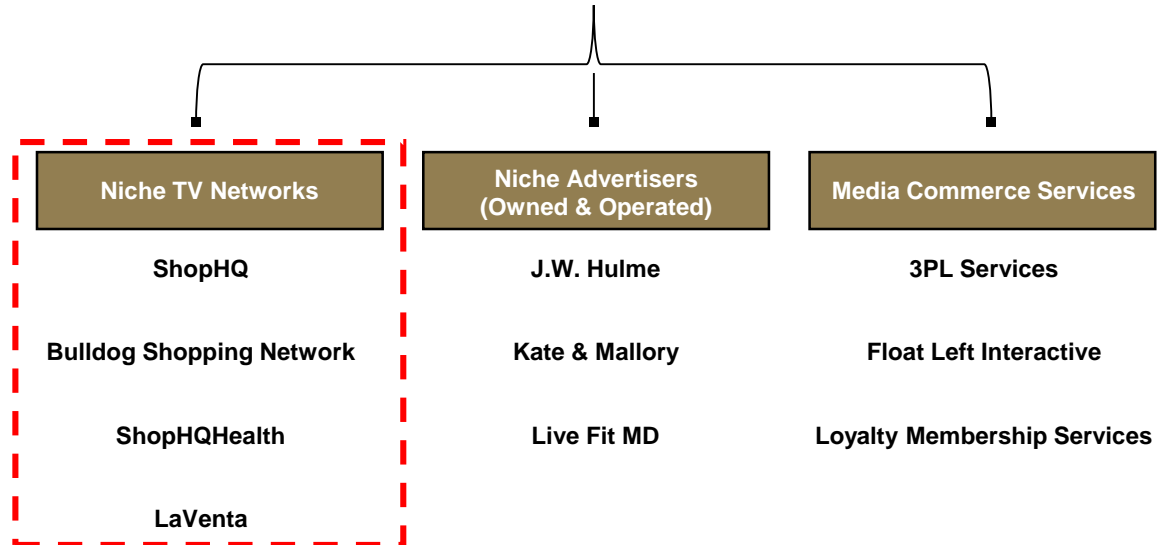
To capitalize on customer’s “cord-cutting” of linear video consumption by promoting and creating influencer-driven, social commerce Product Offers on Internet-based Video and Social platforms.



# Growth Plan: Priority #1 – Niche TV Networks



**IMBI is a leading interactive media company managing a growing portfolio of niche television networks, niche advertisers and media commerce services.**







- Offering a balanced mix of merchandising categories, in a nationally distributed network that just enjoyed its 30 year anniversary
- Established proprietary and exclusive brands
- Rapidly growing subscription business with fresh and relevant discoveries
- Customer base targeted to 50 or older with 76% of viewership from females

## Leveraging our strengths:

- Strong digital and mobile presence
  - Seamless experience across all of our platforms
  - State-of-the-art broadcast studios and fulfillment center
- 
- Personalities that are expert storytellers
  - Remote broadcasts from around the world
  - Themed “fixed” programming
  - Content available across all platforms

# ShopHQ: Compelling Personalities & Gifted Story Tellers

- ShopHQ's hosts provide authenticity and drive recurring viewership
- “Cooking with Shaq” and “By Appointment with Dr. Terry Dubrow” had double-digit growth in 1Q20

## ShopHQ Hosts



- Hosts help create the ultimate interactive shopping experience through live TV retail marketing
- Hosts provide tailored and expert views on various products and product categories

## Key Celebrity Influencers



- **Shaquille O'Neal**
  - IMBI partnered for “Cooking with Shaq” to sell kitchen and cookware essentials, utilizing Shaq’s fan base and celebrity guests brought on the show
- **Dr. Terry & Heather Dubrow**
  - Co-developed the internal and external beauty and wellness brand “Consult Beaute & Health”
  - Leverage celebrity status to display ShopHQ Beauty & Wellness category

# Bulldog Shopping Network Overview



- Men's shopping and lifestyle television network
- Launched in November 2019
- Offering men's merchandise, entertainment and services

## Leveraging our strengths:

- Existing vendor relationships
  - Ability to produce live and compelling programming
  - Existing male customers on ShopHQ
- 
- Strategic content distribution footprint
  - Strong focus on OTT, social, and regional broadcasters
  - Broadcast from corporate headquarters alongside ShopHQ



**With the world adjusting to a “new normal” we have an opportunity to step into a bigger leadership role as a Health and Wellness focused network.**

We will encourage and motivate our audience to stay calm, connected and to live a well balanced and nourished life

- Launching September 1, 2020 in ~15 million homes across 100 different markets
  - ShopHQHealth will provide a new 24/7 network offering a robust assortment of products and services dedicated to addressing the physical, spiritual and mental health needs of its customers and their families.
- Telemedicine was a fast growing market pre-COVID as health care costs rose
    - Pre-COVID estimates expected the current \$45 billion market to reach \$175 billion by 2026
  - COVID has provided an exponentially bigger catalyst for the market as contactless medical service is becoming a new normal
  - IMBI’s ambition is to provide shows that offer the sale of various home tests and live video 1x1s with doctors for viewers to ask questions

## SHOP LAVENTA

- Spanish language shopping/entertainment television network
- Launch in Spring 2021
- Celebrating the Latin culture's merchandise, services and personalities

### Leveraging our strengths:

- Existing vendor strength in top Latin American categories of jewelry and beauty
  - Ability to produce live and compelling programming
  - Strong management team connection in Miami
- 
- Strategic content distribution footprint
  - Strong focus on OTT, social, and regional broadcasters
  - Produced and broadcast from studios in Miami

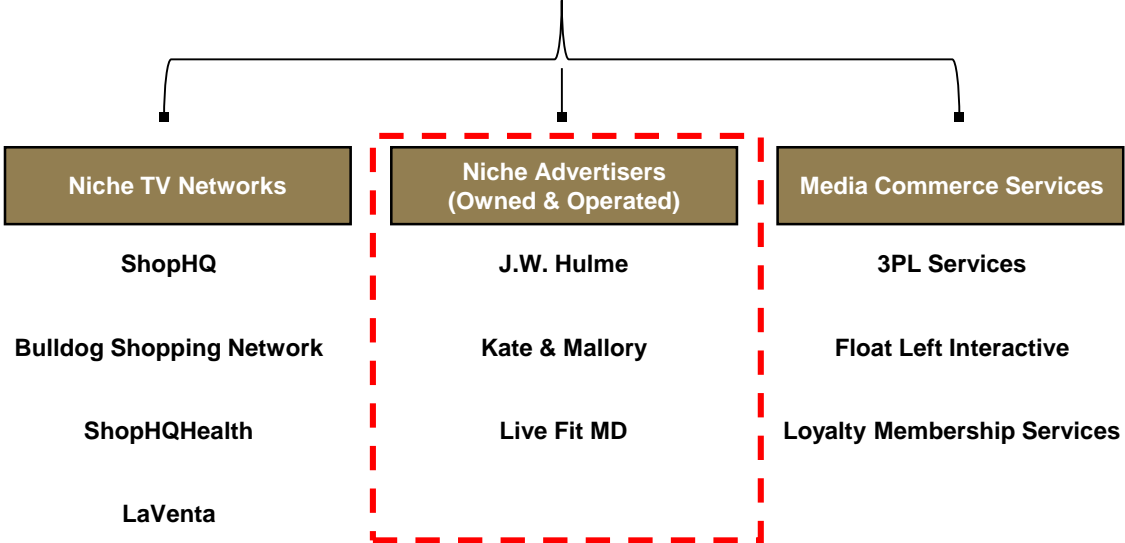
# Growth Plan: Priority #2 – Niche Advertisers (Owned & Operated)



*iMedia uses its advertising platform to drive growth for iMedia's owned and operated brands*



**IMBI is a leading interactive media company managing a growing portfolio of niche television networks, niche advertisers and media commerce services.**



# Owned & Operated Niche Advertisers

- iMedia has a strong portfolio of in-house advertising and retailing brands



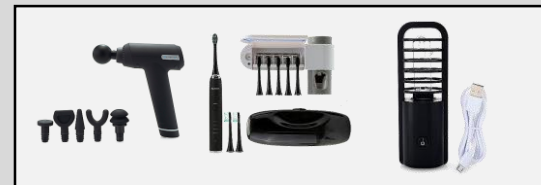
- Acquired in November 2019, J.W. Hulme is a 114-year-old American e-commerce brand offering artisan-crafted accessories and apparel for both women and men
- Accelerating Hulme's growth through its own programming on ShopHQ
- Utilize Hulme's team to drive IMBI revenue through private-label accessories



- Internally launched 10+ years ago
- Kate & Mallory provides ShopHQ with an exclusive clothing brand line



- Internally launched in 2019, featuring special guests like Dr. Terry Dubrow, from E!'s "Botched"
- Growth through ShopHQ Health and utilizing Dr. Dubrow's existing fan base to drive product sales



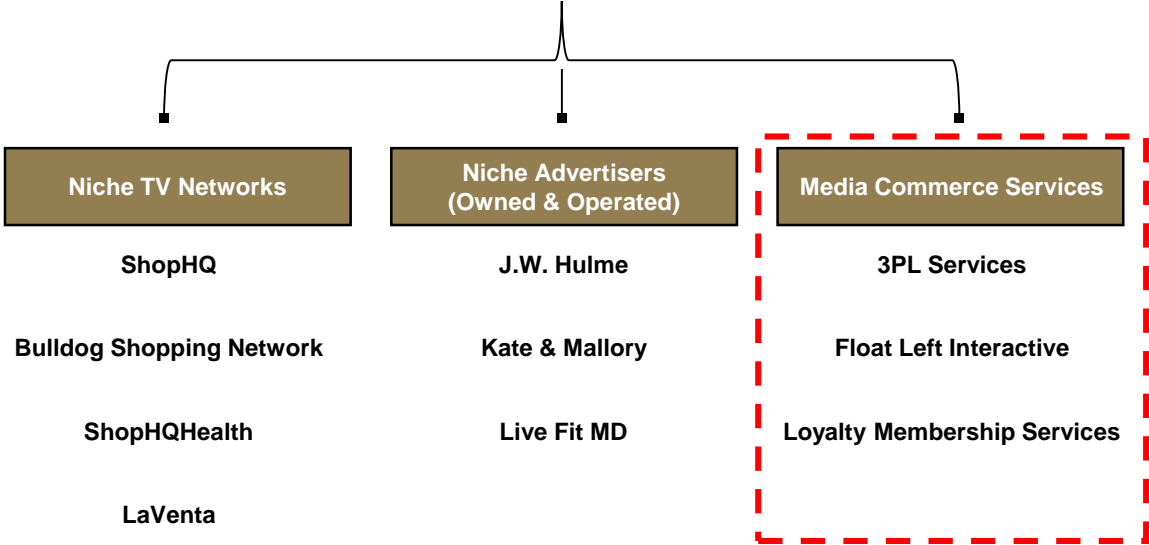
# Growth Plan: Priority #3 – Media Commerce Services



*Leveraging existing advertising and distribution capabilities to provide brands, advertisers, and entertainment companies with a “one-stop” commerce services solution*



**IMBI is a leading interactive media company managing a growing portfolio of niche television networks, niche advertisers and media commerce services.**





# Media Commerce Services Strategy

- iMedia's services seek to leverage our assets and capabilities to offer them to other advertisers and ecommerce clients

## iMedia 3PL Services

- Launched in 2017
- Leveraging existing 600k sq. foot distribution facility
- Shipped over 100 million packages to date
- Representative customer: AM Retail Group
  - Shipping and receiving 25k and 55k units/mo., respectively

### Representative AM Retail Brands

EST. *Bass* 1876

**KARL**  
KARL LAGERFELD

WILSONS LEATHER

Calvin Klein  
Performance

**DKNY**  
DONNA KARAN NEW YORK

## Float Left Interactive

- Acquired in 2019
- Provides application & software development, video-based content and related services for content distribution companies
- Has launched hundreds of applications for blue-chip customers:



## iMedia Membership Services

- Launched in 2019 in partnership with Clarus (revenue share: 40% IMBI / 60% Clarus)
- Innovative loyalty program for ShopHQ customers
- Program is driving significant customer loyalty and generating a meaningful recurring revenue stream



# Income Statement Data



(000s, except per share data)

	Annual		Q1 YoY Comparison		Q2 YoY Comparison	
	FY2018	FY2019	FY 1Q19	FY 1Q20	FY 2Q19	FY 2Q20
<b>Net Sales</b>	\$ 596,637	\$ 501,822	\$ 131,522	\$ 95,834	\$ 131,503	\$ 124,515
<b>Gross Profit</b>	\$ 206,847	\$ 163,637	\$ 37,293	\$ 35,557	\$ 47,726	\$ 46,292
Gross Profit %	34.7%	32.6%	28.4%	37.1%	36.3%	37.2%
<b>Total Operating Expenses</b>	\$ 225,471	\$ 216,162	\$ 57,443	\$ 41,192	\$ 57,030	\$ 43,821
<b>Operating Income (Loss)</b>	\$ (18,624)	\$ (52,525)	\$ (20,150)	\$ (5,635)	\$ (9,304)	\$ 2,471
<b>Adj. EBITDA</b>	\$ (2,419)	\$ (18,391)	\$ (8,474)	\$ (1,647)	\$ 211	\$ 10,734
<b>Total Net Income (Loss)</b>	\$ (22,157)	\$ (56,296)	\$ (20,989)	\$ (6,828)	\$ (10,177)	\$ 1,054
Weight Avg. Shares Outstanding (000s)	6,607	7,462	6,732	8,291	7,550	9,532
<b>EPS</b>	\$ (3.35)	\$ (7.54)	\$ (3.12)	\$ (0.82)	\$ (1.35)	\$ 0.11

# Capitalization Summary



- As of August 1, 2020, total unrestricted cash was \$18.7 million with an additional \$9.4 million of unused availability on its revolving credit facility

iMedia Capitalization	
Shares Outstanding	10,141,649
Warrants <sup>1</sup>	1,828,818
Options <sup>2</sup>	197,356
RSUs	907,289
<b>Fully Diluted Shares Outstanding</b>	<b>13,075,112</b>

(1) Weighted Average Exercise Price = \$10.09

(2) Average Exercise Price = \$14.43

iMedia Net Debt	
\$ in 000's	
Cash	\$ 18,703
<b>Debt:</b>	
Revolver	\$ 41,000
Term Loan	\$ 13,720
<b>Total Debt</b>	<b>\$ 54,720</b>
<b>Net Debt</b>	<b>\$ 36,017</b>

#### Terms of Debt:

iMedia entered into a Loan Agreement with PNC Bank (amended Nov 25, 2019)

Both Revolver and Term Loan mature July 2023

#### Revolver:

- LIBOR +4.5%, \$90M total capacity, accordion for additional \$25M
- \$9.4M of unused availability

#### Term Loan:

- LIBOR +6.0% per annum



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