



# Third Quarter 2021 Supplemental Financial Data



# Safe Harbor

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 rebranding, savings from cost reductions, expected changes in the merchandise mix and its impact, expectations arising from our partnership with Shaquille O’Neal, plans for LaVenta, expected advantages to pursue restructuring and operational changes, guidance, industry prospects, or future results of operations or financial position 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.

## **Adjusted EBITDA**

EBITDA represents net income (loss) for the respective periods excluding depreciation and amortization expense, interest income (expense) and income taxes. The Company defines Adjusted EBITDA as EBITDA excluding non-operating gains (losses); executive and management transition costs; restructuring costs; non-cash impairment charges and write downs; transaction, settlement, and integration costs, net; rebranding costs; and non-cash share-based compensation expense. The Company has included the “Adjusted EBITDA” measure in its EBITDA reconciliation in order to adequately assess the operating performance of its television and online businesses and in order to maintain comparability to its analyst's coverage and financial guidance, when given. Management believes that the Adjusted EBITDA measure allows investors to make a meaningful comparison between its business operating results over different periods of time with those of other similar companies. In addition, management uses Adjusted EBITDA as a metric to evaluate operating performance under the Company’s management and executive incentive compensation programs. EBITDA and Adjusted EBITDA are both non-GAAP measures and should not be construed as an alternative to operating income (loss), net income (loss) or to cash flows from operating activities as determined in accordance with generally accepted accounting principles (“GAAP”) and should not be construed as a measure of liquidity. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. The Company has included a reconciliation of the comparable GAAP measure, net income (loss) to Adjusted EBITDA in this presentation.



# Consolidated Income Statement

*(In thousands, except per share data)*

	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
	2021	2021	2021	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019
<b>Net Sales</b>	\$ 130,681	\$ 113,442	\$ 113,203	\$ 454,171	\$ 124,797	\$ 109,025	\$ 124,515	\$ 95,834	\$ 501,822	\$ 123,639	\$ 115,159	\$ 131,503	\$ 131,521
<b>Cost of Sales</b>	76,260	65,456	67,196	287,118	80,407	68,211	78,223	60,277	338,185	86,607	73,573	83,777	94,228
Gross Profit	54,421	47,986	46,007	167,053	44,390	40,814	46,292	35,557	163,637	37,032	41,586	47,726	37,293
Gross Profit %	41.6%	42.3%	40.6%	36.8%	35.6%	37.4%	37.2%	37.1%	32.6%	30.0%	36.1%	36.3%	28.4%
<b>Operating Expenses:</b>													
Distribution and selling	39,302	35,357	34,247	129,920	32,820	31,490	31,875	33,735	170,587	41,870	38,332	43,521	46,864
General and administrative	10,747	7,387	6,435	20,336	5,178	4,687	5,104	5,367	25,611	7,795	5,415	5,532	6,869
Depreciation and amortization	9,740	7,611	7,375	24,022	7,322	7,977	6,842	1,881	8,057	1,823	2,053	2,502	1,679
Executive & Mgmt transition costs	-	-	-	-	-	-	-	-	2,741	313	87	310	2,031
Restructuring costs	634	-	-	715	451	55	-	209	9,166	2,485	1,516	5,165	-
Total operating expense	60,423	50,355	48,057	174,993	45,771	44,209	43,821	41,192	216,162	54,286	47,403	57,030	57,443
<b>Operating income/(loss)</b>	(6,002)	(2,369)	(2,050)	(7,940)	(1,381)	(3,395)	2,471	(5,635)	(52,525)	(17,254)	(5,817)	(9,304)	(20,150)
<b>Other income (expense):</b>													
Interest income/(expense)	(3,475)	(1,342)	(1,312)	(5,234)	(1,316)	(1,338)	(1,402)	(1,178)	(3,760)	(1,167)	(910)	(858)	(825)
Total other income/(expense)	(3,475)	(1,996)	(1,312)	(5,234)	(1,316)	(1,338)	(1,402)	(1,178)	(3,760)	(1,167)	(910)	(858)	(825)
Income tax benefit (provision)	(15)	(15)	(15)	(60)	(15)	(15)	(15)	(15)	(11)	33	(14)	(15)	(15)
<b>Net income/(loss)</b>	(9,492)	(4,380)	(3,377)	(13,234)	(2,712)	(4,748)	1,054	(6,828)	(56,296)	(18,388)	(6,741)	(10,177)	(20,990)
Less: Net loss attributable to non-controlling interest	-	(131)	(150)	-	-	-	-	-	-	-	-	-	-
<b>Net income/(loss) attributable to shareholders</b>	<u>\$ (9,492)</u>	<u>\$ (4,249)</u>	<u>\$ (3,227)</u>	<u>\$ (13,234)</u>	<u>\$ (2,712)</u>	<u>\$ (4,748)</u>	<u>\$ 1,054</u>	<u>\$ (6,828)</u>	<u>\$ (56,296)</u>	<u>\$ (18,388)</u>	<u>\$ (6,741)</u>	<u>\$ (10,177)</u>	<u>\$ (20,990)</u>
EBITDA, as adjusted	\$ 10,093	\$ 8,312	\$ 8,136	\$ 23,913	\$ 8,398	\$ 6,428	\$ 10,734	\$ (1,647)	\$ (18,391)	\$ (9,142)	\$ (986)	\$ 211	\$ (8,474)
Weighted average number of common shares outstanding (000's)	21,503	19,102	15,621	10,746	12,983	12,178	9,532	8,291	7,462	7,990	7,577	7,550	6,732
<b>Net income/(loss) per common share</b>	\$ (0.44)	\$ (0.22)	\$ (0.21)	\$ (1.23)	\$ (0.21)	\$ (0.39)	\$ 0.11	\$ (0.82)	\$ (7.54)	\$ (2.30)	\$ (0.89)	\$ (1.35)	\$ (3.12)

# Consolidated Balance Sheet

(In thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Current assets:</b>								
Cash & restricted cash equivalents	\$ 53,519	\$ 23,110	\$ 14,946	\$ 15,485	\$ 18,962	\$ 18,703	\$ 16,205	\$ 10,287
Accounts receivable, net	66,948	64,324	56,601	61,951	53,539	58,137	54,817	63,594
Inventories	92,001	76,735	74,522	68,715	71,666	61,627	63,954	78,863
Current portion of television broadcast rights, net	21,349	24,972	17,364	19,725	15,420	18,221	16,178	-
Prepaid expenses and other	15,922	15,027	11,722	7,853	7,364	7,013	7,274	8,196
Total current assets	249,740	204,168	175,155	173,729	166,951	163,701	158,428	160,940
<b>Property and equipment, net</b>	44,932	44,593	43,441	41,988	43,560	44,882	46,186	47,616
<b>Long Term Television broadcast rights, net</b>	41,865	46,234	4,230	7,028	3,875	7,263	5,803	-
<b>Other assets</b>	48,930	49,851	8,975	3,892	4,413	3,931	4,321	4,187
	<u>\$ 385,467</u>	<u>\$ 344,846</u>	<u>\$ 231,801</u>	<u>\$ 226,637</u>	<u>\$ 218,799</u>	<u>\$ 219,777</u>	<u>\$ 214,738</u>	<u>\$ 212,743</u>
<b>Current liabilities:</b>								
Accounts payable	\$ 62,234	\$ 58,535	\$ 54,941	\$ 77,995	\$ 81,168	\$ 79,812	\$ 79,607	\$ 83,659
Accrued liabilities and other	41,179	33,531	45,177	32,898	31,664	40,019	41,011	43,809
Current portion of television broadcast rights obligation	25,937	29,441	26,141	29,173	21,478	21,221	14,894	-
Total current liabilities	129,350	121,507	126,259	140,066	134,310	141,052	135,512	127,468
<b>Other long term liabilities</b>	59,146	64,157	6,814	8,855	5,619	9,273	9,646	335
<b>Long term debt</b>	46,650	73,919	49,995	50,666	49,836	52,006	55,676	66,246
<b>8.50% Senior Secured Notes</b>	73,768							
Total liabilities	308,914	259,583	183,068	199,587	189,765	202,331	200,834	194,049
Common stock, preferred stock and warrants	213	212	164	130	130	101	90	82
Additional paid-in capital	537,987	536,835	495,972	474,375	473,647	457,340	454,863	452,833
Accumulated deficit	(464,424)	(454,932)	(450,683)	(447,455)	(444,743)	(439,995)	(441,049)	(434,221)
Accumulated other comprehensive loss	(371)							
Total shareholders' equity	73,405	82,115	45,453	27,050	29,034	17,446	13,904	18,694
Equity of the Non-Controlling Interest	3,148	3,148	3,280	-	-	-	-	-
Total Equity	76,553	85,263	48,733	27,050	29,034	17,446	13,904	18,694
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 385,467</u>	<u>\$ 344,846</u>	<u>\$ 231,801</u>	<u>\$ 226,637</u>	<u>\$ 218,799</u>	<u>\$ 219,777</u>	<u>\$ 214,738</u>	<u>\$ 212,743</u>



# Consolidated Adjusted EBITDA Reconciliation

	Q3 2021	Q2 2021	Q1 2021	Total 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Total 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<i>(In thousands)</i>													
<b>Net income (loss) attributable to shareholders</b>	<b>\$ (9,492)</b>	<b>\$ (4,249)</b>	<b>\$ (3,227)</b>	<b>\$ (13,234)</b>	<b>\$ (2,712)</b>	<b>\$ (4,748)</b>	<b>\$ 1,054</b>	<b>\$ (6,828)</b>	<b>\$ (56,296)</b>	<b>\$ (18,388)</b>	<b>\$ (6,741)</b>	<b>\$ (10,177)</b>	<b>\$ (20,990)</b>
Adjustments:													
Depreciation and amortization	10,677	8,562	8,317	27,978	8,281	8,952	7,840	2,905	12,014	2,822	3,052	3,511	2,629
Interest income	(85)	(39)	(1)	(3)	(1)	(1)	-	(1)	(17)	(2)	(4)	(6)	(5)
Interest expense	3,551	1,381	1,313	5,237	1,317	1,339	1,402	1,179	3,777	1,169	914	864	830
Income taxes	15	15	15	60	15	15	15	15	11	(33)	14	15	15
<b>EBITDA (as defined)</b>	<b>4,666</b>	<b>5,670</b>	<b>6,417</b>	<b>20,038</b>	<b>6,900</b>	<b>5,557</b>	<b>10,311</b>	<b>(2,730)</b>	<b>(40,511)</b>	<b>(14,432)</b>	<b>(2,765)</b>	<b>(5,793)</b>	<b>(17,521)</b>
A reconciliation of EBITDA to Adjusted EBITDA is as follows:													
EBITDA (as defined)	4,666	5,670	6,417	20,038	6,900	5,557	10,311	(2,730)	(40,511)	(14,432)	(2,765)	(5,793)	(17,521)
Less:													
Executive and management transition costs	-	-	-	-	-	-	-	-	2,741	313	87	310	2,031
Inventory impairment write down	-	-	-	-	-	-	-	-	6,050	-	-	-	6,050
Restructuring costs	632	-	-	715	451	55	-	209	9,166	2,485	1,516	5,165	-
Rebranding costs	-	-	-	-	-	-	-	-	1,265	473	554	238	-
One-time customer concessions	-	-	341	-	-	-	-	-	-	-	-	-	-
Loss on debt extinguishment	9	654	-	-	-	-	-	-	-	-	-	-	-
Transaction, settlement and integration costs, net	3,837	1,220	700	1,200	314	312	315	259	694	1,498	(804)	-	-
Non-cash share-based compensation expense	949	758	678	1,960	733	504	108	615	2,204	521	426	291	966
<b>Adjusted EBITDA</b>	<b>\$ 10,093</b>	<b>\$ 8,312</b>	<b>\$ 8,136</b>	<b>\$ 23,913</b>	<b>\$ 8,398</b>	<b>\$ 6,428</b>	<b>\$ 10,734</b>	<b>\$ (1,647)</b>	<b>\$ (18,391)</b>	<b>\$ (9,142)</b>	<b>\$ (986)</b>	<b>\$ 211</b>	<b>\$ (8,474)</b>

# Consolidated Cash Flow

<i>(In thousands)</i>	<u>Q3</u> <u>2021</u>	<u>Q3</u> <u>2020</u>	<u>Q3</u> <u>2019</u>
<b>OPERATING ACTIVITIES:</b>			
Net loss	\$ (9,492)	\$ (4,748)	\$ (6,741)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities-			
Depreciation and amortization	10,676	8,952	3,052
Share-based payment compensation	863	504	426
Amortization of deferred revenue	-	50	(10)
Amortization of deferred financing costs	(583)	-	48
Payments for TV distribution rights	(7,871)	(4,096)	-
Changes in operating assets and liabilities:			
Accounts receivable, net	(1,730)	4,598	6,540
Inventories, net	(15,266)	(10,039)	(20,390)
Deferred revenue	(138)	17	-
Prepaid expenses and other	335	(212)	803
Accounts payable and accrued liabilities	10,871	(7,191)	13,425
Net cash provided by (used for) operating activities	<u>(12,335)</u>	<u>(12,165)</u>	<u>(2,847)</u>
<b>INVESTING ACTIVITIES:</b>			
Property and equipment additions	(2,080)	(1,153)	(1,876)
Acquisition of Portal and Ad Business	-	-	-
Investment in Vendor Note	-	-	-
Net cash used for investing activities	<u>(2,080)</u>	<u>(1,153)</u>	<u>(1,876)</u>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from issuance of revolving loans	9,414	8,500	50,700
Proceeds from issuance of common stock and warrants	-	16,043	-
Proceeds from issuance of long term bonds	74,241	-	-
Payments on revolving loan	(36,736)	(10,000)	(50,700)
Payments on term loans	-	(679)	(678)
Payments for common stock issuance costs	-	(22)	(43)
Payments for deferred financing costs	(520)	-	-
Payments for restricted stock issuance	262	(1)	-
Payments for finance leases	80	(26)	(23)
Payments for other financing activities	(1,916)	-	-
Payments for business acquisition	-	(238)	-
Net cash provided by (used for) financing activities	<u>44,825</u>	<u>13,577</u>	<u>(744)</u>
Net increase in cash	30,410	259	(5,467)
<b>BEGINNING CASH AND RESTRICTED CASH EQUIVALENTS</b>	<u>23,110</u>	<u>18,703</u>	<u>22,069</u>
<b>ENDING CASH AND RESTRICTED CASH EQUIVALENTS</b>	<u>53,520</u>	<u>18,962</u>	<u>16,602</u>
Free Cash Flow	(14,415)	(13,318)	(4,723)



# Key Operating Metrics

	Q3 2021	Q2 2021	Q1 2021	Total 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Total 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net Shipped Units (000s)	1,919	1,419	1,513	6,497	1,722	1,664	1,763	1,348	6,872	1,645	1,578	1,750	1,899
Average Selling Price	\$ 68	\$ 67	\$ 66	\$ 61	\$ 64	\$ 58	\$ 63	\$ 64	\$ 65	\$ 67	\$ 66	\$ 68	\$ 63
Return Rate %	15.8%	15.3%	16.8%	14.8%	15.5%	14.4%	11.9%	17.8%	19.4%	18.4%	19.0%	19.8%	20.2%
ShopHQ Digital Sales %	46.5%	51.1%	51.5%	50.8%	51.1%	49.1%	50.1%	53.1%	52.5%	53.7%	51.5%	52.7%	52.5%
Transaction Costs per Unit	\$ 3.50	\$ 3.09	\$ 3.09	\$ 2.96	\$ 3.10	\$ 2.93	\$ 2.66	\$ 3.19	\$ 3.24	\$ 3.44	\$ 3.36	\$ 3.08	\$ 3.12
Total Variable Costs % of Net Sales	8.7%	8.3%	8.3%	8.5%	8.2%	8.5%	7.9%	9.6%	9.5%	8.9%	9.8%	9.5%	9.8%
ShopHQ Mobile % of Digital Sales	46.5%	52.8%	52.8%	55.5%	55.4%	55.5%	55.5%	55.6%	57.3%	54.2%	57.7%	58.5%	58.7%
Interactive Voice Response %	20%	20%	20%	21%	21%	21%	21%	17%	19%	17%	19%	19%	20%
Total Customers (000s)	573	487	444	1,020	466	442	488	389	1,041	470	426	484	496
Average Purchase Frequency - Items	3.4	3.5	3.1	7.3	4.2	4.3	4.1	3.8	7.4	3.9	4.1	4.0	4.2
<u>% of ShopHQ Net Merchandise Sales by Category</u>													
Jewelry & Watches	44%	49%	48%	41%	44%	40%	36%	46%	44%	41%	45%	48%	43%
Home & Consumer Electronics	17%	17%	15%	16%	21%	16%	11%	16%	23%	32%	23%	19%	20%
Beauty & Health	24%	20%	22%	32%	24%	34%	43%	24%	18%	15%	18%	19%	18%
Fashion & Accessories	<u>15%</u>	<u>14%</u>	<u>15%</u>	<u>11%</u>	<u>11%</u>	<u>10%</u>	<u>10%</u>	<u>14%</u>	<u>15%</u>	<u>12%</u>	<u>14%</u>	<u>14%</u>	<u>19%</u>
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

# iMEDIA BRANDS

