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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended October 29, 2022

OR

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

Commission File Number 001-37495

iMedia Brands, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Minnesota	**41-1673770**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*

6740 Shady Oak Road, Eden Prairie, MN 55344-3433
(Address of Principal Executive Offices, including Zip Code)

952-943-6000
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**IMBI**	**The Nasdaq Stock Market, LLC**
8.5% Senior Unsecured Notes due 2026	**IMBIL**	**The Nasdaq Stock Market, LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☑	Non-accelerated filer ☐	Smaller reporting company ☑
			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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of December 13, 2022 there were 28,916,847 shares of the registrant's common stock, $0.01 par value per share, outstanding.

iMEDIA BRANDS, INC. AND SUBSIDIARIES

FORM 10-Q

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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

iMEDIA BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(Unaudited)

	October 29, 2022	January 29, 2022
ASSETS		
Current assets:		
Cash	$ 9,071	$ 11,295
Restricted Cash	1,500	1,893
Accounts receivable, net	55,301	78,947
Inventories	119,162	116,256
Current portion of television broadcast rights, net	21,016	27,521
Prepaid expenses and other	11,726	18,340
Total current assets	217,776	254,252
Property and equipment, net	46,788	48,225
Television broadcast rights, net	62,090	74,821
Goodwill	87,741	99,050
Intangible assets, net	25,827	27,940
Other assets	19,379	18,359
TOTAL ASSETS	$ 459,601	$ 522,647
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 87,168	$ 89,046
Accrued liabilities	37,144	44,388
Current portion of television broadcast rights obligations	30,296	31,921
Current portion of long-term debt	98,209	14,031
Current portion of operating lease liabilities	2,346	2,331
Deferred revenue	121	427
Total current liabilities	255,284	182,144
Long-term broadcast rights obligations	63,566	81,268
Long-term debt, net	94,800	176,432
Long-term operating lease liabilities	3,354	5,169
Deferred tax liability	4,450	5,285
Other long-term liabilities	2,671	2,986
Total liabilities	424,125	453,284
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, $0.01 per share par value, 400,000 shares authorized; zero shares issued and outstanding	—	—
Common stock, $0.01 per share par value, 49,600,000 and 29,600,000 shares authorized as of October 29, 2022 and January 29, 2022; 28,916,847 and 21,571,387 shares issued and outstanding as of October 29, 2022 and January 29, 2022	257	216
Additional paid-in capital	561,710	538,627
Accumulated deficit	(515,348)	(469,463)
Accumulated other comprehensive loss	(11,143)	(2,428)
Total shareholders' equity	35,476	66,952
Equity of the non-controlling interest	—	2,412
Total equity	35,476	69,363
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 459,601	$ 522,647

The accompanying notes are an integral part of these condensed consolidated financial statements.

iMEDIA BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Net sales	$ 123,264	$ 130,681	$ 411,042	$ 357,325
Cost of sales	71,754	76,260	249,782	208,911
Gross profit	51,510	54,421	161,260	148,414
Operating expense:				
Distribution and selling	35,261	39,302	115,150	108,907
General and administrative	21,185	10,746	44,818	24,569
Depreciation and amortization	8,778	9,741	27,421	24,727
Restructuring costs	1,551	634	4,490	634
Total operating expense	66,775	60,423	191,879	158,837
Operating loss	(15,265)	(6,002)	(30,619)	(10,423)
Other income (expense):				
Interest income and other	20	85	230	124
Interest expense	(6,038)	(3,551)	(15,932)	(6,245)
Change in fair value of contract liability, net	—	—	1,937	—
Loss on divestiture	—	—	(985)	—
Loss on debt extinguishment	—	(9)	(884)	(663)
Total other expense, net	(6,018)	(3,475)	(15,634)	(6,784)
Loss before income taxes	(21,283)	(9,477)	(46,253)	(17,207)
Income tax provision	(15)	(15)	(47)	(45)
Net loss	(21,298)	(9,492)	(46,300)	(17,252)
Less: Net loss attributable to non-controlling interest	—	—	(415)	(282)
Net loss attributable to shareholders	$ (21,298)	$ (9,492)	$ (45,885)	$ (16,970)
Net loss per common share	$ (0.72)	$ (0.44)	$ (1.77)	$ (0.91)
Net loss per common share — assuming dilution	$ (0.72)	$ (0.44)	$ (1.77)	$ (0.91)
Weighted average number of common shares outstanding:				
Basic	29,415,680	21,503,340	25,932,294	18,710,658
Diluted	29,415,680	21,503,340	25,932,294	18,710,658

The accompanying notes are an integral part of these condensed consolidated financial statements.

iMEDIA BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Net loss	$ (21,298)	$ (9,492)	$ (46,300)	$ (17,252)
Other comprehensive loss:				
Foreign currency translation adjustments	(1,039)	(371)	(8,715)	(371)
Total other comprehensive loss	(1,039)	(371)	(8,715)	(371)
Comprehensive loss	(22,337)	(9,863)	(55,015)	(16,881)
Comprehensive loss attributable to non-controlling interest	—	—	(415)	(282)
Comprehensive loss attributable to shareholders	$ (22,337)	$ (9,863)	$ (54,600)	$ (16,599)

iMEDIA BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share and per share data)
(Unaudited)

	Common Stock							
Nine Months Ended October 29, 2022	**Number of Shares**	**Par Value**	**Additional Paid-In Capital**	**Accumulated Deficit**	**Additional Other Comprehensive Income (Loss)**	**Equity of Non-Controlling Interest**	**Total Shareholders' Equity**
BALANCE, January 29, 2022	21,571,387	$ 216	$ 538,627	$ (469,463)	$ (2,428)	$ 2,412	$ 69,363
Net loss	—	—	—	(11,896)	—	(319)	(12,215)
Common stock issuances pursuant to equity compensation awards	232,630	2	(212)	—	—	—	(210)
Share-based payment compensation	—	—	985	—	—	—	985
Change in cumulative translation adjustment	—	—	—	—	(4,275)	—	(4,275)
BALANCE, April 30, 2022	21,804,017	$ 218	$ 539,400	$ (481,359)	$ (6,703)	$ 2,093	$ 53,649
Net loss	—	—	—	(12,691)	—	(96)	(12,787)
Common stock issuances	3,500,822	35	18,438	—	—	—	18,473
Common stock issuances pursuant to equity compensation awards	177,550	2	(13)	—	—	—	(11)
Share-based payment compensation	—	—	1,123	—	—	—	1,123
Divestiture of business	—	—	—	—	—	(1,997)	(1,997)
Change in cumulative translation adjustment	—	—	—	—	(3,401)	—	(3,401)
BALANCE, July 30, 2022	25,482,389	$ 255	$ 558,948	$ (494,050)	$ (10,104)	$ —	$ 55,049
Net loss	—	—	—	(21,298)	—	—	(21,298)
Common stock issuances pursuant to equity compensation awards	10,554	—	107	—	—	—	107
Share-based payment compensation	—	—	1,097	—	—	—	1,097
Common stock and warrant issuance	3,423,904	2	1,558	—	—	—	1,560
Other Comprehensive Loss	—	—	—	—	(1,039)	—	(1,039)
BALANCE, October 29, 2022	28,916,847	$ 257	$ 561,710	$ (515,348)	$ (11,143)	$ —	$ 35,476

	Common Stock							
Nine Months Ended October 30, 2021	**Number of Shares**	**Par Value**	**Additional Paid-In Capital**	**Accumulated Deficit**	**Additional Other Comprehensive Income (loss)**	**Equity of Non-Controlling Interest**	**Total Shareholders' Equity**
BALANCE, January 30, 2021	13,019,061	$ 130	$ 474,375	$ (447,455)	$ —	$ —	$ 27,050
Net loss	—	—	—	(3,228)	—	(150)	(3,378)
Common stock issuances pursuant to equity compensation awards	76,341	1	(262)	—	—	—	(261)
Share-based payment compensation	—	—	668	—	—	—	668
Common stock and warrant issuance	3,289,000	33	21,191	—	—	—	21,224
Investment of non-controlling interest	—	—	—	—	—	3,430	3,430
BALANCE, May 1, 2021	16,384,402	$ 164	$ 495,972	$ (450,683)	$ —	$ 3,280	$ 48,733
Net loss	—	—	—	(4,249)	—	(132)	(4,381)
Common stock issuances pursuant to equity compensation awards	39,094	—	—	—	—	—	—
Share-based payment compensation	—	—	768	—	—	—	768
Common stock and warrant issuance	4,830,918	48	40,095	—	—	—	40,143
BALANCE, July 31, 2021	21,254,414	$ 212	$ 536,835	$ (454,932)	$ —	$ 3,148	$ 85,263
Net loss	—	—	—	(9,492)	—	—	(9,492)
Common stock issuances pursuant to equity compensation awards	306,100	1	67	—	—	—	68
Share-based payment compensation	—	—	949	—	—	—	949
Common stock and warrant issuance	—	—	136	—	—	—	136
Other Comprehensive Income (loss)	—	—	—	—	(371)	—	(371)
BALANCE, October 30, 2021	21,560,514	$ 213	$ 537,987	$ (464,424)	$ (371)	$ 3,148	$ 76,553

The accompanying notes are an integral part of these condensed consolidated financial statements.

iMEDIA BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share and per share data)
(Unaudited)

	Nine Months Ended	
	October 29, 2022	October 30, 2021
OPERATING ACTIVITIES:		
Net loss	$ (46,300)	$ (17,252)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	30,047	27,565
Share-based payment compensation	3,205	2,385
Payments for television broadcast rights	(21,093)	(21,926)
Amortization of deferred financing costs	2,072	556
Loss on debt extinguishment	884	663
Change in fair value of contract liability, net	(1,937)	—
Contract separation charges	9,941	—
Loss on divestiture	985	—
Changes in operating assets and liabilities:		
Accounts receivable, net	20,146	3,453
Inventories	(4,883)	(17,996)
Deferred revenue	654	10
Prepaid expenses and other	(1,897)	(8,269)
Accounts payable and accrued liabilities	(10,415)	(18,046)
Net cash used for operating activities	(18,591)	(48,857)
INVESTING ACTIVITIES:		
Property and equipment additions	(7,163)	(7,247)
Acquisitions	—	(23,500)
Vendor exclusivity deposit	—	(6,000)
Net cash used for investing activities	(7,163)	(36,747)
FINANCING ACTIVITIES:		
Proceeds from issuance of revolving loan	3,570	56,736
Proceeds from issuance of common stock and warrants	20,761	61,368
Proceeds from issuance of term loan	9,980	28,500
Proceeds from issuance of long-term bonds	—	80,000
Payments on revolving loan	—	(77,736)
Payments on term loan	(7,500)	(12,440)
Payments on seller notes	(3,000)	(1,000)
Payments on finance leases	(7)	(70)
Payments for restricted stock issuance	(224)	(134)
Payments for deferred financing costs	(580)	(11,180)
Payments for debt extinguishment costs	—	(405)
Net cash provided by financing activities	23,000	123,639
Net increase (decrease) in cash and restricted cash	(2,754)	38,035
Effect of exchange rate changes on cash	137	—
BEGINNING CASH AND RESTRICTED CASH	13,188	15,485
ENDING CASH AND RESTRICTED CASH	$ 10,571	$ 53,520
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 12,377	$ 3,612
Income taxes paid	$ 63	$ 62
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Property and equipment purchases included in accounts payable	$ 451	$ 915
Inventory received in divestiture	$ 3,505	$ —
Reclassification of forward contract liability to additional paid in capital	$ 4,383	$ —
Other long term liability issued in exchange for acquired assets	$ —	$ 10,000
Television broadcast rights obtained in exchange for liabilities	$ —	$ 55,647
Common stock issuance costs included in accrued liabilities	$ 100	$ 122
Common stock issued for acquisition liability (See Note 15)	$ 1,500	$ -
Common stock issued for contingent consideration	$ 24	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

iMEDIA BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
October 29, 2022
(Dollars in thousands, except share and per share information)
(Unaudited)

(1) General

iMedia Brands, Inc. and its subsidiaries ("we," "our," "us," or the "Company") is an entertainment company capitalizing on the convergence of entertainment, ecommerce, and advertising. The Company owns a growing portfolio of businesses that cross promote and exchange data with each other to optimize the engagement experiences it creates for advertisers and consumers in the United States and Western Europe. The Company believes its growth strategy builds on its core strengths.

Beginning with the financial statements for our fiscal year ended January 29, 2022, the Company began reporting based on three segments:

- Entertainment, which comprises its television networks, ShopHQ, ShopBulldogTV, ShopHQHealth, and 1-2-3.tv.
- Consumer Brands, which comprises Christopher & Banks ("C&B"), and J.W. Hulme Company ("JW").
- Media Commerce Services, which comprises iMedia Digital Services ("iMDS").

The corresponding current and prior period disclosures have been recast to reflect the current segment presentation. See Note 10 – "Business Segments and Sales by Product Group."

On October 14, 2022, the Company received a written notice from the Listing Qualifications Staff of the Nasdaq Stock Market ("Nasdaq") notifying the Company that it has not been in compliance with the minimum bid price requirement set forth in Nasdaq Listing Rule 5450(a)(1) for a period of 30 consecutive business days (the "Notice"). This Notice has no immediate effect on the listing of the Company's stock on The Nasdaq Global Market.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company is provided a compliance period of 180 days from the date of the Notice to regain compliance with the minimum closing bid price requirement. If the Company does not regain compliance during the compliance period, the Company may be afforded a second 180 calendar day period to regain compliance. To qualify, the Company must meet the continued listing requirement for market value of publicly-held shares and all other initial listing standards for the Nasdaq Capital Market (with the exception of the minimum bid price requirement) and notify Nasdaq of its intent to cure the deficiency by effecting a reverse stock split if necessary. If the Company does not regain compliance within the allotted compliance periods, including any extensions that may be granted by Nasdaq, the Company's stock will be subject to delisting.

The Company can achieve compliance with the minimum bid price requirement if, during either compliance period, the closing bid price per share of the Company's stock is at least $1.00 for a minimum of ten consecutive business days.

The Company will continue to monitor the closing bid price of its stock and assess potential actions to regain compliance, but there can be no assurance that the Company will regain compliance with the minimum bid price requirement during the 180-day compliance period, secure a second 180-day period to regain compliance, or maintain compliance with the other Nasdaq listing requirements.

(2) Basis of Financial Statement Presentation

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America have been condensed or omitted in accordance with these rules and regulations. The accompanying condensed consolidated

iMEDIA BRANDS, INC. AND SUBSIDIARIES
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balance sheet as of January 29, 2022 has been derived from the Company's audited financial statements for the fiscal year ended January 29, 2022. The information furnished in the interim condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments which, in the opinion of management, are necessary for a fair presentation of these financial statements. Although management believes the disclosures and information presented are adequate, these interim condensed consolidated financial statements should be read in conjunction with the Company's most recent audited financial statements and notes thereto included in its annual report on Form 10-K for fiscal year ended 2021. Operating results for the three and nine-month periods ended October 29, 2022 are not necessarily indicative of the results that may be expected for fiscal year ending January 28, 2023.

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

Forward Contracts

The Company classifies a forward contract to purchase shares of its common stock that do not qualify for equity classification as a liability on its consolidated balance sheets as this forward contract contains freestanding financial instruments that may require the Company to transfer consideration upon exercise. Each instrument is initially recorded at fair value on date of grant using the Black-Scholes model for warrants and the market value for common shares and pre-funded warrants, and it is subsequently re-measured to fair value at each subsequent balance sheet date while liability-classified and outstanding. Changes in fair value of the instruments are recognized as a component of other income (expense), net in the consolidated statements of operations and comprehensive loss. Issuance costs are expensed under liability treatment for forward contracts. The Company adjusts the forward contracts for changes in fair value until the earlier of the exercise, when the forward contract qualifies for equity treatment, or the expiration of the forward contract.

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to January 31 and results in either a 52-week or 53-week fiscal year. References to years in this report relate to fiscal years, rather than to calendar years. The Company's most recently completed fiscal year, fiscal 2021, ended on January 29, 2022, and consisted of 52 weeks. Fiscal 2022 will end January 28, 2023 and will contain 52 weeks. The three and nine-month periods ended October 29, 2022 and October 30, 2021 consisted of 13 and 39 weeks.

Held for Sale Assets

The Company previously disclosed that it was marketing buildings located in Eden Prairie, MN and Bowling Green, KY, which currently serve as the Company's corporate headquarters and production studios, and its distribution center (the "Buildings"). The Company received a Letter of Intent ("LOI") in November 2022 from a real estate investment firm for the purchase of two buildings located in Bowling Green, KY, which serve as its distribution centers and one building located in Eden Prairie, MN which currently serves as the corporate headquarters and production studios for the Company. The LOI serves as the Company's intent to enter into a sales-leaseback transaction for the Buildings with a purchase price of $48,000, and a lease term of twenty-one (21) years with additional renewal options available. The Company intends to use the net proceeds to retire existing debt and for working capital purposes and expects the transaction to close in the fourth quarter of fiscal year 2022. There can be no assurances that the sale-leaseback transaction will be successful.

The Buildings are currently measured at the carrying value of $14,000, which represents the lower of carrying value or fair value less cost to sell, in accordance with ASC 360-10-35-43, and thus no gain or loss was recorded at the initial measurement of the held for sale assets.

iMEDIA BRANDS, INC. AND SUBSIDIARIES
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Recently Adopted Accounting Standards

In August 2020, the FASB issued ASU No. 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)*, or ASU 2020-06. The guidance in ASU 2020-06 simplifies the accounting for convertible instruments and its application of the derivatives scope exception for contracts in its own equity. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this standard on January 30, 2022 using the modified retrospective approach. The adoption of ASU 2020-06 did not have a material impact on the Company's condensed consolidated financial statements.

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This update provides optional expedients and exceptions for applying generally accepted accounting principles to certain contract modifications and hedging relationships that reference London Inter-bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. Topic 848 is effective upon issuance and generally can be applied through December 31, 2022. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848), which refines the scope of Topic 848 and clarifies some of its guidance. Specifically, certain provisions in Topic 848, if elected by an entity, apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. Amendments to the expedients and exceptions in Topic 848 capture the incremental consequences of the scope clarification and tailor the existing guidance to derivative instruments affected by the discounting transition. The amendments are effective immediately for all entities. An entity may elect to apply the amendments on a full retrospective basis. The Company has not adopted any of the optional expedients or exceptions through October 29, 2022, but the Company will continue to evaluate the possible adoption of any such expedients or exceptions and does not expect such adoption to have a material impact on its condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Liabilities from Contracts with Customers*, which provides guidance to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice. This ASU is effective for the Company on January 29, 2023, with early adoption permitted, and shall be applied on a prospective basis to business combinations that occur on or after the adoption date. The Company is evaluating the effect that the implementation of this standard may have on the Company's condensed consolidated financial statements but does not currently expect the impact to be material.

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*, which provides guidance to increase the transparency of government assistance transactions with business entities that are accounted for by applying a grant or contribution accounting model. This ASU is effective for the Company's annual financial statements to be issued for the year ended January 28, 2023, with early adoption permitted. The Company expects to adopt this new accounting standard in its Annual Report on Form 10-K for the year ended January 28, 2023 and does not expect the adoption of this standard to have a material impact on the Company's condensed consolidated financial statements.

Liquidity and Going Concern

In accordance with Accounting Standards Codification ("ASC") Topic 205-40, Going Concern, management has evaluated whether there are certain conditions and events, considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for twelve months after the date that these consolidated financial statements are issued. In applying this accounting guidance, the Company considered its current financial condition and liquidity sources, including current funds available, forecasted future cash flows and its unconditional obligations due over the next twelve months, including related covenants. In addition, the Company evaluates its history of financial performance, where we have had a historic trend of operating losses, net losses and negative operating cash flows which continue to have an unfavorable impact on our overall liquidity. Most recently, we reported operating losses of $15,265 and $30,619, net losses of $6,002 and $10,423 for the three and nine months ended October 29, 2022, and negative operating cash flows of $18,591 for the nine months ended October 29, 2022. We also reported operating losses, net losses and negative operating cash flows for the fiscal years 2021 and 2020 which we expect to continue until operating results improve. In addition, we were in violation of our debt covenants as of October 29, 2022.

As of October 29, 2022, we had $10,571 in cash and cash equivalents and $1,839 of available capacity under our debt and related agreements, resulting in $12,410 of liquidity.

The Company is required to maintain certain financial ratios under various debt and related agreements. If we violate covenants in any debt or related agreement, we would be considered in default and our indebtedness would be due immediately and may not be able to make additional borrowings under the agreement which may be at a time when we might be unable to arrange financing for such repayment on attractive terms, if at all. As of October 29, 2022, the Company was not in compliance with certain of the covenants under the loan and security agreement governing its revolving loan. The Company is working with its asset-based lender, Siena Lending Group, LLC ("Siena"), to address the Company's compliance with certain covenants under their loan agreement whether through the issuance of an amendment or forbearance agreement. Therefore, the amounts of the Company's long-term debt that would otherwise be contractually due and payable after one year are reflected on the Company's balance sheets as current liabilities, including the GCP Note and the GreenLake Note (see Note 6 for a discussion of the Company's debt arrangements).

Improving operating results and cash flow is dependent upon the Company's ability to achieve its business plans to grow its revenues and enhance its operations by reducing inventory through improved inventory management. In addition, management plans to execute a sale leaseback transaction and use the proceeds to pay down debt, and capital expenditure savings achieved through deferral of nonessential projects.

The Company previously disclosed that it was marketing buildings located in Eden Prairie, MN and Bowling Green, KY, which currently serve as the Company's corporate headquarters and production studios, and its distribution center (the "Buildings"). The Company received a Letter of Intent ("LOI") in November 2022 from a real estate investment firm for the purchase of two buildings located in Bowling Green, KY, which serve as its distribution centers and one building located in Eden Prairie, MN which currently serves as the corporate headquarters and production studios for the Company. The LOI serves as the Company's intent to enter into a sales-leaseback transaction for the Buildings with a purchase price of $48,000, and a lease term of twenty-one (21) years with additional renewal options available. The Company intends to use the net proceeds to retire existing debt and for working capital purposes and expects the transaction to close in the fourth quarter of fiscal year 2022. There can be no assurances that the sale-leaseback transaction will be successful. As of December 13, 2022, this transaction is not complete.

There can be no assurances that management will be successful with the sale leaseback transaction nor with management's other plans. As a result, there is substantial doubt about the Company's ability to continue as a going concern within twelve months following the issuance date of the condensed consolidated financial statements as of and for the period ended October 29, 2022.

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business within twelve months after the date that these condensed financial statements are issued.

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(3) Revenue

Revenue Recognition

For revenue in the entertainment and consumer brands reporting segments, revenue is recognized when control of the promised merchandise is transferred to customers in an amount that reflects the consideration the Company expects to receive in exchange for the merchandise, which is upon shipment. For revenue in the Media Commerce Services segment, revenue is recognized when the services are provided to the customer. Revenue is reported net of estimated sales returns, credits and incentives, and excludes sales taxes. Sales returns are estimated and provided for at the time of sale based on historical experience.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Accounting Standards Codification ("ASC") 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Substantially all the Company's merchandise sales are single performance obligation arrangements for transferring control of merchandise to customers or providing service to customers.

The Company's merchandise is generally sold with a right of return for up to a certain number of days after the merchandise is received and the Company may provide other credits or incentives, which are accounted for as variable consideration when estimating the amount of revenue to recognize. Merchandise returns and other credits including the provision for returns are estimated at contract inception and updated at the end of each reporting period as additional information becomes available. As of October 29, 2022, and January 29, 2022, the Company recorded a merchandise return liability of $4,250 and $8,126, included in accrued liabilities, and a right of return asset of $1,701 and $3,770, included in Prepaid Expenses and Other.

In accordance with ASC 606-10-50, the Company disaggregates revenue from contracts with customers by significant product groups and timing of when the performance obligations are satisfied. A reconciliation of disaggregated revenue by segment and significant product group is provided in Note 10 – "Business Segments and Sales by Product Group."

Accounts Receivable

For its entertainment and consumer brands segments, the Company utilizes an installment payment program called ValuePay that entitles customers to purchase merchandise and generally pay for the merchandise in two or more equal monthly credit card installments. Payment is generally required within 30 to 60 days from the purchase date. The Company has elected the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component when the payment terms are less than one year. Accounts receivable consist primarily of amounts due from customers for merchandise and service sales, receivables from credit card companies, and amounts due from vendors for unsold and returned products and are reflected net of reserves for estimated uncollectible amounts. The Company records accounts receivable at the invoiced amount and does not charge interest on past due invoices. A provision for ValuePay bad debts is provided as a percentage of ValuePay receivables in the period of sale and is based on historical experience and the Company's judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company reviews its accounts receivable from customers that are past due to identify specific accounts with known disputes or collectability issues. As of October 29, 2022 and January 29, 2022, the Company had approximately $30,177 and $47,008 of net receivables due from customers under the ValuePay installment program and total reserves for estimated uncollectible amounts of $2,430 and $3,019.

(4) Television Broadcast Rights

Television broadcast rights in the accompanying condensed consolidated balance sheets consisted of the following:

	October 29, 2022	January 29, 2022
Television broadcast rights	$ 146,653	$ 146,200

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Less accumulated amortization	(63,547)	(43,858)
Television broadcast rights, net	$ 83,106	$ 102,342

During the first nine months of fiscal 2022 and full year fiscal 2021, the Company entered into certain affiliation agreements with television service providers for carriage of its television programming over their systems, including channel placement rights, which ensure the Company keeps its channel position on the service provider's channel line-up during the term. The Company recorded television broadcast rights of $453 and $102,545 during the first nine months of fiscal year 2022 and full year 2021, which represent the present value of payments for the television broadcast rights associated with the channel position placement. Television broadcast rights are amortized on a matching basis over the lives of the individual agreements. The remaining weighted average lives of the television broadcast rights was 3.9 years as of October 29, 2022. Amortization expense related to the television broadcast rights was $6,617 and $19,689 for the three and nine-month periods ended October 29, 2022 and $7,926 and $19,121 for the three and nine-month periods ended October 30, 2021 and is included in depreciation and amortization within the condensed consolidated statements of operations. Estimated broadcast rights amortization expense is $6,014 for the remainder of fiscal 2022, $20,090 for fiscal 2023, $20,877 for fiscal 2024, $21,402 for fiscal 2025, $14,723 for fiscal 2026 and $0 thereafter. The liability relating to the television broadcast rights was $93,862 and $113,189 as of October 29, 2022 and January 29, 2022, of which $30,296 and $31,921 was classified as current in the accompanying condensed consolidated balance sheets, respectively. Interest expense related to the television broadcast rights obligation was $703 and $1,314 during the three and nine-month periods ended October 29, 2022 and $952 and $2,049 during the three and nine-month periods ended October 30, 2021.

In addition to the Company securing broadcast rights for channel position, the Company's affiliation agreements generally provide that it will pay each operator a monthly service fee, most often based on the number of homes receiving the Company's programming, and in some cases marketing support payments. Monthly service fees are expensed as distribution and selling expense within the condensed consolidated statements of operations.

(5) Goodwill and Intangible Assets

Goodwill

The following table presents the changes in goodwill during the nine months ended October 29, 2022:

Balance, January 29, 2022	$ 99,050
Acquisition valuation adjustment	(444)
Foreign currency translation adjustment	(9,125)
Divestiture of business	(1,740)
Balance, October 29, 2022	$ 87,741

The Company acquired 1-2-3.tv in the prior year. Subsequent to the acquisition 1-2-3.tv's revenues and operating income have been less than originally projected. The Company believes the high inflation in Germany and uncertain events such as the Russian invasion of Ukraine have created shifts in consumer spending habits. The Company will continue to monitor the financial results of 1-2-3.tv and should the financial results continue to fall short of our projections for a prolonged period of time an impairment of long-lived assets may become necessary to record in the future.

The occurrence of risks such as political, regulatory or jurisdictional could negatively affect our international business and, consequently, our results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. Specifically, such an occurrence could create a triggering event that would require us to review goodwill and intangible assets for impairment and the potential full or partial write-down of those balances. We cannot be certain that the investment and additional resources required in establishing, acquiring, or integrating operations in other countries will produce desired levels of revenues or profitability.

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Finite-lived Intangible Assets

Intangible assets in the accompanying condensed consolidated balance sheets consisted of the following:

		October 29, 2022			January 29, 2022		
	Estimated Useful Life (In Years)	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Trademarks and Trade Names	15	$ 14,919	(952)	$ 13,967	$ 14,462	$ (451)	$ 14,011
Technology	4-9	6,645	(759)	5,887	6,524	(752)	5,772
Customer Lists and Relationships	3-14	9,006	(2,625)	6,381	8,689	(619)	8,070
Vendor Exclusivity	5	193	(135)	58	193	(106)	87
Total finite-lived intangible assets		$ 30,763	$ (4,471)	$ 26,293	$ 29,868	$ (1,928)	$ 27,940

Intangible assets, net in the accompanying condensed consolidated balance sheets consist of trade names, technology, customer lists and a vendor exclusivity agreement primarily related to the various acquisitions the Company completed in fiscal 2021 and 2019. Amortization expense related to the finite-lived intangible assets was $772 and $242 for the three-month periods ended October 29, 2022 and October 30, 2021 and $2,344 and $544 for the nine-month period ended October 29, 2022 and October 30, 2021. Estimated amortization expense is $761 for the remainder of fiscal 2022, $3,001 for fiscal 2023, $2,805 for fiscal 2024, $2,625 for fiscal 2025, and $2,165 for fiscal 2026 and $14,936 thereafter.

(6) Credit Agreements

The Company's long-term credit facilities consist of:

	October 29, 2022	January 29, 2022
Revolving Loan due July 31, 2024, principal amount	$ 63,786	$ 60,216
8.5% Senior Unsecured Notes, due 2026, principal amount	80,000	80,000
Real Estate Financing term loan due July 31, 2024, principal amount	28,500	28,500
Seller notes:		
Seller note due in annual installments, maturing in November 2023, principal amount	17,939	20,062
Seller note due in quarterly installments, maturing in December 2023, principal amount	5,000	8,000
Total seller notes	22,939	28,062
Convertible Debt	3,100	—
Total debt	198,325	196,778
Less: unamortized debt issuance costs and debt discount	(6,513)	(7,607)
Plus: unamortized debt premium	1,197	1,292
Total carrying amount of debt	193,009	190,463
Less: current portion of long-term debt	(98,209)	(14,031)
Long-term debt, net	$ 94,800	$ 176,432

Convertible Debt

On April 18, 2022, the Company entered into a securities purchase agreement (with Growth Capital Partners, LLC ("GCP"), for the purchase and sale of an unsecured promissory note (the "GCP Note") in the original aggregate principal amount of $10,600, which may, at the Company's discretion, be settled in cash or at a premium into shares of the Company's common stock, in a private placement upon the terms and subject to the limitations and conditions set forth in the GCP Note. The aggregate purchase price of the GCP Note was $10,000, which reflects an original issue discount of $600. On May 17, 2022, the Company paid off $7,500 of the GCP Note.

As of October 29, 2022, the Company was not in compliance with certain of the coverage ratio terms of the GCP Note. Therefore, the amounts of the Company’s long-term debt that would otherwise be contractually due and payable after one year are reflected on the Company’s balance sheets as current liabilities.

The GCP Note accrues interest at 7% per annum, unless an event of default has occurred and is continuing, at which time at the election of the GCP, interest would accrue at a rate equal to the lesser of 18% per annum or the maximum rate permitted under applicable law. The GCP Note is scheduled to mature on May 18, 2023. Beginning six months after the purchase date, GCP will have the right, exercisable at any time in its sole and absolute discretion, to redeem all or any portion of the GCP Note, subject to a maximum monthly redemption amount of $1,500. As such, the entirety of the GCP Note is included in the current portion of long-term debt line item of the accompanying financial statements.

Interest expense recorded under the GCP Note was $142 and $258 for the three and nine-month periods ended October 29, 2022.

Debt discount and issuance costs, net of amortization, relating to the GCP Note were $363 as of October 29, 2022 and are included as a direct reduction to the GCP Note liability balance within the accompanying consolidated balance sheets. The balance of these costs is being expensed as additional interest over the 13-month term of the GCP Note at an effective interest rate of 23.5%. The Company recorded a loss on debt extinguishment of $884 including $509 of debt issuance costs.

8.50% Senior Unsecured Notes

On September 28, 2021, the Company issued and sold $80,000 aggregate principal amount of the 2026 Notes pursuant to a registered public offering under a shelf registration statement. The Company received related net proceeds of $73,700 after deducting the underwriting discount and estimated offering expenses payable by the Company (including fees and reimbursements to the underwriters). The 2026 Notes were issued under an indenture, dated September 28, 2021 (the “Base Indenture”), between the Company and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by the First Supplemental Indenture, dated September 28, 2021 (the “Supplemental Indenture,” and the Base Indenture as supplemented by the Supplemental Indenture, the “Indenture”), between the Company and the Trustee. The 2026 Notes were denominated in denominations of $25.00 and integral multiples of $25.00 in excess thereof.

The 2026 Notes pay interest quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on December 31, 2021, at a rate of 8.50% per year, and will mature on September 30, 2026.

The 2026 Notes are the senior unsecured obligations of the Company. There is no sinking fund for the 2026 Notes. The 2026 Notes are the obligations of iMedia Brands, Inc. only and are not obligations of, and are not guaranteed by, any of the Company’s subsidiaries. The Company may redeem the 2026 Notes for cash in whole or in part at any time at its option (i) on or after September 30, 2023 and prior to September 30, 2024, at a price equal to $25.75 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after September 30, 2024 and prior to September 30, 2025, at a price equal to $25.50 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after September 30, 2025 and prior to maturity, at a price equal to $25.25 per note, plus accrued and unpaid interest to, but excluding, the date of redemption. The Indenture provides for events of default that may, in certain circumstances, lead to the outstanding principal and unpaid interest of the 2026 Notes becoming immediately due and payable. If a Mandatory Redemption Event (as defined in the Supplemental Indenture) occurs, the Company will have an obligation to redeem the 2026 Notes, in whole but not in part, within 45 days after the occurrence of the Mandatory Redemption Event at a redemption price in cash equal to $25.50 per note plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

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The Company used all the net proceeds from the offering to fund its closing cash payment in connection with the acquisition of 1-2-3.tv Invest GmbH and 1-2-3.tv Holding GmbH (collectively with their direct and indirect subsidiaries, the "1-2-3.tv Group"), and any remaining proceeds for working capital and general corporate purposes, which included payments related to the acquisition.

Interest expense recorded under the 8.50% Senior Unsecured Notes was $2,036 and $6,109 for the three and nine-month periods ended October 29, 2022 and $713 for the three and nine-month periods ended October 30, 2021.

Debt issuance costs, net of amortization, relating to the Senior Unsecured Notes were $4,974 and $5,925 as of October 29, 2022, and January 29, 2022, respectively and are included as a direct reduction to the 2026 Notes liability balance within the accompanying consolidated balance sheets. The balance of these costs is being expensed as additional interest over the five-year term of the 2026 Notes at an effective interest rate of 10.1%.

Revolving Loan

The Company and certain of its subsidiaries, as borrowers, are party to a loan and security agreement (as amended, the "Loan Agreement") with Siena Lending Group LLC and the other lenders party thereto from time to time, Siena Lending Group LLC, as agent (the "Agent"), and certain additional subsidiaries of the Company, as guarantors thereunder. The Loan Agreement was originally entered into on July 30, 2021, has a three-year term and provides for up to a $80,000 revolving loan. Subject to certain conditions, the Loan Agreement also provides for the issuance of letters of credit in an aggregate amount up to $5,000 which, upon issuance, would be deemed advances under the revolving loan. Proceeds of borrowings were used to refinance all indebtedness owing to PNC Bank, National Association, to pay the fees, costs, and expenses incurred in connection with the Loan Agreement and the transactions contemplated thereby, for working capital purposes, and for such other purposes as specifically permitted pursuant to the terms of the Loan Agreement. The Company's obligations under the Loan Agreement are secured by substantially all its assets and the assets of its subsidiaries as further described in the Loan Agreement.

On September 12, 2022, the parties to the Loan Agreement entered an amendment (the "Seventh Amendment"), which revised the agreement to amend required minimum liquidity and maximum senior debt leverage ratio criteria among other terms and conditions set forth in the Loan Agreement.

Subject to certain conditions, borrowings under the Loan Agreement bear interest at 4.50% plus the LIBOR for a period of 30 days as published in The Wall Street Journal three business days prior to the first day of each calendar month. There is a floor for LIBOR of 0.50%. As of the Sixth Amendment, LIBOR was replaced with the Secured Overnight Financing Rate.

The Loan Agreement contains customary representations and warranties and financial and other covenants and conditions, including, among other things, minimum liquidity requirements. The Company is also subject to a maximum senior net leverage ratio. In addition, the Loan Agreement places restrictions on the Company's ability to incur additional indebtedness or prepay existing indebtedness, to create liens or other encumbrances, to sell or otherwise dispose of assets, to merge or consolidate with other entities, and to make certain restricted payments, including payments of dividends to shareholders. The Company also pays a monthly fee at a rate equal to 0.50% per annum of the average daily unused amount of the credit facility for the previous month.

As of October 29, 2022, the Company had total borrowings of $63,786 under its revolving loan with Siena. Remaining available capacity under the revolving loan as of October 29, 2022 was approximately $1,839, which provided liquidity for working capital and general corporate purposes. As of October 29, 2022, the Company was not in compliance with the net senior debt leverage ratio and minimum liquidity covenant of the Loan Agreement. Therefore, the amounts of the Company's long-term debt that would otherwise be contractually due and payable after one year are reflected on the Company's balance sheets as current liabilities.

Interest expense recorded under the Revolving Loan was $1,685 and $3,907 for the three and nine-month periods ended October 29, 2022 and $766 for the three and nine-month periods ended October 30, 2021.

Deferred financing costs, net of amortization, relating to the revolving loan were $2,444 and $2,411 as of October 29, 2022 and January 29, 2022 and are included within other assets within the accompanying condensed consolidated balance sheets. The balance of these costs is being expensed as additional interest over the three-year term of the Loan Agreement.

Real Estate Financing

On July 30, 2021, two of the Company's subsidiaries, VVI Fulfillment Center, Inc. and EP Properties, LLC, as borrowers, and the Company, as guarantor, entered a promissory note secured by mortgages (the "GreenLake Note") with GreenLake Real Estate Finance LLC ("GreenLake") whereby GreenLake agreed to make a secured term loan (the "Term Loan") to the borrowers in the original amount of $28,500. The GreenLake Note is secured by, among other things, mortgages encumbering the Company's owned properties in Eden Prairie, Minnesota and Bowling Green, Kentucky (collectively, the "Mortgages") as well as other assets as described in the GreenLake Note. Proceeds of borrowings shall be used to (i) pay fees and expenses related to the transactions contemplated by the GreenLake Note, (ii) make certain payments approved by GreenLake to third parties, and (iii) provide for working capital and general corporate purposes of the Company. The Company has also pledged the stock that it owns in the Borrowers to secure its guarantor obligations.

The GreenLake Note is scheduled to mature on July 31, 2024. The borrowings, which include all amounts advanced under the GreenLake Note, bear interest at 10.00% per annum or, at the election of the Lender upon no less than 30 days prior written notice to the borrowers, at a floating rate equal to the prime rate plus 200 basis points.

The GreenLake Note was able to be prepaid in full (but not in part) before July 30, 2022 (the "Lockout Date") upon payment of a prepayment premium equal to the amount of interest that would have accrued from the date of prepayment through the Lockout Date. Since the Lockout Date, the GreenLake Note may be prepaid in full or in any installment greater than or equal to $100,000 without any prepayment penalty or premium on 90 days' prior written notice from borrowers to GreenLake.

The GreenLake Note contains customary representations and warranties and financial and other covenants and conditions, including, a requirement that the borrowers comply with all covenants set forth in the Loan Agreement described above. The GreenLake Note also contains certain customary events of default.

As of October 29, 2022, the Company was not in compliance with certain of the coverage ratio terms of the Loan Agreement. Therefore, the amounts of the Company's long-term debt associated with the GreenLake Note that would otherwise be contractually due and payable after one year are reflected on the Company's balance sheet as current liabilities.

Interest expense recorded under the GreenLake Note was $889 and $2,666 for the three and nine-month periods ended October 29, 2022 and $904 for the three and nine-month periods ended October 30, 2021.

Debt issuance costs, net of amortization, relating to the GreenLake Note were $1,176 and $1,682 as of October 29, 2022, and January 29, 2022, respectively and are included as direct reductions to the GreenLake Note liability balance within the accompanying consolidated balance sheets. The balance of these costs is being expensed as additional interest over the three-year term of the GreenLake Note at an effective interest rate of 12.4%.

Seller Notes

On November 5, 2021 the Company issued an unsecured promissory note in the amount of $20,800 as a component of consideration paid to the seller for our acquisition of 1-2-3.tv. The seller note is payable as follows: $2,557 in November 2022, $6,648 in February 2023, and the balance in November 2023. The seller note bears interest at a rate of 8.50%. $17,939 was outstanding as of October 29, 2022. Interest expense recorded under the seller note was $378 and $1,196 for the three and nine-months ended October 29, 2022.

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On July 30, 2021, the Company issued a $10,000 unsecured promissory note as a component of consideration paid to seller for our acquisition of Synacor's Portal and Advertising business. The seller note is payable in $1,000 quarterly installments, maturing on December 31, 2023. The seller notes bear interest at rates between 6% and 11% depending upon the period outstanding. $5,000 is outstanding as of October 29, 2022. Interest expense recorded under the seller note was $171 and $347 for the three and nine-months ended October 29, 2022.

On September 19, 2022, the parties to the Vendor Loan Agreement entered into the Third amendment, which revised the agreement to postpone the Loan Amount to be repaid on the Ordinary Maturity Date I in the amount of EUR 9,000 until November 15, 2023, and the postponement of the Loan Amount to repaid on the Ordinary Maturity Date II in the amount of EUR 9,000 until November 15, 2024. This Amendment revises the original payment date of February 5, 2023 as set forth in the Second Amendment.

Maturities

The aggregate maturities of borrowings outstanding under the Company's long-term debt obligations as of October 29, 2022 were as follows:

Fiscal year	Seller Notes	Real Estate Financing	Revolving Loan	8.5% Senior Unsecured Notes	Convertible Debt	Total
2022	$ 1,000	$ 28,500	$ 63,786	$ —	$ 3,100	$ 96,386
2023	13,025	—	—	—	—	13,025
2024	8,914	—	—	—	—	8,914
2025	—	—	—	—	—	—
2026	—	—	—	80,000	—	80,000
Total amount due	$ 22,939	$ 28,500	$ 63,786	$ 80,000	$ 3,100	$ 198,325
Less: unamortized debt issuance costs and debt discount	—	(1,176)	—	(4,974)	(363)	(6,513)
Plus: unamortized debt premium	1,197	—	—	—	—	1,197
Total carrying amount of debt	$ 24,136	$ 27,324	$ 63,786	$ 75,026	$ 2,737	$ 193,009

Restricted Cash

The Company is required to keep cash in a restricted account to secure letters of credit to purchase inventory as well as to secure the Company's corporate purchasing card program. The Company had $1,500 and $1,893 in restricted cash accounts as of October 29, 2022, and January 29, 2022.

(7) Fair Value Measurements

GAAP utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to observable quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 measurement), then priority to quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market (Level 2 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

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The valuation for the 8.50% Senior Unsecured Notes due 2026 (the "2026 Notes") is based on the quoted prices in active markets for identical assets, a Level 1 input. The 2026 Notes (Nasdaq: IMBIL) are listed on the Nasdaq stock exchange, which the Company considers to be an "active market," as defined by GAAP. Therefore, the 2026 Notes are measured based on quoted prices in an active market and included as Level 1 fair value instruments in the table below.

The carrying amount of the Siena revolving loan ("as described in Note 7 – "Credit Agreements") approximate its fair values as its variable interest rates are based on prevailing market rates, which are a Level 2 input. The carrying amounts of the GreenLake Note, GCP note, and seller notes (each as described in Note 7 – "Credit Agreements") reasonably approximate their fair values because their interest rates are similar to market rates for similar instruments, which are Level 2 inputs.

The Company's financial instruments are listed with their fair values below as of October 29, 2022 and January 29, 2022:

	Fair Value Measurements at October 29, 2022			
	Total	Level 1	Level 2	Level 3
Liabilities:				
Revolving loan	$ 63,786	$ —	$ 63,786	$ —
8.5% Senior unsecured notes (IMBIL)	27,968	27,968	—	—
GreenLake Note	28,500	—	28,500	—
Seller notes	24,136	—	24,136	—
GCP note	3,100	—	3,100	—
Contingent consideration	2,671	—	—	2,671

	Fair Value Measurements at January 29, 2022			
	Total	Level 1	Level 2	Level 3
Liabilities:				
Revolving loan	$ 60,216	$ —	$ 60,216	$ —
8.5% Senior unsecured notes (IMBIL)	70,176	70,176	—	—
GreenLake Note	28,500	—	28,500	—
Seller notes	29,354	—	29,354	—
Contingent consideration	3,097	—	—	3,097

The Company valued the contingent consideration based on a Monte Carlo valuation method. Significant inputs used in the model includes certain financial metric growth rates, volatility rates, projections associated with the applicable contingency, the interest rate, and the related probabilities and payment structure, which are not observable in the market and are therefore considered to be Level 3 inputs.

Balance, January 29, 2022	$ 3,097
Foreign currency translation adjustment	(356)
Balance, October 29, 2022	$ 2,741

(8) Shareholders' Equity
Common Stock and Preferred Stock

The Company is authorized to issue 40,000,000 shares of common stock and 10,000,000 shares of capital stock, of which 400,000 shares are designated as Series A Junior Participating Cumulative Preferred Stock, and the remaining 9,600,000 shares have been designated as additional shares of common stock, for a total of 49,600,000 authorized shares of common stock. As of October 29, 2022, no shares of preferred stock were issued or outstanding and 28,916,847 shares of common stock were issued and outstanding. The board of directors may de-designate or establish new classes and series of capital stock by resolution without shareholder approval; however, in certain circumstances the Company is required to obtain approval under the Loan Agreement.

Public Offerings

On June 9, 2021, the Company completed a public offering, in which the Company issued and sold 4,830,918 shares of our common stock at a public offering price of $9.00 per share. After underwriter discounts and commissions and other offering costs, net proceeds from the public offering were approximately $39,955. The Company has used the proceeds for general working capital purposes, including potential acquisitions of businesses and assets that are complementary to our operations.

On February 18, 2021, the Company completed a public offering, in which the Company issued and sold 3,289,000 shares of its common stock at a public offering price of $7.00 per share, including 429,000 shares sold upon the exercise of the underwriter's option to purchase additional shares. After underwriter discounts and commissions and other offering costs, net proceeds from the public offering were approximately $21,224. The Company used the proceeds for general working capital purposes.

May 2022 Private Placement Securities Purchase Agreement

On May 11, 2022, the Company entered into a Securities Purchase Agreement (the "SPA") with certain purchasers (collectively, the "Purchasers"), pursuant to which the Company agreed to issue and sell to the Purchasers: (i) 4,136,001 shares of its common stock, at an offering price of $3.07 per share, (ii) pre-funded warrants to purchase 3,763,022 shares of its common stock at an offering price of $3.0699 per pre-funded warrant (the "Pre-Funded Warrants"), which represents the per share offering price of its common stock less the $0.0001 per share exercise price for each pre-funded warrant and (iii) warrants to purchase up to an additional 7,899,023 shares of its common stock in the future, with a per share exercise price of $2.94 (the "Common Warrants"), which only became exercisable for common stock upon receipt of shareholder approval of an increase in the number of authorized shares of the Company's common stock from 29,600,000 to 49,600,000 pursuant to an amendment to the Company's Articles of Incorporation, which the Company obtained at the 2022 annual meeting of shareholders on June 14, 2022 (the "Charter Amendment"), and will be exercisable until the earlier of (a) five years from the date of receiving shareholder approval of the Charter Amendment and (b) six years from the date of warrant issuance. Of these securities, 97,720 Shares and 97,720 Common Warrants were purchased by Craig-Hallum Capital Group LLC (the "Placement Agent") at a purchase price of $3.07.

On May 16, 2022, the initial closing occurred with the issuance of 2,280,000 Common Shares, 3,257,459 Pre-Funded Warrants, and 5,537,459 Common Warrants to a single investor in exchange for approximately $15,763 of cash net of issuance costs of $1,237 which have been expensed in the statements of operations.

On July 22, 2022, the second closing occurred with the issuance of 1,123,102 Common Shares, 505,563 Pre-funded Warrants, and 1,628,665 Common Warrants to all other investors for approximately $4,998 of cash, following the shareholder approval of the Charter Amendment on June 14, 2022.

The Company determined the Securities Purchase Agreement represented a forward contract to each holder (each, a "Forward Contract"). On May 11, 2022, the Company determined 2,852,780 of the Common Warrants met the requirements to be classified within stockholder's equity under ASC 815, "Derivatives and Hedging."

Further, as of May 11, 2022, the Company determined it did not have sufficient authorized shares available for all of the equity instruments issued in connection with the SPA to be classified in stockholders' equity. As such, 2,684,679 Common Warrants and 5,942,138 Prefunded Warrants that were issued on May 16, 2022 were liability-classified. Therefore, the fair value of these warrants was allocated to such liability-classified Forward Contract, with the residual proceeds being allocated to equity for the Common Stock and equity-classified Common Warrants. Changes in the fair values of the liability-classified Forward Contracts were recognized at fair value through earnings until June 14, 2022 , when the warrants met the requirements to be classified in stockholder's equity.

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On June 14, 2022, the Company increased the number of authorized shares through the adoption of the Charter Amendment and, as such, reclassified the remaining amount of the warrant liability to stockholders' equity.

The Company estimated the fair value of the contract liability based on a Black Scholes valuation model for Common Warrants and market price for Common Shares and Pre-Funded Warrants. The key assumptions used consist of the price of the Company's stock, a risk-free interest rate based on the average yield of a five- or six-year Treasury note (based on remaining term of the related warrants) and expected volatility of the Company's common stock over the remaining contractual life of the warrants. For the nine-month period ended October 29, 2022 the Company recognized a gain on the change in fair value of contract liability of $1,937 net of issuance costs of $1,237.

Warrants Outstanding

As of October 29, 2022, the Company had outstanding warrants to purchase 9,161,214 shares of the Company's common stock, of which 8,593,032 were fully exercisable. The warrants expire approximately five to six years from the date of grant except for 3,763,022 of pre-funded warrants which do not have an expiration. The following table summarizes information regarding warrants outstanding at October 29, 2022:

Grant Date	Warrants Outstanding	Warrants Exercisable	Exercise Price (Per Share)		Expiration Date
May 2, 2019	349,998	349,998	$	15.00	May 2, 2024
April 17, 2020	367,197	367,197	$	2.66	April 14, 2025
May 22, 2020	122,398	122,398	$	2.66	April 14, 2025
June 8, 2020	122,399	122,399	$	2.66	April 14, 2025
June 12, 2020	122,398	122,398	$	2.66	April 14, 2025
July 11, 2020	244,798	244,798	$	2.66	April 14, 2025
May 16, 2022	5,537,459	5,537,459	$	2.94	May 14, 2028
July 22, 2022	97,720	97,720	$	2.94	July 20, 2028
July 22, 2022	1,628,665	1,628,665	$	2.94	July 20, 2028
September 7, 2022	568,182	—	$	0.88	September 7, 2027

Commercial Agreement with Shaquille O'Neal

On November 18, 2019, the Company entered into a commercial agreement ("Shaq Agreement") and restricted stock unit award agreement ("RSU Agreement") with ABG-Shaq, LLC ("Shaq") pursuant to which certain products would be sold bearing certain intellectual property rights of Shaquille O'Neal on the terms and conditions set forth in the Shaq Agreement. In exchange for such services and pursuant to the RSU Agreement, the Company issued 400,000 restricted stock units to Shaq that vest in three separate tranches. The first tranche of 133,333 restricted stock units vested on November 18, 2019, which was the date of grant. The second tranche of 133,333 restricted stock units vested February 1, 2021 and the final tranche of 133,334 restricted stock units vested on February 1, 2022. Additionally, in connection with the Shaq Agreement, the Company entered into a registration rights agreement with respect to the restricted stock units pursuant to which the Company agreed to register the common stock issuable upon settlement of the restricted stock units in accordance with the terms and conditions therein. The restricted stock units each settle for one share of the Company's common stock. The aggregate market value on the date of the award was $2,595 and is being amortized as cost of sales over the three-year commercial term. The estimated fair value is based on the grant date closing price of the Company's stock.

Stock Compensation Plans

The Company's 2020 Equity Incentive Plan ("2020 Plan") provides for the issuance of up to 3,000,000 shares of the Company's common stock. The 2020 Plan is administered by the human resources and compensation committee of the board of directors and provides for awards for employees, directors and consultants. All employees and directors of the Company and its affiliates are eligible to receive awards under the 2020 Plan. The types of awards that may be granted under the 2020 Plan include incentive and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards. Stock options may be granted to employees at such exercise prices as the human resources and compensation committee may determine but not less than 100% of the fair market value of the common stock as of the date of grant (except in the limited case of "substitute awards" as defined by the 2020 Plan). No stock option may be granted more than 10 years after the effective date of the respective plan's inception or be exercisable more than 10 years after the date of grant. Except for market-based options, options granted generally vest over three years in the case of employee stock options and vest immediately on the date of grant in the case of director options and have contractual terms of 10 years from the date of grant. The 2020 Plan was approved by the Company's shareholders at the 2020 Annual Meeting of Shareholders on July 13, 2020.

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The Company also maintains the 2011 Omnibus Incentive Plan ("2011 Plan"). Upon the adoption and approval of the 2020 Plan, the Company ceased making awards under the 2011 Plan. Awards outstanding under the 2011 Plan continue to be subject to the terms of the 2011 Plan, but if those awards subsequently expire, are forfeited or cancelled or are settled in cash, the shares subject to those awards will become available for awards under the 2020 Plan. Similarly, the Company ceased making awards under its 2004 Omnibus Stock Plan ("2004 Plan") on June 22, 2014, but outstanding awards under the 2004 Plan remain outstanding in accordance with its terms.

Stock-Based Compensation - Stock Options

Compensation is recognized for all stock-based compensation arrangements by the Company. Stock-based compensation expense related to stock option awards was $57 and $64 for the third quarters of fiscal 2022 and fiscal 2021 and $173 and $116 for the first nine months of fiscal 2022 and 2021. The Company has not recorded any income tax benefit from the exercise of stock options due to the uncertainty of realizing income tax benefits in the future.

The fair value of each time-based vesting option award is estimated on the date of grant using the Black-Scholes option pricing model that uses assumptions noted in the following table. Expected volatilities are based on the historical volatility of the Company's stock. Expected term is calculated using the simplified method taking into consideration the option's contractual life and vesting terms. The Company uses the simplified method in estimating its expected option term because it believes that historical exercise data cannot be accurately relied upon at this time to provide a reasonable basis for estimating an expected term due to the extreme volatility of its stock price and the resulting unpredictability of its stock option exercises. The risk-free interest rate for periods within the contractual life of the option is based on the comparable U.S. Treasury yield curve in effect at the time of grant. Expected dividend yields were not used in the fair value computations as the Company has never declared or paid dividends on its common stock and currently intends to retain earnings for use in operations.

	Fiscal 2022
Expected volatility:	82-83%
Expected term (in years):	6 years
Risk-free interest rate:	2.4-2.7%

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A summary of the status of the Company’s stock options outstanding as of October 29, 2022 and changes during the nine months then ended is as follows:

	2020 Plan		2011 Plan		2004 Plan	
	Option Shares	Weighted Average Exercise Price	Option Shares	Weighted Average Exercise Price	Option Shares	Weighted Average Exercise Price
Balance outstanding, January 29, 2022	147,500	$ 7.33	25,700	$ 10.04	3,000	$ 53.49
Granted	51,000	$ 3.44	—	$ —	—	$ —
Exercised	—	$ —	—	$ —	—	$ —
Forfeited or canceled	(31,000)	$ 5.95	(10,000)	$ 10.87	—	$ 46.20
Balance outstanding, October 29, 2022	167,500	$ 6.40	15,700	$ 9.51	3,000	$ 54.70
Options exercisable at October 29, 2022	36,000	$ 7.45	15,700	$ 9.51	3,000	$ 54.70

The following table summarizes information regarding stock options outstanding as of October 29, 2022:

	Options Outstanding				Options Vested or Expected to Vest			
Option Type	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
2020 Plan	167,500	$ 6.40	8.9	$ —	148,800	$ 6.42	8.9	$ —
2011 Plan	15,700	$ 9.51	5.3	$ —	15,700	$ 9.51	5.3	$ —
2004 Plan	3,000	$ 54.70	1.4	$ —	3,000	$ 54.70	1.4	$ —

The weighted average grant-date fair value of options granted in the third quarter of fiscal 2022 was $2.45. The total intrinsic value of options exercised during the first and third quarters of fiscal 2022 and fiscal 2021 was $0. As of October 29, 2022, total unrecognized compensation cost related to stock options was $361 and was expected to be recognized over a weighted average period of approximately 1.80 years.

Stock-Based Compensation - Restricted Stock Units

Compensation expense relating to restricted stock unit grants was $595 and $53 for the third quarters of fiscal 2022 and fiscal 2021 and $1,555 and $246 for the first three quarters of fiscal 2022 and 2021. As of October 29, 2022, there was $3,202 of total unrecognized compensation cost related to non-vested restricted stock unit grants. That cost is expected to be recognized over a weighted average expected life of 1.93 years. The total fair value of restricted stock units vested during the first nine months of fiscal 2022 and fiscal 2021 was $976 and $1,255. The estimated fair value of restricted stock units is based on the grant date closing price of the Company’s stock for time-based vesting awards and a Monte Carlo valuation model for market-based vesting awards.

The Company has granted time-based restricted stock units to certain key employees as part of the Company’s long-term incentive program. The restricted stock units generally vest in three equal annual installments beginning one year from the grant date and are being amortized as compensation expense over the three-year vesting period. The Company has also granted restricted stock units to non-employee directors as part of the Company’s annual director compensation program. Each restricted stock unit grant vests or vested on the day immediately preceding the next annual meeting of shareholders following the date of grant. The grants are amortized as director compensation expense over the twelve-month vesting period.

The Company granted 76,900 performance share units to the Company’s Chief Executive Officer as part of the Company’s long-term incentive program during the first quarter of fiscal 2021. The number of shares earned was based on the Company’s achievement of pre-established goals for sales growth over the measurement period from January 31, 2021 to January 29, 2022. Any earned

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performance share units will vest on February 3, 2024, so long as the executive's service has been continuous through the vest date. The number of units that may be earned and become eligible to vest pursuant to this award can be between 0% and 200% of the target number of performance share units. The Company recognizes compensation expense on these performance share units ratably over the requisite performance period of the award to the extent management views the performance goals as probable of attainment. The grant date fair value of these performance share units is based on the grant date closing price of the Company's stock.

The Company granted 181,900 performance share units to the Company's Chief Executive Officer as part of the Company's long-term incentive program during the first quarter of fiscal 2020. The number of shares earned was based on the Company's achievement of pre-established goals for liquidity over the measurement period from February 2, 2020 to January 30, 2021. Any earned performance share units will vest on January 28, 2023, so long as the executive's service has been continuous through the vest date. The number of units that may be earned and become eligible to vest pursuant to this award can be between 0% and 125% of the target number of performance share units. The Company recognizes compensation expense on these performance share units ratably over the requisite performance period of the award to the extent management views the performance goals as probable of attainment. The grant date fair value of these performance share units is based on the grant date closing price of the Company's stock.

A summary of the status of the Company's non-vested restricted stock unit activity as of October 29, 2022 and changes during the nine-month period then ended is as follows:

	Restricted Stock Units							
	Market-Based Units		Time-Based Units		Performance-Based Units		Total	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Non-vested outstanding, January 29, 2022	57,800	$ 3.47	1,031,300	$ 7.46	222,900	$ 4.13	1,312,000	$ 6.72
Granted	—	$ —	985,600	$ 3.71	36,400	$ 1.69	1,022,000	$ 3.64
Vested	—	$ —	(453,000)	$ 6.67	—	$ —	(453,000)	$ 6.67
Forfeited	—	$ —	(78,600)	$ 5.02	—	$ —	(78,600)	$ 5.02
Expired	(12,500)	$ 5.07	—	$ —	—	$ —	(12,500)	$ 5.07
Non-vested outstanding, October 29, 2022	45,300	$ 3.02	1,485,300	$ 5.34	259,300	$ 3.79	1,789,900	$ 5.06

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(9) Net Loss Per Common Share

Basic net loss per share is computed by dividing reported loss by the weighted average number of shares of common stock outstanding for the reported period. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock of the Company during reported periods.

A reconciliation of net loss per share calculations and the number of shares used in the calculation of basic net loss per share and diluted net loss per share is as follows:

	Three Months Ended		Nine Months Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Numerator:				
Net loss attributable to shareholders	$ (21,298)	$ (9,492)	$ (45,885)	$ (16,970)
Earnings allocated to participating share awards	—	—	—	—
Net loss attributable to common shares — Basic and diluted	$ (21,298)	$ (9,492)	$ (45,885)	$ (16,970)
Denominator:				
Weighted average number of common shares outstanding — Basic (a) (b)	29,415,680	21,503,340	25,932,294	18,710,658
Dilutive effect of stock options, non-vested shares and warrants	—	—	—	—
Weighted average number of common shares outstanding — Diluted	29,415,680	21,503,340	25,932,294	18,710,658
Net loss per common share	$ (0.72)	$ (0.44)	$ (1.77)	$ (0.91)
Net loss per common share — assuming dilution	$ (0.72)	$ (0.44)	$ (1.77)	$ (0.91)

(a) For the three and nine-month periods ended October 29, 2022 and October 30, 2021 the basic earnings per share computation included zero and 21,000 outstanding fully paid warrants to purchase shares of the Company's common stock at a price of $0.001 per share, respectively.

(b) For three and nine-month periods ended October 29, 2022, there were approximately 29,708,057 and 2,181,573 incremental, in-the-money, potentially dilutive common shares outstanding. For three and nine-month periods ended October 30, 2021, there were approximately 658,000 and 992,000 incremental, in-the-money, potentially dilutive common shares outstanding. The incremental in-the-money potentially dilutive common stock shares are excluded from the computation of diluted earnings per share, as the effect of their inclusion would be anti-dilutive.

(10) Business Segments and Sales by Product Group

During fiscal 2021, the Company changed its reportable segments into three reporting segments: entertainment, consumer brands and media commerce services. The Company's Chief Executive Officer began reviewing operating results of the three segments: entertainment, consumer brands and media commerce services in the fourth quarter of fiscal 2021. These segments reflect the way the senior management and the Company's chief operating decision makers evaluate the Company's business performance and manages its operations. The corresponding current and prior period segment disclosures have been recast to reflect the current segment presentation.

Entertainment Segment – The entertainment segment is comprised of its television networks, ShopHQ, ShopBulldogTV, ShopHQHealth, and 1-2-3.tv.

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- **ShopHQ** is the Company's flagship, nationally distributed shopping entertainment network that offers a mix of proprietary, exclusive, and name-brand merchandise in the categories of Jewelry and Watches, Home, Beauty and Health, and Fashion and Accessories, directly to consumers 24 hours a day, 365 days a year using engaging interactive video.
- **ShopBulldogTV**, which launched in the fourth quarter of fiscal 2019, is a niche television shopping entertainment network that offers male-oriented products and services to men and to women shopping for men.
- **ShopHQHealth**, which launched in the second quarter of fiscal 2020, is a niche television shopping entertainment network that offers women and men products and services focused on health and wellness categories such as physical, mental and spiritual health, financial and motivational wellness, weight management and telehealth medical services.
- **1-2-3.tv**, which was acquired in November 2021, is the German interactive media company with proprietary live and automated auctions with a mix of products shipped directly to customers homes.

Each entertainment network offers engaging, interactive video programming distributed primarily in linear television through cable and satellite distribution agreements, agreements with telecommunication companies and arrangements with over-the-air broadcast television stations. This interactive programming is also streamed live online on the respective network's digital commerce platforms that sell products which appear on the Company's television networks as well as offer an extended assortment of online-only merchandise. These networks' interactive video is also available on leading social platforms over-the-top ("OTT") platforms and ConnectedTV platforms ("CTV") such as Roku, AppleTV, and Samsung connected televisions, mobile devices, including smartphones and tablets.

Consumer Brands Segment – The consumer brands segment is comprised of C&B and JW.

- **Christopher & Banks** – The Company's flagship consumer brand, C&B was founded in 1956 and is a brand that specializes in offering women's value-priced apparel and accessories that cater to women of all sizes, from petite to missy to plus sizes. Its internally designed, modern and comfortable apparel and accessories provide customers with an exclusive experience. The brand was acquired by us from Hilco Capital in March 2021. C&B's omni-channel business model includes digital advertising driven online revenue, five brick and mortar retail stores, direct-to-consumer catalogs and a growing wholesaling business driven primarily by C&B's television programming on our entertainment networks.
- **J.W. Hulme Company** – JW was founded in 1905 and is an iconic brand offering men and women high quality accessories made by craftswomen and craftsmen the world over. The brand was acquired by the Company in 2019. JW's omni-channel business model includes one brick and mortar retail stores, direct-to-consumer catalogs, digital advertising driven online revenue and a growing wholesaling business driven primarily by JW's television programming on our entertainment networks.

Media Commerce Services Segment – The media commerce services segment is comprised of iMedia Digital Services.

- **iMedia Digital Services** – The Company's flagship media commerce service brand is iMDS, which is a digital advertising platform specializing in engaging shopping enthusiasts online and in OTT marketplaces. iMDS's suite of services includes its Retail Media Exchange ("RME") and value-added services ("VAS"). iMDS's growth strategy is driven by its ability to differentiate its advertising platform by offering solutions that include our first-party shopping enthusiast data created continually by our entertainment and consumer brand segments. iMDS is primarily comprised of Synacor's Portal and Advertising business, which the Company acquired in July of 2021. iMDS includes Float Left ("FL"), an OTT SaaS app platform that offers media and consumer brands the digital tools they need to deliver engaging television experiences to their audiences within the OTT and ConnectedTV ecosystems. FL offers custom, natively built solutions for Roku, Fire TV, Apple TV, Web, iOS and Android Mobile, and various smart TVs.

The Company does not allocate assets between the segments for its internal management purposes, and as such, they are not presented here. There were no significant inter-segment sales or transfers during the first nine months of fiscal 2022 and fiscal 2021.

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The Company allocates corporate support costs (such as finance, human resources, warehouse management and legal) to its operating segments based on their estimated usage and based on how the Company manages the business.

Net Sales by Segment and Significant Product Groups

	Three Months Ended		Nine Months Ended	
	October 29, 2022	**October 30, 2021**	**October 29, 2022**	**October 30, 2021**
Entertainment:				
Jewelry & Watches	$ 34,080	$ 38,343	$ 123,515	$ 123,216
Health, Beauty & Wellness	21,269	27,070	66,787	74,773
Home	21,953	15,918	62,887	42,837
Fashion & Accessories	12,774	13,471	50,514	39,591
Other (primarily shipping & handling revenue)	11,074	10,666	37,909	33,080
Total entertainment revenues	$ 101,150	$ 105,468	$ 341,612	$ 313,497
Consumer Brands:				
Fashion & Accessories	$ 9,368	$ 11,456	$ 29,838	$ 24,325
Home	—	1,914	1,807	4,467
Jewelry & Watches	16	75	195	276
Other (primarily shipping & handling revenue)	109	268	781	166
Total consumer brand revenues	$ 9,493	$ 13,713	$ 32,621	$ 29,234
Media Commerce Services:				
Advertising & Search	12,621	11,500	36,809	14,594
Total media commerce services revenues	$ 12,621	$ 11,500	$ 36,809	$ 14,594
Total consolidated revenues	$ 123,264	$ 130,681	$ 411,042	$ 357,325

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Performance Measures by Segment

	Entertainment	Consumer Brands	Media Commerce Services	Consolidated
Three Months Ended October 29, 2022:				
Net Sales	$ 101,150	$ 9,493	$ 12,621	$ 123,264
Gross Margin	42,649	5,399	3,462	51,510
Operating Income (loss)	(19,271)	2,100	1,906	(15,265)
Three Months Ended October 30, 2021:				
Net Sales	$ 105,468	$ 13,713	$ 11,500	$ 130,681
Gross Margin	44,396	6,617	3,408	54,421
Operating Income (loss)	(6,824)	364	458	(6,002)
Nine Months Ended October 29, 2022:				
Net Sales	$ 341,612	$ 32,621	$ 36,809	$ 411,042
Gross Margin	135,080	16,153	10,027	161,260
Operating Income (loss)	(41,395)	6,550	4,226	(30,619)
Nine Months Ended October 30, 2021:				
Net Sales	$ 313,497	$ 29,234	$ 14,594	$ 357,325
Gross Margin	129,032	14,693	4,689	148,414
Operating Income (loss)	(11,636)	882	331	(10,423)

(11) Income Taxes

As of January 29, 2022, the Company had federal net operating loss carryforwards (“NOLs”) of approximately $389,000 which may be available to offset future taxable income. The Company’s federal NOLs generated prior to 2018 expire in varying amounts each year from 2023 through 2037 in accordance with applicable federal tax regulations and the timing of when the NOLs were incurred. The Company’s federal NOLs generated in 2018 and after can be carried forward indefinitely.

In the first quarter of fiscal 2011, the Company had a change in ownership (as defined in Section 382 of the Internal Revenue Code) as a result of the issuance of common stock coupled with the redemption of all the Series B preferred stock held by GE Capital Equity Investments, Inc. Sections 382 and 383 limit the annual utilization of certain tax attributes, including NOL carryforwards, incurred prior to a change in ownership. Currently, the limitations imposed by Sections 382 and 383 are not expected to impair the Company’s ability to fully realize its NOLs; however, the annual usage of NOLs incurred prior to the change in ownership is limited. In addition, if the Company were to experience another ownership change, as defined by Sections 382 and 383, its ability to utilize its NOLs could be further substantially limited and depending on the severity of the annual NOL limitation, the Company could permanently lose its ability to use a significant amount of its accumulated NOLs. The Company currently has recorded a full valuation allowance for its net deferred tax assets. The ultimate realization of these deferred tax assets and related limitations depend on the ability of the Company to generate sufficient taxable income in the future, as well as the timing of such income.

Shareholder Rights Plan

The Company has adopted a Shareholder Rights Plan to preserve the value of certain deferred tax benefits, including those generated by net operating losses. On July 10, 2015, the Company declared a dividend distribution of one purchase right (a “Right”) for each outstanding share of the Company’s common stock to shareholders of record as of the close of business on July 23, 2015 and issuable as of that date. On July 13, 2015, the Company entered a Shareholder Rights Plan (the “Rights Plan”) with Wells Fargo Bank, N.A., a national banking association, with respect to the Rights. Except in certain circumstances set forth in the Rights Plan, each Right entitles the holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Cumulative Preferred Stock, $0.01 par value of the Company ("Preferred Stock" and each one one-thousandth of a share of Preferred Stock, a "Unit") at a price of $90.00 per Unit. On June 14, 2022, the Company's shareholders re-approved the Rights Plan at the 2022 annual meeting of shareholders. The Rights Plan will expire on the close of business on the date of our annual meeting of shareholders to be held in 2025, unless the Rights Plan is re-approved by shareholders at that annual meeting of shareholders.

(12) Litigation

The Company is involved from time to time in various claims and lawsuits in the ordinary course of business, including claims related to products, product warranties, contracts, employment, intellectual property, consumer protection and regulatory matters. In the opinion of management, none of the claims and suits, either individually or in the aggregate, are reasonably likely to have a material adverse effect on the Company's operations or consolidated financial statements.

(13) Related Party Transactions

Relationship with Sterling Time, Famjams, Invicta Watch Company of America, Retailing Enterprises, and WRNN

On June 9, 2021, the Company entered into a Confidential Vendor Exclusivity Agreement (the "Famjams Agreement") with Famjams Trading LLC ("Famjams"), one of the Company's ten largest vendors, pursuant to which Famjams granted the Company the exclusive right to market, promote and sell products using the Medic Therapeutics and Safety Vital brand names and any substantially similar or directly competitive goods or services through the Company's television networks, website and mobile applications, platforms on social media and mobile host sites and brick and mortar retailing locations in North and South America, Europe and Asia during the five-year exclusivity period, unless earlier terminated pursuant to the terms of the Famjams Agreement. Until the expiration of the exclusivity period, such license is exclusive to the IMBI retailing channels. During the final year of the term of the Famjams Agreement, the parties are required to negotiate in good faith the terms of a five-year extension.

Pursuant to the Famjams Agreement, the Company agreed to issue to Famjams $1,500 of RSUs, priced at the closing bid price of the Company's common stock on the Nasdaq Capital Market on the trading date immediately preceding the date of the Famjams Agreement – a total of 147,347 RSUs. One-fifth of the RSUs will vest annually, beginning on June 9, 2021 and ending on June 9, 2025. Famjams also agreed to provide the Company with a revolving loan in the amount of $2,000 during the term of the Famjams Agreement. The $1,500 aggregate market value on the date of the award is being amortized as cost of sales over the five-year commercial term.

The Company also agreed, pursuant to the Famjams Agreement, provided cash of $6,000 to Famjams to be used as working capital by Famjams. This deposit will bear interest in the amount of 5% per annum and will become due and payable in full at the end of the term of the Famjams Agreement, or if the Famjams Agreement is extended for a five-year period, at the end of such renewal period. In the event of a default, the Company agreed that the intellectual property and trademarks associated with the Famjams products subject to the Famjams Agreement pledged as collateral fully satisfies any due and owing working capital amount owed by Famjams to the Company. Famjams is an affiliate of Michael Friedman, a director of the Company.

Additionally on June 9, 2021, iMedia Brands, Inc. entered into a Confidential Vendor Exclusivity Agreement (the "IWCA Agreement") with Invicta Watch Company of America, Inc. ("IWCA"), one of the Company's ten largest vendors, pursuant to which IWCA granted the Company the exclusive right to market, promote and sell watches and watch accessories using the Invicta brand names and any substantially similar or directly competitive goods or services through the Company's live or taped direct response video retail programming in North and South America during the five-year exclusivity period of the IWCA Agreement, unless earlier terminated pursuant to the terms of the IWCA Agreement. During the final year of the term of the IWCA Agreement, the parties are required to negotiate in good faith the terms of a five-year extension. This new agreement permits the Company to extend its exclusive relationship with one of its largest vendors, providing critical long-term stability to the Company's key vendor ranks.

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Pursuant to the IWCA Agreement, the Company agreed to issue to IWCA $4,500 of RSUs, priced at the closing bid price of the Company's common stock on the Nasdaq Capital Market on the trading date immediately preceding the date of the IWCA Agreement – a total of 442,043 RSUs. One-fifth of the RSUs will vest annually, beginning on June 9, 2021 and ending on June 9, 2025. IWCA also agreed to provide the Company with a revolving loan in the amount of $3,000 during the first, second and third quarters of each of the Company's fiscal years during the term of the IWCA Agreement and $4,000 during the fourth quarter of each of the Company's fiscal years during the term of the IWCA Agreement. IWCA is an affiliate of Eyal Lalo, the Company's Vice Chair.

On April 14, 2020, the Company entered into a common stock and warrant purchase agreement with certain individuals and entities, pursuant to which the Company sold shares of the Company's common stock and issued warrants to purchase shares of the Company's common stock in a private placement. Details of the common stock and warrant purchase agreement are described in Note 8 - "Shareholders' Equity." The purchasers consist of the following: Invicta Media Investments, LLC, Michael and Leah Friedman and Hacienda Jackson LLC. Invicta Media Investments, LLC purchased 734,394 shares of the Company's common stock and a warrant to purchase 367,196 shares of the Company's common stock for an aggregate purchase price of $1,500. Michael and Leah Friedman purchased 727,022 shares of the Company's common stock and a warrant to purchase 367,196 shares of the Company's common stock for an aggregate purchase price of $1,500. Sterling Time has standard payment terms with 90-day aging from receipt date for all purchase orders. If the Company's accounts payable balance to Sterling Time exceeds (a) $3,000 in any given week during the Company's first three fiscal quarters through May 31, 2022 or (b) $4,000 in any given week during the Company's fourth fiscal quarters of fiscal 2020 and fiscal 2021, the Company will pay the accounts payable balance owed to Sterling Time that is above these stated amounts. Following May 31, 2022, the Company's payment terms revert to standard 90-day aging terms as previously described.

On August 28, 2020, Invicta Media Investments, LLC purchased 256,000 shares of the Company's common stock pursuant to the Company's public equity offering.

On April 7, 2021, the Company entered into a network affiliation agreement with WRNN-TV Associates Limited Partnership ("WRNN"), an affiliate of Mr. French, a director of the Company. The Company agreed to program the Company's 24/7 English language shopping programming on all nine of WRNN's current full power broadcast stations during the term. The Company pays an annual minimum affiliate fee and an annual performance fee for the affiliation rights.

Transactions with Sterling Time

The Company purchased products from Sterling Time, an affiliate of Mr. Friedman, a director of the Company, in the aggregate amount of $30,383 and $35,700 during the first nine months of fiscal 2022 and fiscal 2021. As of October 29, 2022, and January 29, 2022, the Company had a net trade receivable balance owed by Sterling Time of $7,788 and $1,356.

Transactions with Retailing Enterprises

As of October 29, 2022 and January 29, 2022, the Company had a net trade receivable balance owed by Retailing Enterprises, LLC of $251 and $251 relating to warehouse services provided by the Company. As of October 29, 2022 and January 29, 2022, the Company accrued commissions of $94 and $225 to Retailing Enterprises, LLC for Company sales of the Invincible Guarantee program. The Invincible Guarantee program is an Invicta watch offer whereby customers receive credit on watch trade-ins within a five-year period. The program is serviced by Retailing Enterprises, LLC.

Transactions with Famjams Trading

The Company purchased products from Famjams Trading LLC ("Famjams Trading"), an affiliate of Mr. Friedman, a director of the Company, in the aggregate amount of $21,073 and $21,700 during the nine months of 2022 and 2021. In addition, the Company provided third party logistic services and warehousing to Famjams Trading, totaling $0 and $4 during the nine months of 2022 and 2021. As of

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October 29, 2022, and January 29, 2022, the Company had a net trade receivable balance owed by Famjams Trading of $5,285 and $4,974.

Transactions with TWI Watches

The Company purchased products from TWI Watches LLC ("TWI Watches"), an affiliate of Mr. Friedman, a director of the Company, in the aggregate amount of $228 and $478 during the first nine months of fiscal 2022 and 2021. As of October 29, 2022 and January 29, 2022, the Company had a net trade payable balance owed to TWI Watches of $79 and $151.

Transactions with The Hub Marketing Services, LLC

The Company received marketing services from The Hub Marketing Services, LLC, an affiliate of Mr. Lalo, a director of the Company, in exchange for payments in the aggregate amount of $240 and $0 during the first nine months of fiscal 2022 and fiscal 2021. As of October 29, 2022 and January 29, 2022, the Company had a net trade payable balance owed to The Hub Marketing Services, LLC of $120 and $0.

Transactions with WRNN-TV

The Company purchased channel placement rights from WRNN in the aggregate amount of $14,332 and $9,500 during the first nine months of fiscal 2022 and 2021. As of October 29, 2022 and January 29, 2022, the Company had a net trade payable balance owed to WRNN of $1,638 and $1,583.

(14) Restructuring Costs

During the third quarter of fiscal 2022, the Company implemented an additional cost optimization initiative. As a result of the third quarter fiscal 2022 cost optimization initiative, the Company recorded restructuring charges of $4,490 for the nine-month period ended October 29, 2022, in which $3,552 relates primarily to severance associated with the additional consolidation and elimination of positions across certain of the Company's reportable segments and $938 relates to the restructuring associated with the 1-2-3.tv Group. These initiatives were substantially complete as of October 29, 2022.

The following table summarizes the significant components and activity under the restructuring program for the nine-month period ended October 29, 2022:

	Balance at January 29, 2022	Charges	Cash Payments	Balance at October 29, 2022
Severance	$ 557	$ 3,312	$ (2,987)	$ 882
Other incremental costs	—	1,178	(1,178)	—
	$ 557	$ 4,490	$ (4,165)	$ 882

For the nine-month period ended October 29, 2022, the Company recognized restructuring charges of $4,490, of which $4,280 relate to its Entertainment segment and $210 relate to its Media Commerce Services segment.

The liability for restructuring accruals is included in accrued liabilities within the accompanying condensed consolidated balance sheets.

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(15) Business Acquisitions - Divestitures

Acquisitions

1-2-3.tv Group

On November 5, 2021, the Company and its wholly-owned subsidiary iMedia &1-2-3.tv Holding GmbH (the "Subsidiary") closed on the acquisition of 1-2-3.tv Group from Emotion Invest GmbH & Co. KG, BE Beteiligungen Fonds GmbH & Co. geschlossene Investmentkommanditgesellschaft and Iris Capital Fund II (collectively, the "1-2-3.tv Sellers").

At the closing of the acquisition, the Company acquired 1-2-3.tv Group from the Sellers for an aggregate purchase price of EUR 89,680 ($103,621 based on the November 5, 2021 exchange rate) (the "Enterprise Value"). The Company paid to the Sellers EUR 1,832 ($2,117 based on the November 5, 2021 exchange rate) for the 1-2-3.tv Group's cash on-hand as of July 31, 2021 and EUR 966 ($1,116 based on the November 5, 2021 exchange rate) for the 1-2-3.tv Group's excess working capital above the 1-2-3.tv Group's trailing twelve-month average as of July 31, 2021. The Enterprise Value consideration consisted of the payment to the Sellers of EUR 68,200 in cash at closing ($78,802 based on the November 5, 2021 exchange rate) and the Company entering into a seller note agreement in the principal amount of EUR 18,000 ($20,800 based on the November 5, 2021 exchange rate) (the "seller notes") and fair value of EUR 18,800 ($21,723 based on the November 5, 2021 exchange rate). The seller notes are payable in two EUR 9,000 ($10,400 based on the November 5, 2021 exchange rate) installments due on the first and second anniversaries of the issuance date. The seller notes bear interest at a rate equal to 8.50% per annum, payable semi-annually commencing on the six-month anniversary of closing.

The acquisition of 1-2-3.tv was accounted for in accordance with ASC 805-10 "Business Combinations". The allocation of the purchase price was based upon a valuation, and the Company's estimates and assumptions of the assets acquired, and liabilities assumed.

Purchase accounting with respective to tangible assets acquired and liabilities assumed have been completed, the total consideration of $103,621 has been allocated to assets acquired and liabilities assumed based on their respective fair values as follows:

	Fair Value
Cash and cash equivalents	$ 2,117
Accounts receivable, net	7,773
Inventory	18,815
Prepaid expenses	2,002
Fixed assets	5,093
Goodwill	70,634
Identifiable intangible assets acquired:	
Developed technology	5,200
Customer lists and relationships	2,310
Trademarks and trade names	15,368
Liabilities assumed	(25,691)
Total consideration	$ 103,621

Goodwill has been measured as the excess of the total consideration over the amounts assigned to the identifiable assets acquired and liabilities assumed. Goodwill amounted to $70,634, including assembled workforce.

During the first quarter ended April 30, 2022, the Company made certain adjustments to the preliminary price allocation made as of January 29, 2022 to better reflect the price allocated to goodwill and the identifiable intangible assets acquired. The Company

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determined these adjustments after additional analysis and assessment of the valuation methodologies. Subsequent to these adjustments, the Company's purchase price allocation was finalized as of October 29, 2022.

The 1-2-3.tv Sellers may receive additional consideration from the Subsidiary, if earned, in the form of earn-out payments in the amount of up to EUR 14,000 based on revenues of the 1-2-3.tv Group during 2022, and up to an additional EUR 14,000 per year for 2023 and 2024 based on revenues of the 1-2-3.tv Group during each of 2023 and 2024, with the ability of the 1-2-3.tv Sellers to earn amounts in excess of the EUR 14,000 in 2023 and 2024 in the event the maximum earn-out payments are not earned in either 2022 or 2023, respectively; provided, that in no event shall the total earn-out amount exceed EUR 42,000 ($48,531 based on the November 5, 2021 exchange rate). The Company has agreed to guarantee all obligations of its subsidiary to the 1-2-3.tv Sellers. As of November 5, 2021, the estimated fair value of the earn-out payment amounted to EUR 2,680 ($3,097 based on November 5, 2021 exchange rate). As of October 29, 2022, the estimated recorded liability of the earn-out payments was EUR 2,680 ($2,741 based on the October 29, 2022 exchange rate).

Supplemental Pro Forma Information

1-2-3.tv had sales of approximately $43,172 and $136,597 for the three and nine-months ended October 30, 2021, a significant portion of which was derived from its operations in Europe. 1-2-3.tv's results have been included since the date of the acquisition.

The unaudited proforma information below, as required by GAAP, assumes that the 1-2-3.tv Group had been acquired at the beginning of fiscal 2022 and includes the effect of transaction accounting adjustments. These adjustments include the amortization of acquired intangible assets, depreciation of the fair value step-up of acquired property, plant and equipment, amortization of inventory fair value step-up (assumed to be fully amortized in fiscal 2022) in connection with the acquisition.

This unaudited proforma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have resulted had the acquisition been in effect at the beginning of fiscal 2021. In addition, the unaudited proforma results are not intended to be a projection of future results and do not reflect any operating efficiencies or cost savings that might be achievable.

The following table presents proforma net sales and net loss data assuming 1-2-3.tv was acquired at the beginning of fiscal 2021:

	Three Months Ended October 30, 2021(a)	Nine Months Ended October 30, 2021(a)
Net sales	$ 173,853	$ 493,975
Net loss	(13,419)	(40,809)

(a) The above proforma information is presented for the 1-2-3.tv acquisition as it is considered a material acquisition.

<u>Synacor's Portal and Advertising Business</u>

On July 30, 2021, the Company closed on the acquisition of Synacor's Portal and Advertising business segment. This acquisition allows the Company to leverage its interactive video expertise and national television promotional power, as well as its merchandising, customer solutions and fulfillment capabilities, to offer advertisers and consumer brands differentiated digital services that the Company believes will accelerate its timeline to become the leading single-source partner to advertisers seeking to use interactive video to drive growth. Synacor's Portal and Advertising, which iMedia has combined with its business Float Left, has been renamed to iMDS. iMDS is a leading video advertising platform monetizing 200+ million monthly users for its publishers by utilizing its proprietary technologies, first-party customer shopping data and interactive video services to drive engagement, traffic and conversion.

The acquisition of the Portal and Advertising business was accounted for in accordance with ASC 805-10 "Business Combinations". The total consideration transferred on the date of the transaction consisted of $20,000 cash, the issuance of a $10,000 seller notes and assumed liabilities with a fair value of $7,864. The seller note is payable in $1,000 quarterly installments over the next ten calendar quarters beginning with September 30, 2021. The seller notes bear interest at rates between 6% and 11% depending upon the period outstanding. The allocation of the purchase price was based upon a preliminary valuation, and the Company's estimates and assumptions of the net assets acquired.

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Based on the valuation, the total consideration of $30,400 has been allocated to assets acquired and liabilities assumed based on their respective fair values as follows:

	Fair Value
Accounts receivable and prepaids	$ 7,516
Fixed assets	737
Right of use asset	205
Goodwill	23,806
Identifiable intangible assets acquired:	
Developed technology	1,100
Customer lists and relationships	4,900
Liabilities assumed	(7,864)
Total consideration	$ 30,400

Goodwill has been measured as the excess of the total consideration over the amounts assigned to the identifiable assets acquired and liabilities assumed in the amount of $23,806, which was primarily related to the acquisition of customer relationships, technology platforms, and goodwill.

Christopher & Banks

C&B is a specialty brand of privately branded women's apparel and accessories. The C&B brand was previously owned by Christopher & Banks Corporation, which filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in January 2021. On March 1, 2021, the Company entered into a licensing agreement with ReStore Capital, a Hilco Global company, whereby the Company will operate the C&B business throughout all sales channels, including digital, television, catalog, and brick and mortar retail, effective March 1, 2021. The Company also purchased certain assets related to the C&B eCommerce business, including primarily inventory, furniture, equipment, and certain intangible assets. The Company launched a new weekly C&B television program on its ShopHQ network, which will also promote the brand's website, christopherandbanks.com, its five retail store locations and its planned launch of C&B Stylists, an online interactive video platform that customizes wardrobe that is outfitted for customers by a C&B stylist.

On March 1, 2021, the Company acquired all the assets of Christopher & Banks, LLC. The acquisition of Christopher & Banks, LLC was accounted for in accordance with ASC 805-10 "Business Combinations". The total consideration transferred on the date of the transaction consisted of $3,500 cash and assumed liabilities with a fair value of $4,197. In addition, the Company is obligated to issue common shares to Hilco with a value of $1,500 as additional consideration. The Company issued these shares during the third quarter of fiscal 2022.

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The final total consideration of $5,000 has been allocated to assets acquired and liabilities assumed based on their respective fair values as follows:

	Fair Value
Inventory	$ 4,100
Fixed assets	500
Goodwill	3,307
Identifiable intangible assets acquired:	
Developed technology	890
Customer lists and relationships	400
Liabilities assumed	(4,197)
Total consideration	$ 5,000

Goodwill has been measured as the excess of the total consideration over the amounts assigned to the identifiable assets acquired and liabilities assumed in the amount of $3,307, which was primarily related to the acquisition of the product designs and customer list.

Non-controlling Interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. iMedia elected to measure each NCI at its proportionate share of the recognized amounts of the acquiree's identifiable net assets. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance. Due to the divestiture, the Company no longer has NCI.

Divestitures

The Closeout.com

In June 2022, the Company completed the divestiture of its 51% owned subsidiary, TCO, LLC ("TCO"). The Company received consideration of $3,505 in inventory and recorded a loss on divestiture of $985. The results of operations from TCO were not considered to be significant to the Company.

(16) Subsequent Events

Sale-Leaseback Transaction

The Company received a Letter of Intent ("LOI") in November 2022 from a real estate investment firm for the purchase of two buildings located in Bowling Green, KY, which serve as its distribution centers and one building located in Eden Prairie, MN which currently serves as the corporate headquarters and production studios for the Company. The LOI serves as the Company's intent to enter into a sales-leaseback transaction for the Buildings with a purchase price of $48 million, and a lease term of twenty-one (21) years with additional renewal options available.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations is qualified by reference to and should be read in conjunction with our accompanying unaudited condensed consolidated financial statements and notes included herein and the audited consolidated financial statements and notes included in our annual report on Form 10-K for the fiscal year ended January 29, 2022. The amounts are presented in thousands, except share amounts, unless otherwise noted.

Cautionary Statement Concerning Forward-Looking Statements

The following Management's Discussion and Analysis of Financial Condition and Results of Operations and other materials we file with the SEC (as well as information included in oral statements or other written statements made or to be made by us) 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 guidance and the expected impact of cost initiatives, industry prospects or future results of operations or financial position are forward-looking. We often use words such as "anticipates," "believes," "estimates," "expects," "intends," "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): the impact of the COVID-19 pandemic on our sales, operations and supply chain, variability in consumer preferences, shopping behaviors, spending and debt levels; the general economic and credit environment; 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 our programming and the associated fees or estimated cost savings from contract renegotiations; our ability to establish and maintain acceptable commercial terms with third-party vendors and other third parties with whom we have contractual relationships, and to successfully manage key vendor and shipping relationships and develop key partnerships and proprietary and exclusive brands; our ability to manage our operating expenses successfully and our working capital levels; our ability to remain compliant with our credit facility covenants; customer acceptance of our branding strategy and our repositioning as a video commerce company; our ability to respond to changes in consumer shopping patterns and preferences, and changes in technology and consumer viewing patterns; changes to our management and information systems infrastructure; challenges to our 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 our 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 our programming; disruptions in our distribution of our network broadcast to our customers; our ability to protect our intellectual property rights; our ability to obtain and retain key executives and employees; our ability to attract new customers and retain existing customers; changes in shipping costs; expenses relating to the actions of activist or hostile shareholders; our 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 "Risk Factors" in our most recently filed Form 10-K and any additional risk factors identified in our periodic reports since the date of such report. More detailed information about those factors is set forth in our filings with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this filing. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements whether as a result of new information, future events or otherwise.

Overview

Our Company

iMedia Brands, Inc. and its subsidiaries ("we," "our," "us," or the "Company") is an entertainment company capitalizing on the convergence of entertainment, ecommerce, and advertising. The Company owns a growing portfolio of businesses that cross promote and exchange data with each other to optimize the engagement experiences it creates for advertisers and consumers in the United States and Western Europe. We believe our growth strategy builds on our core strengths.

During fiscal 2021, we began reporting based on three reportable segments:

- Entertainment, which is comprised of our television networks, ShopHQ, ShopBulldogTV, ShopHQHealth, and 1-2-3.tv.
- Consumer Brands, which is comprised of C&B, and JW.
- Media Commerce Services, which is comprised of iMDS.

The corresponding current and prior period segment disclosures have been recast to reflect the current segment presentation.

Our Corporate Website

Our iMedia Brands corporate website is imediabrands.com and our Nasdaq trading symbols are IMBI and IMBIL. Our annual report is filed as our Form 10-K. We issue quarterly reports on Form 10-Q and our current third quarter press release is filed on Form 8-K. Proxy and information statements, and amendments to these reports if applicable, are available, without charge, in the investor relations section of our corporate website, imediabrands.com, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Copies also are available, without charge, by contacting our Legal Department, iMedia Brands, Inc., 6740 Shady Oak Road, Eden Prairie, Minnesota 55344-3433.

Our goal is to maintain the investor relations section of our corporate website as a way for investors to easily find information about us, including press releases, announcements of investor conferences, investor and analyst presentations and corporate governance. The information found on our corporate website is not part of this or any other report we file with, or furnish to, the SEC. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding us and other companies that file materials with the SEC electronically.

Summary Results for the Third quarter of Fiscal 2022

Consolidated net sales for our fiscal 2022 third quarter were $123,264 compared to $130,681 for our fiscal 2021 third quarter, which represents a 5.7% decrease. We reported an operating loss of $15,265 and a net loss of $21,298 for our fiscal 2022 third quarter. We reported an operating loss of $6,002 and a net loss of $9,492 for our fiscal 2021 third quarter.

Consolidated net sales for the first nine months of fiscal 2022 were $411,042 compared to $357,325 for the first nine months of fiscal 2021, which represents an 15.0% increase. We reported an operating loss of $30,619 and a net loss of $46,300 for the first nine months of fiscal 2022. The operating and net loss for the first nine months of fiscal 2022 included transaction, settlement and integration costs totaling $14,905, a loss on debt extinguishment of $884, and restructuring costs of $4,490. We reported an operating loss of $10,423 and a net loss of $17,252 for the first nine months of fiscal 2021. The operating and net loss for the first nine months of fiscal 2021 included transaction, settlement and integration costs totaling $5,757; a loss on debt extinguishment of $663; and restructuring costs of $634.

Entertainment Segment

The entertainment segment is comprised of its television networks, ShopHQ, ShopBulldogTV, ShopHQHealth and 1-2-3.tv.

- **ShopHQ** is the Company’s flagship, nationally distributed shopping entertainment network that offers a mix of proprietary, exclusive, and name-brand merchandise in the categories of Jewelry and Watches, Home, Beauty and Health, and Fashion and Accessories, directly to consumers 24 hours a day, 365 days a year using engaging interactive video.
- **ShopBulldogTV**, which launched in the fourth quarter of fiscal 2019, is a niche television shopping entertainment network that offers male-oriented products and services to men and to women shopping for men.
- **ShopHQHealth**, which launched in the second quarter of fiscal 2020, is a niche television shopping entertainment network that offers women and men products and services focused on health and wellness categories such as physical, mental and spiritual health, financial and motivational wellness, weight management and telehealth medical services.
- **1-2-3.tv**, which was acquired in November 2021, is the leading German interactive media company, disrupting Germany's TV retailing marketplace with its expertise in proprietary live and automated auctions that emotionally engage customers with 1-2-3.tv's balanced merchandising mix of compelling products shipped directly to their homes.

Each entertainment network offers engaging, interactive video programming distributed primarily in linear television through cable and satellite distribution agreements, agreements with telecommunication companies and arrangements with over-the-air broadcast television stations. This interactive programming is also streamed live online on the respective network's digital commerce platforms that sell products which appear on the Company's television networks as well as offer an extended assortment of online-only merchandise. These networks' interactive video is also available on leading social platforms over-the-top ("OTT") platforms and ConnectedTV platforms ("CTV") such as Roku, AppleTV, and Samsung connected televisions, mobile devices, including smartphones and tablets. The following table shows our Entertainment reporting segment merchandise mix as a percentage of net sales for the periods indicated.

	For the Three Months Ended		For the Nine Months Ended	
Entertainment:	**October 29, 2022**	**October 30, 2021**	**October 29, 2022**	**October 30, 2021**
Jewelry & Watches	33.7 %	36.4 %	36.2 %	39.3 %
Health, Beauty & Wellness	21.0 %	25.7 %	19.6 %	23.9 %
Home	21.7 %	15.1 %	18.4 %	13.7 %
Fashion & Accessories	12.6 %	12.8 %	14.8 %	12.6 %
Other (primarily shipping & handling revenue)	10.9 %	10.1 %	11.1 %	10.6 %
Total entertainment net sales	100 %	100 %	100 %	100 %

Consumer Brands Segment

The consumer brands segment is comprised of Christopher & Banks ("C&B"), and J.W. Hulme Company ("JW").

- **Christopher & Banks** – The Company's flagship consumer brand, C&B, was founded in 1956 and is a brand that specializes in offering women's value-priced apparel and accessories that cater to women of all sizes, from petite to missy to plus sizes. Its internally designed, modern and comfortable apparel and accessories provide customers with an exclusive experience. The brand was acquired by us in partnership with Hilco Capital in March 2021. C&B's omni-channel business model includes digital advertising driven online revenue, five brick and mortar retail stores, direct-to-consumer catalogs and a growing wholesaling business driven primarily by C&B's television programming on our entertainment networks.
- **J.W. Hulme Company** – JW was founded in 1905 and is an iconic brand, offering men and women high-quality accessories made by craftswomen and craftsmen the world over. The brand was acquired by the Company in 2019. JW's omni-channel business model includes one brick and mortar retail store, direct-to-consumer catalogs, digital advertising driven online revenue and a growing wholesaling business driven primarily by JW's television programming on our entertainment networks.

	For the Three Months Ended		For the Nine Months Ended	
Consumer Brands:	**October 29, 2022**	**October 30, 2021**	**October 29, 2022**	**October 30, 2021**
Fashion & Accessories	98.7 %	83.5 %	91.5 %	83.2 %
Home	— %	13.9 %	5.5 %	15.4 %
Jewelry & Watches	0.2 %	0.5 %	0.6 %	0.9 %
Other (primarily shipping & handling revenue)	1.1 %	2.0 %	2.4 %	0.6 %
Total consumer brand net sales	100 %	100 %	100 %	100 %

Media Commerce Services Segment

The media commerce services segment is comprised of iMedia Digital Services ("iMDS").

- **iMedia Digital Services** – The Company's flagship media commerce service brand is iMDS, which is a digital advertising platform specializing in engaging shopping enthusiasts online and in OTT marketplaces. iMDS's suite of services includes its Retail Media Exchange ("RME") and value-added services ("VAS"). iMDS's growth strategy is driven by its ability to differentiate its advertising platform by offering solutions that include our first-party shopping enthusiast data created continually by our entertainment and consumer brand segments. iMDS is primarily comprised of Synacor's Portal and Advertising business, which the Company acquired in July of 2021. Additionally, iMDS offers, custom, natively built solutions for Roku, Fire TV, Apple TV, Web, iOS and Android Mobile, and various smart TVs.

The following table shows our Media Commerce Services reporting segment merchandise mix as a percentage of net sales for the periods indicated.

	For the Three Months Ended		For the Nine Months Ended	
Media Commerce Services:	**October 29, 2022**	**October 30, 2021**	**October 29, 2022**	**October 30, 2021**
Advertising & Search	100.0 %	100.0 %	100.0 %	100.0 %
Total media commerce services net sales	100 %	100 %	100 %	100 %

Results of Operations

Selected Condensed Consolidated Financial Data
Operations

	Dollar Amount as a Percentage of Net Sales for the Three Months Ended		Dollar Amount as a Percentage of Net Sales for the Nine Months Ended	
	October 29, 2022	**October 30, 2021**	**October 29, 2022**	**October 30, 2021**
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Gross margin	41.8 %	41.6 %	39.2 %	41.5 %
Operating expenses:				
Distribution and selling	28.6 %	30.1 %	28.0 %	30.5 %
General and administrative	17.2 %	8.2 %	10.9 %	6.9 %
Depreciation and amortization	7.1 %	7.5 %	6.7 %	6.9 %
Restructuring costs	1.3 %	0.5 %	1.1 %	0.2 %
Total operating expenses	54.2 %	46.2 %	46.7 %	44.5 %
Operating loss	(12.4)%	(4.6)%	(7.4)%	(2.9)%

Consolidated Net Sales

Consolidated net sales, inclusive of shipping and handling revenue, for the fiscal 2022 third quarter were $123,264, a 5.7% decrease from consolidated net sales of $130,681 for the comparable prior year quarter. Consolidated net sales, inclusive of shipping and handling revenue, for the first nine months of fiscal 2022 were $411,042, a 15.0% increase from consolidated net sales of $357,325 for the comparable prior year period.

Gross Profit

	For the Three Months Ended			
	October 29, 2022	October 30, 2021	Change	% Change
Entertainment	$ 42,649	$ 44,396	$ (1,747)	(3.9)%
Consumer Brands	5,399	6,617	(1,218)	(18.4)%
Media Commerce Services	3,462	3,408	54	1.6 %
Consolidated gross profit	$ 51,510	$ 54,421	$ (2,911)	(5.3)%

	For the Nine Months Ended			
	October 29, 2022	October 30, 2021	Change	% Change
Entertainment	$ 135,080	$ 129,032	$ 6,048	4.7 %
Consumer Brands	16,153	14,693	1,460	9.9 %
Media Commerce Services	10,027	4,689	5,338	113.8 %
Consolidated gross profit	$ 161,260	$ 148,414	$ 12,846	8.7 %

Consolidated gross profit for the third quarter of fiscal 2022 was $51,510 a decrease of $2,911, or 5.3%, compared to the third quarter of fiscal 2021. The Entertainment segment's gross profit decreased $1,747, or 3.9% compared to the third quarter of fiscal 2021 and was primarily driven by the 4.1% decrease in net sales and lower gross profit rates in the Home product category due to the promotional pricing to sell-thru the Shaq branded merchandise. The Consumer Brands segment's gross profit decreased by $1,218, or 18.4% compared to the third quarter of fiscal 2021 and was primarily driven by the 30.8% decrease in new sales and the lower gross profit rates in fiscal 2022. During 2021, the Company was able to purchase Christopher & Banks merchandise at favorable prices. The Media Commerce Services segment's gross profit increased by $54, or 1.6% compared to the third quarter of fiscal 2021 and was primarily driven by the 9.7% sales increase.

Consolidated gross margin percentages for the third quarters of fiscal 2022 and fiscal 2021 were 41.8% and 41.6%, which represent a 14-basis point increase. The Entertainment segment's gross margin percentages for the third quarters of fiscal 2022 and fiscal 2021 were 42.2% and 42.1%, which represents a 7-basis point increase. Sales mix is impacting the gross margin rate. The Consumer Brands segment's gross margin percentages for the third quarters of fiscal 2022 and fiscal 2021 were 56.9% and 48.3%, which represent an 862-basis point increase. The increase in the gross margin percentage is primarily due to moderation of promotional pricing, including shipping promotions. The Media Commerce Services segment's gross margin percentages for the third quarters of fiscal 2022 and fiscal 2021 were 27.4% and 29.6%. Sales mix is impacting gross margin rate due to blending the lower-margin rates from iMDS.

Consolidated gross profit for the first nine months of fiscal 2022 was $161,260, an increase of $12,846, or 8.7%, compared to the first nine months of fiscal 2021. The Entertainment segment's gross profit increased $6,048, or 4.7% compared to the first nine months of fiscal 2021 and was primarily driven by the November 2021 acquisition of 1-2-3.tv. The Consumer Brands segment's gross profit increased by $1,460, or 9.9% compared to the first nine months of fiscal 2021 and was primarily driven by the March 2021 acquisition of Christopher & Banks. The Media Commerce Services segment's gross profit increased by $5,338, or 113.8% compared to the first nine months of fiscal 2021 and was primarily driven by the July 2021 acquisition of iMDS.

Consolidated gross margin percentages for the nine months of fiscal 2022 and fiscal 2021 were 39.2% and 41.5%, which represent a 230-basis point decrease. The Entertainment segment's gross margin percentages for the nine months of fiscal 2022 and fiscal 2021 were 39.5% and 42.1%, which represent a 255-basis point decrease. Sales mix is impacting the gross margin rate due to blending the historical lower gross margin rates of 1-2-3.tv into the Entertainment segment. Gross margin rates for 1-2-3.tv, which was acquired in November 2021, are less than the aggregate gross margin rate for the Entertainment segment compared to the prior year. The Consumer Brands segment's gross margin percentages for the nine months of fiscal 2022 and fiscal 2021 were 49.5% and 50.3% which represent a 74-basis point decrease. The decrease in the gross margin percentage reflects the one-time favorable gross margin rates in 2021 due to the discounted Christopher & Bank's inventory purchased in 2021. The Media Commerce Services segment's gross margin percentages for the nine months of fiscal 2022 and fiscal 2021 were 27.2% and 32.1%, which represents a 489-basis point increase. Sales mix is impacting gross margin rate and was primarily due to blending the lower-margin rates from iMDS.

Operating Expenses

Total operating expenses for the fiscal 2022 third quarter were approximately $66,775 compared to $60,423 for the comparable prior year period, an increase of 10.5%. Total operating expenses as a percentage of net sales were 54.2% during the third quarter of fiscal 2022, compared to 46.2% during the comparable prior year period of fiscal 2021. Total operating expenses for the fiscal 2022 third quarter and the fiscal 2021 third quarter included transaction, settlement and integration costs of $11,793 and $3,835, as well as restructuring costs of $1,551 and $634, respectively. Additionally, during the third quarter of 2022, the Company amended and terminated a license agreement. The purpose of terminating the license agreement was to eliminate marginally profitable business. As a result of terminating the license agreement, the Company recognized a non-recurring charge of $8,067 in operating expenses (total charge is $9,941, of which $1,874 relates to inventory write-downs) in the third quarter of 2022.

Total operating expenses for the first nine months of fiscal 2022 were approximately $191,879 compared to $158,837 for the comparable prior year period, an increase of 20.8%. Total operating expenses for the first nine months of fiscal 2022 included transaction, settlement and integration costs of $14,905 and restructuring costs of $4,490. Total operating expenses for the first nine months of fiscal 2021 included transaction, settlement and integration costs of $5,757 and restructuring costs of $634.

Distribution and selling expense decreased $4,041, or 10.3%, to $35,261, or 28.6% of net sales during the fiscal 2022 third quarter compared to $39,302, or 30.1% of net sales for the comparable prior year fiscal quarter. The decrease in distribution and selling during fiscal 2022 third quarter is primarily attributable to lower television program distribution costs for our TV networks.

Distribution and selling expense increased $6,243, or 5.7%, to $115,150, or 28.0% of net sales during the first nine months of fiscal 2022 compared to $108,907, or 30.5% of net sales for the comparable prior year period. The increase in distribution and selling during fiscal 2022 during the first nine months of fiscal 2021 is attributable to the November 2021 acquisition of 1-2-3.tv and increase in television program distribution costs due to the increase in carriers and the related increased household distribution.

To the extent that our average selling price changes, our variable expense as a percentage of net sales could be impacted as the number of our shipped units change. Television program distribution expense is primarily a fixed cost per household. However, this expense may be impacted by changes in the number of average homes, channels reached or by rate changes associated with changes in our channel position with carriers.

General and administrative expense for the fiscal 2022 third quarter increased $10,439, or 97.1%, to $21,185 or 17.2% of net sales, compared to $10,746 or 8.2% of net sales for the comparable prior year fiscal quarter. The increase in general and administrative expenses during fiscal 2022 third quarter is primarily attributable to terminating a license agreement. The Company recognized a non-recurring charge of $8,067 in general and administrative expenses (total charge is $9,941, of which $1,874 relates to inventory write-downs) in the general and administrative expense for the third quarter of 2022, in addition to the increase in general and administrative expenses from the acquisition of 1-2-3.tv.

General and administrative expense for the first nine months of fiscal 2022 increased $20,249, or 82.4%, to $44,818 or 10.9% of net sales, compared to $24,569 or 6.9% of net sales for the comparable prior year period. For the first nine months of fiscal 2022, the increase in general and administrative expenses is primarily attributable to terminating a license agreement. The Company recognized a non-recurring charge of $8,067 in general and administrative expenses (total charge is $9,941, of which $1,874 relates to inventory write-downs) in the general and administrative expense for the nine months of fiscal 2022, in addition to the increase in general and administrative expenses from the acquisitions of 1-2-3.tv and iMDS.

Depreciation and amortization expense for the fiscal 2022 third quarter decreased $963, or 9.9%, to $8,778 compared to $9,741 for the comparable prior year period. Depreciation and amortization expense as a percentage of net sales for the third quarters of fiscal 2022 and fiscal 2021 was 7.1% and 7.5%. The decrease in depreciation and amortization expense for the third quarter of fiscal 2022 was primarily due to lower broadcast rights amortization, offset by increases in amortization expense generated from the 2021 acquisitions, including, 1-2-3.tv, iMDS and Christopher & Banks.

Depreciation and amortization expense for the first nine months of fiscal 2022 amounted to $27,421, an increase of $2,694, or 10.9%, compared to $24,727 for the same prior year period. Depreciation and amortization expense as a percentage of net sales for the first nine months of fiscal 2022 and 2021 was 6.7% and 6.9%. The increase in depreciation and amortization expense for the third quarter of fiscal 2022 was primarily due to the incremental depreciation and an increase in amortization expense generated from the 2021 acquisitions, including, 1-2-3.tv, iMDS and Christopher & Banks, partially offset by lower broadcast rights amortization.

Restructuring Costs

During the second quarter of fiscal 2022, the Company implemented cost savings initiatives. As a result of the second quarter fiscal 2022 cost optimization initiative, the Company recorded restructuring charges of $4,490 for the nine-month period ended October 29, 2022, which relate primarily to severance associated with the additional consolidation and elimination of positions across all the Company's reportable segments. These initiatives were substantially complete and $882 remains unpaid as of October 29, 2022.

During the third quarter of fiscal 2022, the Company implemented an additional cost optimization initiative. As a result of the third quarter fiscal 2022 cost optimization initiative, the Company recorded restructuring charges of $3,552 and $938 for the nine-month period ended October 29, 2022, which relate primarily to severance associated with the additional consolidation and elimination of positions across certain of the Company's reportable segments and the restructuring associated with the 1-2-3.tv Group, respectively. These initiatives were substantially complete as of October 29, 2022.

Operating Loss

For the fiscal 2022 third quarter, we reported an operating loss of approximately $15,265 compared to operating loss of $6,002 for the fiscal 2021 third quarter. The Entertainment segment reported an operating loss of $19,271, Consumer Brands segment reported operating income of $2,100, and Media Commerce Services segment reported operating income of $1,906 for the fiscal 2022 third quarter compared to operating loss of $6,824 for the Entertainment segment, and operating income of $364 for Consumer Brands segment, and an operating income of $458 for Media Commerce Services segment for the fiscal 2021 third quarter. For the third quarter of fiscal 2022, Entertainment segment's operating loss increased primarily as a result of net sales declines from ShopHQ and terminating a license agreement. The Company recognized a non-recurring charge of $8,067 in operating expenses (total charge is $9,941, of which $1,874 relates to inventory write-downs) in the third quarter of fiscal 2022. The Consumer Brands segment's operating income increased during the fiscal 2022 third quarter primarily from lower transition costs compared to those incurred in 2021. The Media Commerce Services segment's operating income increased during the fiscal 2022 first quarter primarily driven by the profitable sales growth of iMDS, which was acquired in July 2021.

For the nine months ended October 29, 2022, we reported an operating loss of approximately $30,619 compared to an operating loss of $10,423 for the comparable prior year period. The Entertainment, Consumer Brands, and Media Commerce Services segments reported an operating loss of $41,395, operating income of $6,550, and operating income of $4,226 for the nine months ended October 29, 2022, compared to operating losses of $11,636, operating income of $882 and operating income of $331 for the nine months ended October 30, 2021. The Entertainment segment's operating loss increased primarily as a result of net sales declines from ShopHQ and terminating a license agreement. The Company recognized a non-recurring charge of $8,067 in operating expenses (total charge is $9,941, of which $1,874 relates to inventory write-downs) during the nine months ended October 29, 2022. The Consumer Brands segment's operating income increased primarily from the 11.6% increase in net sales driven by the March 2021 acquisition of Christopher & Banks. The Media Commerce Services segment's operating income increased primarily driven by the profitable sales growth of iMDS, which was acquired in July 2021.

Interest Expense

Net interest expense for the fiscal 2022 third quarter increased $2,552, or 73.6%, to $6,018 compared to $3,466 for the comparable prior year period. The increase is attributable to a higher average debt balance during the current year and increasing interest rates.

Net interest expense for the first nine months of fiscal 2022 increased $9,581, or 156.5%, to $15,702 compared to $6,121 for the comparable prior year period. The increase is attributable to a higher average debt balance during the current year and increasing interest rates.

Effect of Foreign Exchange Rates

In November of 2021, we acquired a foreign subsidiary, 1-2-3.tv, which reports its financial information in Euros. For the nine-months ended October 29, 2022, we recognized foreign translation adjustments of $8,715, which is part of other comprehensive income. Below is a summary of changes in foreign exchange rates for fiscal 2022 and 2021:

	October 29, 2022	January 29, 2022
Foreign Exchange Rate (USD / Euro) - Closing	$ 0.996	$ 1.115
% Change from prior year	(10.7)%	

The average exchange rate was $0.996 for the three months ended October 29, 2022.

Net Loss

For the fiscal 2022 third quarter, we reported a net loss of $21,298, or ($0.72) per share, on 29,415,680 weighted average basic common shares outstanding compared with net loss of $9,492, or ($0.44) per share, on 21,503,340 weighted average basic common shares outstanding in the fiscal 2021 third quarter. The net loss for the third quarter of fiscal 2022 included transaction, settlement and integrations costs included in general and administrative expenses totaling $11,793, net interest expense of $6,018, and restructuring costs of $1,551. The net loss for the third quarter of fiscal 2021 included transaction, settlement and integrations costs totaling $3,835, net interest expense of $3,466, and restructuring costs of $634.

The net loss for the first nine months of fiscal 2022 was $46,300 compared to a net loss of $17,252 for the comparable prior year period, an increase of 168.4%. Net loss for fiscal 2022 included transaction, settlement and integrations costs totaling $14,905, net interest expense of $15,702, loss on debt extinguishment of $884, and restructuring costs of $4,490. The net loss for the first nine months of fiscal 2021 included net interest expense of $6,121, transaction, settlement and integrations costs totaling $5,757, loss on debt extinguishment of $663, and restructuring costs of $634. For the third quarters of fiscal 2022 and fiscal 2021, the net loss reflects an income tax provision of ($15). For the first nine months of fiscal 2022 and fiscal 2021 the net loss reflects an income tax provision of ($47) and ($45), respectively. The income tax provision for these periods relates to state income taxes payable on certain income for which there is no loss carryforward benefit available. We have not recorded any income tax benefit on previously recorded net losses due to the uncertainty of realizing income tax benefits in the future as indicated by our recording of an income tax valuation allowance. Based on our recent history of losses, a full valuation allowance has been recorded and was calculated in accordance with GAAP, which places primary importance on our most recent operating results when assessing the need for a valuation allowance. We will continue to maintain a valuation allowance against our net deferred tax assets, including those related to net operating loss carryforwards, until we believe it is more likely than not that these assets will be realized in the future.

Adjusted EBITDA Reconciliation

Adjusted EBITDA (as defined below) for the third quarter of fiscal 2022 was $8,647 compared to Adjusted EBITDA of $10,093 for the fiscal 2021 third quarter. For the nine-month period ended October 29, 2022, Adjusted EBITDA was $22,917 compared with $26,541 for the comparable prior year period.

A reconciliation of the comparable GAAP measure, net loss, to Adjusted EBITDA follows, in thousands:

	Three Months Ended		Nine Months Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Net loss attributable to shareholders	$ (21,298)	$ (9,492)	$ (45,885)	$ (16,970)
Adjustments:				
TV broadcast rights amortization	6,617	7,926	19,689	19,121
Depreciation and amortization (a)	2,999	2,751	10,358	8,444
Interest income and other	(20)	(85)	(230)	(124)
Interest expense	6,038	3,551	15,932	6,245
Income taxes	15	15	47	45
EBITDA (b)	$ (5,649)	$ 4,666	$ (89)	$ 16,761
A reconciliation of EBITDA to Adjusted EBITDA is as follows:				
EBITDA (b)	$ (5,649)	$ 4,666	$ (89)	$ 16,761
Adjustments:				
Transaction, settlement and integration costs, net (c)	11,793	3,835	14,905	5,757
Non-cash share-based compensation expense	952	949	3,061	2,385
Loss on debt extinguishment	—	9	884	663
Inventory impairment write-down	—	—	618	—
Change in fair value of contract liability, net	—	—	(1,937)	—
Loss on divestiture	—	—	985	—
Restructuring Costs	1,551	634	4,490	634
Other	—	—	—	341
Adjusted EBITDA (b)	$ 8,647	$ 10,093	$ 22,917	$ 26,541

(a) Includes distribution facility depreciation of $838 and $2,626 and $936 and $2,997 for the three and nine-month periods ended October 29, 2022, and October 30, 2021. Distribution facility depreciation is included as a component of cost of sales within the accompanying condensed consolidated statements of operations. Includes amortization expense related to the television broadcast rights totaling $6,617 and $19,689 and $7,926 and $19,121.

(b) EBITDA as defined for this statistical presentation represents net loss for the respective periods excluding depreciation and amortization expense, interest income (expense) and income taxes. We define Adjusted EBITDA as EBITDA excluding non-operating gains (losses); transaction, settlement and integration costs; restructuring costs; non-cash impairment charges and write downs; one-time customer concessions; loss on debt extinguishment; executive and management transition costs; rebranding costs; and non-cash share-based compensation expense.

(c) Transaction, settlement and integration costs, net for the three and nine-month period ended October 29, 2022 include transaction and integration costs related primarily to terminating a license agreement. The Company recognized a non-recurring charge of $9,941 ($1,874 relates to inventory write-downs) during the third quarter of fiscal 2022 and to the C&B, iMDS and 1-2-3.tv business acquisitions. Transaction, settlement and integration costs, net, for the three and nine-month period ended October 30, 2021 include consulting fees incurred to explore additional loan financings, settlement costs, and incremental COVID-19 related legal costs.

We use "Adjusted EBITDA" to adequately assess the operating performance of our video and digital businesses and to maintain comparability to our analyst's coverage and financial guidance, when given. Management believes that Adjusted EBITDA allows investors to make a meaningful comparison between our core business operating results over different periods of time with those of other similar companies. In addition, management uses Adjusted EBITDA as a metric measure to evaluate operating performance under our management and executive incentive compensation programs. Adjusted EBITDA 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 GAAP and should not be construed as a measure of liquidity. Adjusted EBITDA may not be comparable to similarly entitled measures reported by other companies.

Results of Operations – Reporting Segments

The following table sets forth, for the periods indicated, certain statement of operations data for each segment:

	Three Months Ended				Nine Months Ended			
	October 29, 2022		October 30, 2021		October 29, 2022		October 30, 2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Net Sales								
Entertainment	$ 101,150	82 %	$ 105,468	81 %	$ 341,612	83 %	$ 313,497	88 %
Consumer Brands	9,493	8 %	13,713	10 %	32,621	8 %	29,234	8 %
Media Commerce Services	12,621	10 %	11,500	9 %	36,809	9 %	14,594	4 %
Total net sales	$ 123,264	100 %	$ 130,681	100 %	$ 411,042	100 %	$ 357,325	100 %
Gross Margin								
Entertainment	$ 42,649	83 %	$ 44,396	82 %	$ 135,080	84 %	$ 129,032	87 %
Consumer Brands	5,399	10 %	6,617	12 %	16,153	10 %	14,693	10 %
Media Commerce Services	3,462	7 %	3,408	6 %	10,027	6 %	4,689	3 %
Total gross margin	$ 51,510	100 %	$ 54,421	100 %	$ 161,260	100 %	$ 148,414	100 %
Operating Loss								
Entertainment	$ (19,271)	126 %	$ (6,824)	114 %	$ (41,395)	135 %	$ (11,636)	112 %
Consumer Brands	2,100	(14)%	364	(6)%	6,550	(21)%	882	(8)%
Media Commerce Services	1,906	(12)%	458	(8)%	4,226	(14)%	331	(3)%
Total operating loss	$ (15,265)	100 %	$ (6,002)	100 %	$ (30,619)	100 %	$ (10,423)	100 %

Entertainment Segment

The entertainment segment is comprised of our television networks: ShopHQ, ShopBulldogTV, ShopHQHealth, and 1-2-3.tv. The following table summarizes net sales by product category and other information from statements of operations for the entertainment segment:

	Three Months Ended				Nine Months Ended			
	October 29, 2022		October 30, 2021		October 29, 2022		October 30, 2021	
Entertainment:	**Amount**	**% of Rev**	**Amount**	**% of Rev**	**Amount**	**% of Rev**	**Amount**	**% of Rev**
Jewelry & Watches	$ 34,080	33.7 %	$ 38,343	36.4 %	$ 123,515	36.2 %	$ 123,216	39.3 %
Health, Beauty & Wellness	21,269	21.0 %	27,070	25.7 %	66,787	19.6 %	74,773	23.9 %
Home	21,953	21.7 %	15,918	15.1 %	62,887	18.4 %	42,837	13.7 %
Fashion & Accessories	12,774	12.6 %	13,471	12.8 %	50,514	14.8 %	39,591	12.6 %
Other (primarily shipping & handling revenue)	11,074	10.9 %	10,666	10.1 %	37,909	11.1 %	33,080	10.6 %
Total entertainment revenues	$ 101,150	100.0 %	$ 105,468	100.0 %	$ 341,612	100.0 %	$ 313,497	100.0 %
Gross margin	$ 42,649	42.2 %	$ 44,396	42.1 %	$ 135,080	39.5 %	$ 129,032	41.2 %
Operating loss	$ (19,271)	(19.1)%	$ (6,824)	(6.5)%	$ (41,395)	(12.1)%	$ (11,636)	(3.7)%

Entertainment net sales decreased $4,318 or 4.1% for the third quarter of fiscal 2022 when compared to the previous fiscal third quarter. For 2022, the decrease in net sales was primarily due to sales growth from the November 2021 acquisition of 1-2-3.tv, offset by decreases in ShopHQ sales resulting from carriage disruption during the third quarter.

Entertainment net sales increased $28,115 or 9.0% for the first nine months of fiscal 2022 when compared to the previous fiscal nine-month period. For 2022, the increase in net sales was primarily due to sales growth from the November 2021 acquisition of 1-2-3.tv, partially offset by decreases in ShopHQ sales resulting from carriage disruption during the third quarter.

Entertainment gross margin percentage was 42.2% and 42.1% for the third quarter of fiscal 2022 and 2021, respectively. For 2022, the 7-basis point increase was primarily attributable to actions implemented to increase the average sale prices (“ASPs”) for 1-2-3.tv. Gross margin rates for 1-2-3.tv, which was acquired in November 2021, have been historically less than the aggregate gross margin rate for the Entertainment segment compared to the prior year.

Entertainment gross margin percentage was 39.5% and 42.1% for the first nine months of fiscal 2022 and 2021, respectively. For 2022, the 255-basis point decrease was primarily attributable to blending the lower gross margin rates of 1-2-3.tv into the Entertainment segment. Gross margin rates for 1-2-3.tv, which was acquired in November 2021, have been historically less than the aggregate gross margin rate for the Entertainment segment compared to the prior year.

Entertainment operating loss as a percentage of net sales was (19.1)% and (6.5)% for the third quarter of fiscal 2022 and 2021, respectively. For 2022, the Entertainment segment’s operating loss as a percentage of sales increased primarily as a result of net sales declines from ShopHQ, the margin rate change described above and the charge relating to the termination of a license agreement. The purpose of terminating the license agreement was to eliminate marginally profitable business. As a result of terminating the license agreement, the Company recognized a non-recurring charge of $9,941 ($1,874 relates to inventory write-down).

Entertainment operating loss as a percentage of net sales was (12.1)% and (3.7)% for the first nine months of fiscal 2022 and 2021, respectively. For 2022, the Entertainment segment’s operating loss as a percentage of sales increased primarily as a result of net sales declines from ShopHQ, the margin rate change described above and the charge relating to termination of a license agreement. The purpose of terminating the license agreement was to eliminate marginally profitable business. As a result of terminating the license agreement, the Company recognized a non-recurring charge of $9,941 ($1,874 relates to inventory write-down).

Consumer Brands Segment

The consumer brands segment is comprised of C&B, and JW. The following table summarizes net sales by product category and other information from statements of operations for the consumer brands segment:

	Three Months Ended				Nine Months Ended			
	October 29, 2022		October 30, 2021		October 29, 2022		October 30, 2021	
Consumer Brands:	**Amount**	**% of Rev**	**Amount**	**% of Rev**	**Amount**	**% of Rev**	**Amount**	**% of Rev**
Fashion & Accessories	$ 9,368	98.7 %	$ 11,456	83.5 %	$ 29,838	91.5 %	$ 24,325	83.2 %
Home	—	— %	1,914	14.0 %	1,807	5.5 %	4,467	15.3 %
Jewelry & Watches	16	0.2 %	75	0.5 %	195	0.6 %	276	0.9 %
Other (primarily shipping & handling revenue)	109	1.1 %	268	2.0 %	781	2.4 %	166	0.6 %
Total consumer brands revenues	$ 9,493	100.0 %	$ 13,713	100.0 %	$ 32,621	100.0 %	$ 29,234	100.0 %
Gross margin	$ 5,399	56.9 %	$ 6,617	48.3 %	$ 16,153	49.5 %	$ 14,693	50.3 %
Operating income (loss)	$ 2,100	22.1 %	$ 364	2.7 %	$ 6,550	20.1 %	$ 882	3.0 %

Consumer brands net sales for the consumer brands segment decreased $4,220 or 30.8% for the third quarter of fiscal 2022 when compared to the comparable prior year period. For 2022, the decrease in net sales was primarily due to divested businesses in the second quarter and sales decreases in Christopher & Banks.

Consumer brands net sales for the consumer brands segment increased $3,387 or 11.6% for the first nine months of fiscal 2022, when compared to the comparable prior year period. For 2022, the increase in net sales was primarily due to the March 2021 acquisition of Christopher & Banks, partially offset by businesses divested in the second quarter.

Consumer brands gross margin percentage was 56.9% and 48.3% for the third quarter of fiscal 2022 and 2021, respectively. For fiscal 2022, the 862-basis point increase in the gross margin percentage is primarily due to moderation of promotional pricing, including shipping promotions.

Consumer brands gross margin percentage was 49.5% and 50.3% for the first nine months of fiscal 2022 and 2021, respectively. For fiscal 2022, the 74-basis point decrease in gross margin percentage is from lower margins compared to the one-time favorable gross margin in 2021 due to the discounted merchandise purchased in 2021. During 2021, the Company was able to purchase “closeout” Christopher & Banks merchandise, separate from the acquisition, at favorable prices.

Consumer brands operating income as a percentage of sales was 22.1% and 2.7% for the third quarter of fiscal 2022 and 2021, respectively. The increase in operating income as a percentage of sales in 2022 was primarily attributable to lower transition costs relating to the 2021 acquisition of Christopher & Banks.

Consumer brands operating income as a percentage of sales was 20.1% and 3.0% for the first nine months of fiscal 2022 and 2021, respectively. The increase in operating income as a percentage of sales in 2022 was primarily attributable to the increase in net sales due to the 2021 acquisition of Christopher & Banks and lower transition costs relating to the 2021 acquisition of Christopher & Banks.

Media Commerce Services Segment

The media commerce services segment is comprised of iMDS and FL. The following table summarizes net sales by product category and other information from statements of operations for the media commerce services segment:

	Three Months Ended				Nine Months Ended			
	October 29, 2022		October 30, 2021		October 29, 2022		October 30, 2021	
Media Commerce Services:	**Amount**	**% of Rev**	**Amount**	**% of Rev**	**Amount**	**% of Rev**	**Amount**	**% of Rev**
Advertising & Search	$ 12,621	100.0 %	$ 11,500	100.0 %	$ 36,809	100.0 %	$ 14,594	100.0 %
Total media commerce services revenues	$ 12,621	100.0 %	$ 11,500	100.0 %	$ 36,809	100.0 %	$ 14,594	100.0 %
Gross margin	$ 3,462	27.4 %	$ 3,408	29.6 %	$ 10,027	27.2 %	$ 4,689	32.1 %
Operating income (loss)	$ 1,906	15.1 %	$ 458	4.0 %	$ 4,226	11.5 %	$ 331	2.3 %

Media commerce services net sales increased $1,121 or 9.7% for the third quarter of fiscal 2022 when compared to the previous fiscal quarter. For 2022, the increase in net sales was primarily due to both customer growth and increases in advertising.

Media commerce services net sales increased $22,215 or 152.2% for the first nine months of fiscal 2022 when compared to the previous nine months of fiscal 2021. For 2022, the increase in net sales was primarily due to the July 2021 acquisition of iMDS.

Media commerce services gross margin percentage was 27.4% and 29.6% for the third quarter of 2022 and 2021, respectively. For fiscal 2022, the 220-basis point decrease was primarily due to blending the lower-margin rates from iMDS.

Media commerce services gross margin percentage was 27.2% and 32.1% for the first nine months of 2022 and 2021, respectively. For fiscal 2022, the 489-basis point decrease was primarily due to blending the lower-margin rates from iMDS.

Media commerce services operating income as a percentage of net sales was 15.1% and 4.0% of sales for the third quarter of fiscal 2022 and 2021, respectively. For 2022, the increase in operating income as a percentage of sales is primarily due to the profitable sales growth of iMDS which was acquired in July 2021 and lower transition costs relating to the 2021 acquisition of iMDS.

Media commerce services operating income as a percentage of net sales was 11.5% and 2.3% of sales for the first nine months of fiscal 2022 and 2021, respectively. For 2022, the increase in operating income as a percentage of sales is primarily due to the profitable sales growth of iMDS, which was acquired in July 2021 and lower transition costs relating to the 2021 acquisition of iMDS.

Critical Accounting Policies and Estimates

A discussion of the critical accounting policies, estimates, and assumptions are discussed in detail in our annual report on Form 10-K for the fiscal year ended January 29, 2022 under the caption entitled "Critical Accounting Policies and Estimates."

Recently Issued Accounting Pronouncements

See Note 2 - “Basis of Financial Statement Presentation” in the notes to our condensed consolidated financial statements for a discussion of recent accounting pronouncements.

Financial Condition, Liquidity and Capital Resources

As of October 29, 2022, we had cash and restricted cash of $10,571. In addition, under the revolving loan under the Loan Agreement, we are required to maintain a minimum of $10,000 of unrestricted cash plus unused line availability at all times. We are currently in discussions to amend the terms of the Loan Agreement which, among other things, would amend the minimum cash requirement. As of January 29, 2022, we had cash of $13,188. For the first nine months of fiscal 2022, working capital decreased $109,616 to ($37,508) (see "Cash Requirements" below for additional information on changes in working capital accounts). The current ratio (our total current assets over total current liabilities) was 0.9 at October 29, 2022 and 1.4 at January 29, 2022.

The Company is required to keep cash in a restricted account in order to maintain letters of credit to both purchase inventory as well as secure the Company's corporate purchasing card program. Any interest earned is recorded in that period. The Company had $1,500 in restricted cash accounts as of October 29, 2022.

8.50% Senior Unsecured Notes

On September 28, 2021, we sold and issued $80,000 aggregate principal amount of 8.50% Senior Unsecured Notes due 2026 (the "2026 Notes") in an underwritten public offering. The 2026 Notes pay interest quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on December 31, 2021, at a rate of 8.50% per year, and are scheduled to mature on September 30, 2026. The 2026 Notes were issued in denominations of $25.00 and are listed on The Nasdaq Stock Market, LLC under the symbol "IMBIL".

The net proceeds from the offering were approximately $73,700, after deducting the underwriting discount and estimated offering expenses payable by the Company (including fees and reimbursements to the underwriters). The Company used all of the net proceeds to fund its acquisition of 1-2-3.tv Group.

The 2026 Notes are senior unsecured obligations of the Company. There is no sinking fund for the 2026 Notes. The Company may redeem the 2026 Notes for cash in whole or in part at any time at its option (i) on or after September 30, 2023 and prior to September 30, 2024, at a price equal to $25.75 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after September 30, 2024 and prior to September 30, 2025, at a price equal to $25.50 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after September 30, 2025 and prior to maturity, at a price equal to $25.25 per note, plus accrued and unpaid interest to, but excluding, the date of redemption. The Indenture provides for events of default that may, in certain circumstances, lead to the outstanding principal and unpaid interest of the 2026 Notes becoming immediately due and payable. If a Mandatory Redemption Event (as defined in the Supplemental Indenture) occurs, the Company will have an obligation to redeem the 2026 Notes, in whole but not in part, within 45 days after the occurrence of the Mandatory Redemption Event at a redemption price in cash equal to $25.50 per note plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. The compliance or noncompliance with covenants in the Loan Agreement does not affect the 2026 Notes. See Note 6.

Revolving Loan

On July 30, 2021, we entered into a loan and security agreement (as amended through September 20, 2021, the "Loan Agreement") with Siena Lending Group LLC and the other lenders party thereto from time to time, Siena Lending Group LLC, as agent (the "Agent"), and certain additional subsidiaries of the Company, as guarantors thereunder. The Loan Agreement has a three-year term and provides for up to a $80,000 revolving loan. Subject to certain conditions, the Loan Agreement also provides for the issuance of letters of credit in an aggregate amount up to $5,000 which, upon issuance, would be deemed advances under the revolving loan. Proceeds of borrowings were used to refinance all indebtedness owing to PNC Bank, National Association, to pay the fees, costs, and expenses incurred in connection with the Loan Agreement and the transactions contemplated thereby, for working capital purposes, and for such other purposes as specifically permitted pursuant to the terms of the Loan Agreement. Our obligations under the Loan Agreement are secured by substantially all of its assets and the assets of its subsidiaries as further described in the Loan Agreement.

Subject to certain conditions, borrowings under the Loan Agreement bear interest at 4.50% plus the London interbank offered rate for deposits in dollars ("LIBOR") for a period of 30 days as published in The Wall Street Journal three business days prior to the first day of each calendar month. As of May 27, 2022, LIBOR was replaced with the Secured Overnight Financing Rate ("SOFR") under the Loan Agreement. The original terms included a floor of 0.50% under LIBOR, which remained applicable following the transition to SOFR.

The Loan Agreement contains customary representations and warranties and financial and other covenants and conditions. In addition, the Loan Agreement places restrictions on our ability to incur additional indebtedness or prepay existing indebtedness, to create liens or other encumbrances, to sell or otherwise dispose of assets, to merge or consolidate with other entities, and to make certain restricted payments, including payments of dividends to shareholders. We also pay a monthly fee at a rate equal to 0.50% per annum of the average daily unused amount of the credit facility for the previous month.

As of October 29, 2022, the Company had total borrowings of $63,786 under its revolving loans with Siena. Remaining available capacity under the revolving loan as of October 29, 2022 was approximately $1,839. As of October 29, 2022, the Company was not in compliance with the net senior debt leverage ratio and minimum liquidity covenant of the Loan Agreement. Therefore, the amounts of the Company's long-term debt that would otherwise be contractually due and payable after one year are reflected on the Company's balance sheets as current liabilities.

GreenLake Real Estate Finance

On July 30, 2021, two of our subsidiaries, VVI Fulfillment Center, Inc. and EP Properties, LLC (collectively, the "Borrowers"), and the Company, as guarantor, entered into that certain Promissory Note Secured by Mortgages (the "GreenLake Note") with GreenLake Real Estate Finance LLC ("GreenLake") whereby GreenLake agreed to make a secured term loan (the "Term Loan") available to the Borrowers in the original amount of $28,500 The GreenLake Note is secured by, among other things, mortgages encumbering the Company's owned properties in Eden Prairie, Minnesota and Bowling Green, Kentucky (collectively, the "Mortgages") as well as other assets as described in the GreenLake Note. Proceeds of borrowings were used to (i) pay fees and expenses related to the transactions contemplated by the GreenLake Note, (ii) make certain payments approved by GreenLake to third parties, and (iii) provide for working capital and general corporate purposes of the Company. We have also pledged the stock that we own in the Borrowers to secure its guarantor obligations.

The GreenLake Note is scheduled to mature on July 31, 2024. The borrowings, which include all amounts advanced under the GreenLake Note, bear interest at 10.00% per annum or, at the election of the Lender upon no less than 30 days prior written notice to the Borrowers, at a floating rate equal to the prime rate plus 200 basis points.

The GreenLake Note contains customary representations and warranties and financial and other covenants and conditions, including, a requirement that the Borrowers comply with all covenants set forth in the Loan Agreement described above. The GreenLake Note also contains certain customary events of default.

As of October 29, 2022 and as of the date of this report, the Company was not in compliance with certain of the coverage ratio terms of its revolving credit facility. Therefore, the amounts of the Company's long-term debt associated with the GreenLake Note that would otherwise be contractually due and payable after one year are reflected on the Company's balance sheets as current liabilities.

Public Equity Offering

On June 9, 2021, we completed a public offering, in which we issued and sold 4,830,918 shares of our common stock (at a public offering price of $9.00 per share. After underwriter discounts and commissions and other offering costs, net proceeds from the public offering were approximately $39,955. We intend to use the proceeds for general working capital purposes, including, without limitation, potential acquisitions of businesses and assets that are complementary to our operations.

On February 18, 2021, we completed a public offering, in which we issued and sold 3,289,000 of our common stock at a public offering price of $7.00 per share, including 429,000 shares sold upon the exercise of the underwriter's option to purchase additional shares. After underwriter discounts and commissions and other offering costs, net proceeds from the public offering were approximately $21,224. We have used and intend to use the proceeds for general working capital purposes.

Private Placement Securities Purchase Agreement

On May 11, 2022, iMedia Brands, Inc. (the "Company") entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain purchasers identified on the signature pages to the Purchase Agreement (collectively, the "Purchasers") pursuant to which, among other things, the Company agreed to issue and sell to the Purchasers, in a registered direct offering (the "Offering"), an aggregate of 7,801,303 shares of common stock or pre-funded warrants to purchase common stock, each of which is coupled with a warrant to purchase one share of common stock. In more detail, the Company agreed to issue and sell to the Purchasers: (i) 4,136,001 shares of its common stock, at an offering price of $3.07 per share (the "Shares"), (ii) pre-funded warrants to purchase up to 3,763,022 shares of its common stock at an offering price of $3.0699 per pre-funded warrant (the "Pre-Funded Warrants"), which represents the per share offering price of its common stock less the $0.0001 per share exercise price for each pre-funded warrant and (iii) warrants to purchase up to 7,899,023 shares of its common stock, with a per share exercise price of $2.94 (the "Common Warrants"). Of these securities, 97,720 Shares and 97,720 Common Warrants are being purchased by Craig-Hallum Capital Group LLC (the "Placement Agent") at a purchase price of $3.07. The purchase agreement was treated as a forward contract with a corresponding contract liability as the Company would be in excess of its authorized shares and did not meet the requirements for equity treatment. On June 14, 2022 the board authorized 20,000,000 in additional shares and the Company reassessed the contract liability and determined it met the criteria for equity treatment. The contract liability was reclassified to equity with a change in fair value of recorded to the Consolidated Statement of Operations of $1,937.

Each Pre-Funded Warrant has an exercise price of $0.0001 per share of common stock, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions, became exercisable immediately upon issuance and will survive until it is exercised in full.

Each Common Warrant has an exercise price of $2.94 per share of common stock, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions, will be exercisable at any time.

Other

Our ValuePay program is an installment payment program which allows customers to pay by credit card for certain merchandise in two or more equal monthly installments. Another potential source of near-term liquidity is our ability to increase our cash flow resources by reducing the percentage of our sales offered under our ValuePay installment program or by decreasing the length of time we extend credit to our customers under this installment program. However, any such change to the terms of our ValuePay installment program could impact future sales, particularly for products sold with higher price points. Please see "Cash Requirements" below for a discussion of our ValuePay installment program.

Cash Requirements

Currently, our principal cash requirements are to fund our business operations, which consist primarily of purchasing inventory for resale, funding ValuePay installment receivables, funding our basic operating expenses, particularly our contractual commitments for cable and satellite programming distribution, and the funding of necessary capital expenditures. We closely manage our cash resources and our working capital. We attempt to manage our inventory receipts and reorders in order to ensure our inventory investment levels remain commensurate with our current sales trends. We also monitor the collection of our credit card and ValuePay installment receivables and manage our vendor payment terms in order to more effectively manage our working capital which includes matching cash receipts from our customers to the extent possible, with related cash payments to our vendors. ValuePay remains a cost-effective promotional tool for us. We continue to make strategic use of our ValuePay program in an effort to increase sales and to respond to similar competitive programs.

We also have significant future commitments for our cash, primarily payments for cable and satellite program distribution obligations and the eventual repayment of our credit facility. As of October 29, 2022, we had contractual cash obligations and commitments primarily with respect to our cable and satellite agreements, credit facility, operating leases, and capital leases totaling approximately $234,829 over the next five fiscal years.

Our ability to fund operations and capital expenditures in the future will be dependent on our ability to generate cash flow from operations, maintain or improve margins, decrease the rate of decline in our sales and to use available funds from our Siena Credit Facility. Our ability to borrow funds is dependent on our ability to maintain an adequate borrowing base and our ability to meet our credit facility's covenants (as described above). Accordingly, if we do not generate sufficient cash flow from operations to fund our working capital needs, planned capital expenditures and meet credit facility covenants, and our cash reserves are depleted, we may need to take further actions that are within the Company's control, such as further reductions or delays in capital investments, additional reductions to our workforce, reducing or delaying strategic investments or other actions.

For the nine months ended October 29, 2022, net cash used for operating activities totaled $18,591 compared to net cash used for operating activities of $48,857 for the comparable fiscal 2021 period. Net cash used for operating activities for the fiscal 2022 and 2021 periods reflects a net loss, as adjusted for depreciation and amortization, share-based payment compensation, amortization of deferred financing costs, payments for television broadcast rights, and other non-case costs, such as debt extinguishment, loss of divestitures, change in fair value contract liability and contract separation charges.

In addition, net cash used for operating activities for the nine months ended October 29, 2022 reflects decreases in accounts payable and accrued liabilities, accounts receivable, inventories and deferred revenue and increases in prepaid expenses. Inventories decreased as we optimize working capital. Accounts receivable decreased during the first nine months of fiscal 2022 due to collections on outstanding receivables resulting from our seasonal high fourth quarter. Accounts payable and accrued liabilities decreased during the first nine months of fiscal 2022 primarily due to the timing of paying for cable distribution fees and inventory purchases. Prepaid expenses and other increased primarily due to prepayment for cloud services.

Net cash used for investing activities totaled $7,163 for the first nine months ended October 29, 2022 was comprised entirely of property and equipment additions of $7,163. For the nine months ended October 30, 2021, net cash used in investing activities totaled $36,747 was comprised primarily of the $3,500 Christopher and Banks acquisition payment, $20,000 for iMDS business acquisition payment, $6,000 Famjams note funding, and property and equipment additions of $7,247. Capital expenditures made during the periods presented relate primarily to expenditures made for development, upgrade and replacement of computer software, order management, merchandising and warehouse management systems; related computer equipment, digital broadcasting equipment, and other office equipment; warehouse equipment, production equipment and building improvements. Principal future capital expenditures are expected to include: the development, upgrade and replacement of various enterprise software systems; equipment improvements and technology upgrades at our distribution facility in Bowling Green, Kentucky; security upgrades to our information technology; the upgrade of television production and transmission equipment; and related computer equipment associated with the expansion of our television shopping business and digital commerce initiatives.

Net cash provided by financing activities totaled $23,000 for the nine months ended October 29, 2022 and related primarily to proceeds from the issuance of common stock and warrants of $20,761, proceeds from the proceeds from the issuance of the convertible debt of $9,980, and proceeds on the revolving loan of $3,570. Net cash used for financing activities included $3,000 payments on the seller notes and $7,500 payments on the convertible debt. For the first nine months ended October 30, 2021, net cash provided by financing activities totaled $123,639 and related primarily to proceeds from the issuance of long-term bonds of $80,000, proceeds from the issuance of common stock and warrants of $61,368 and proceeds from our PNC revolving loan of $56,736, and proceeds on the real estate financing loan of $28,500. Net cash used for financing activities included primarily $77,736 for payments on our revolving loans, $12,440 for payments on our PNC term loan, and $11,180 payments on deferred financing costs.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, management conducted an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were not effective because of our previously reported material weakness in our internal control over financial reporting arising from an accumulation of significant deficiencies which amounted to material weaknesses, which we describe in Part II, Item 9A of our Annual Report on Form 10-K for the year ended January 29, 2022 (the "2021 Form 10-K").

Remediation of Material Weaknesses

We are committed to maintaining a strong internal control environment and implementing measures designed to help ensure that significant deficiencies contributing to the material weaknesses are remediated as soon as possible. We believe we have made progress towards remediation and continue to implement our remediation plan for the previously reported material weaknesses in internal control over financial reporting, described in Part II, Item 9A of the 2021 Form 10-K, which includes steps to increase dedicated personnel, improve reporting processes, design and implement new controls, and enhance related supporting technology. We expect to be in a position to determine that some or all of the material weaknesses have been remediated after the applicable controls operate for a sufficient period of time, and management has concluded, through testing, that the controls are operating effectively.

Changes in Internal Control Over Financial Reporting

As outlined above, due to the identification of the material weaknesses, we continued to strengthen our internal control structure by adding accounting staff, adjusting segregation of duties, adding additional levels of review, and adding technical support. We made no other changes in internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended October 29, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Control Systems

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, will be or have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdown can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved from time to time in various claims and lawsuits in the ordinary course of business, including claims related to products, product warranties, employment, intellectual property and consumer protection matters. In the opinion of management, none of the claims and suits, either individually or in the aggregate, is reasonably expected to have a material adverse effect on our operations or consolidated financial statements.

ITEM 1A. RISK FACTORS

See Part I. Item 1A., "Risk Factors," of the Company's annual report on Form 10-K for the year ended January 29, 2022, for a detailed discussion of the risk factors affecting the Company. Other than as set forth below, we have not identified any material changes from the risk factors described in the annual report.

Our expansion to international markets subjects us to a variety of risks that may harm our business.

As a result of the acquisition of the 1-2-3.tv, our operations have expanded to international markets, including Germany and Austria, which exposes us to significant new risks. 1-2-3.tv operates in Germany and Austria, which requires significant resources and management attention and subjects us to legislative, judicial, accounting, regulatory, economic, and political risks in addition to those we already faced in the United States. These include:

- the need to successfully adapt and localize products and policies for specific countries, including obtaining rights to third-party intellectual property used in each country;
- successfully adapting and localizing products and policies for specific countries, including obtaining rights to third-party intellectual property used in each country;
- complying with compliance with laws such as the Foreign Corrupt Practices Act and other anti-corruption laws, U.S. or foreign export controls and sanctions, and local laws prohibiting improper payments to government officials and requiring the maintenance of accurate books and records and a system of sufficient internal controls;
- complying with increased financial accounting and reporting burdens and complexities;

- inflationary pressures, such as those the global market is currently experiencing, which may increase costs for materials, supplies, and services;
- fluctuations in currency exchange rates and the requirements of currency control regulations, which might restrict or prohibit conversion of other currencies into U.S. dollars;
- challenges and costs associated with staffing and managing foreign operations;
- unstable political and economic conditions, social unrest or economic instability, whatever the cause, including due to pandemics, natural disasters, wars, terrorist attacks, tariffs, trade disputes, local or global recessions, diplomatic or economic tensions, environmental risks, and security concerns, in general or in a specific country or region in which we operate;
- the ongoing conflict in Ukraine and Eastern Europe may lead to disruption in the global supply chain, rising fuel costs, or cybersecurity risks, and economic instability generally, any of which could materially and adversely affect our business and results of operations; and
- complying with local laws, regulations, and customs in other jurisdictions; complying with increased financial accounting and reporting burdens and complexities; planning for fluctuations in currency exchange rates and the requirements of currency control regulations, which might restrict or prohibit conversion of other currencies into U.S. dollars; and political or social unrest or economic instability, terrorist attacks and security concerns in general in a specific country or region in which we operate.

The occurrence of any one of these risks could negatively affect our international business and, consequently, our results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. Specifically, such an occurrence could create a triggering event that would require us to review goodwill and intangible assets for impairment and the potential full or partial write-down of those balances. We cannot be certain that the investment and additional resources required in establishing, acquiring, or integrating operations in other countries will produce desired levels of revenues or profitability.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On September 7, 2022, the Company and Shaq agreed to amend the terms of the ABG-Shaq, LLC Agreement to terminate the license agreement (the "Termination"). The Termination involved an issuance of warrants to ABG-Shaq, LLC (the "Shaq Warrants"). The Shaq Warrants have a fixed value of $500,000 with an exercise price equal to the Company's closing share price on September 7, 2022. Additionally, the warrants vest in two equal parts on November 20, 2022, and February 1, 2023, and are exercisable for 5 years following issuance. The Shaq Warrants were issued pursuant to the exemptions from registration under the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof and the rules and regulations thereunder.

Dividends

We are restricted from paying dividends on our common stock by the Loan Agreement with Siena Lending Group LLC, as discussed in Note 7 - "Credit Agreements" in the notes to our condensed consolidated financial statements.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description	Manner of Filing
3.1	Fourth Amended and Restated Articles of Incorporation, as amended through July 13, 2020	Incorporated by reference
3.2	By-Laws of the Registrant, as amended through July 16, 2019	Incorporated by reference
3.3	Certificate of Designation of Series A Junior Participating Cumulative Preferred Stock of the Registrant, dated December 13, 2019	Incorporated by reference
4.1	Indenture, dated September 28, 2021, between the Company and U.S. Bank National Association, as trustee	Incorporated by reference
4.2	First Supplemental Indenture, dated September 28, 2021, between the Company and U.S. Bank National Association, as trustee	Incorporated by reference
4.3	Form of Global Note representing 8.50% Senior Unsecured Notes due 2026 (included as Exhibit A to Exhibit 4.2)	Incorporated by reference
4.4	Common Stock Purchase Warrant, dated September 7, 2022, by and between iMedia Brands, Inc. and ABG-Shaq, LLC	Filed herewith
4.5	Third Amendment to the Vendor Loan Agreement, dated September 19, 2022	Filed herewith
31.1	Certification	Filed herewith
31.2	Certification	Filed herewith
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer	Filed herewith
101	The following materials from iMedia Brands, Inc.'s Quarterly Report on Form 10-Q for the fiscal period ended July 30, 2022, as filed with the Security and Exchange Commission, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operation; (iii) Condensed Consolidated Statements of Shareholders' Equity; (iv) Condensed Consolidated Statement of Cash Flows; and (v) the Notes to the Condensed Consolidated Financial Statements	Filed herewith
104	Cover Page Interactive Data File (embedded within the inline XBRL)	Filed herewith

SIGNATURES

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 thereunto duly authorized.

	iMedia Brands, Inc.
	(Registrant)
December 13, 2022	By: /s/ TIMOTHY A. PETERMAN
	Timothy A. Peterman Chief Executive Officer (Principal Executive Officer)
December 13, 2022	By: /s/ THOMAS E. ZIELECKI
	Thomas E. Zielecki Chief Financial Officer (Principal Financial and Accounting Officer)

NEITHER THE SECURITIES REPRESENTED HEREBY NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. UNLESS SOLD PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

IMEDIA BRANDS, INC.

WARRANT

Warrant No. 2022-A-01 | Original Issue Date: September 7, 2022

IMEDIA BRANDS, INC., a Minnesota corporation (the "*Company*"), hereby certifies that, for value received, **ABG-SHAQ, LLC**, a Delaware limited liability company or its registered assigns (the "*Holder*"), is entitled to purchase from the Company up to a total of 568,182 shares of Common Stock (each such share, a "*Warrant Share*" and all such shares, the "*Warrant Shares*"), at any time following the vesting of the Warrant Shares through and including September 7, 2027 (the "*Expiration Date*"), and subject to the following terms and conditions:

1. Definitions. As used in this Warrant, the following terms shall have the respective definitions set forth in this Section. Capitalized terms that are used and not defined in this Warrant that are defined in the Shaq Agreement (as defined below) shall have the respective definitions set forth in the Shaq Agreement.

"*Closing Price*" means, for any date of determination, the price determined by the first of the following clauses that applies: (i) if the Common Stock is then listed or quoted on a Trading Market, the closing bid price per share of the Common Stock for such date (or the nearest preceding date) on such market; (ii) if prices for the Common Stock are then quoted on the OTC Bulletin Board, the closing bid price per share of the Common Stock for such date (or the nearest preceding date) so quoted; (iii) if prices for the Common Stock are then reported in the "Pink Sheets" published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported; or (iv) in all other cases, the fair market value of a share of Common Stock as determined by an independent qualified appraiser selected in good faith and paid for by the Company.

"*Common Stock*" means the common stock of the Company, par value $.01 per share, and any securities into which such common stock may hereafter be reclassified.

"*Exercise Price*" means $0.88, subject to adjustment in accordance with Section 9.

"*Fundamental Transaction*" means any of the following: (i) the Company effects any merger or

consolidation of the Company with or into another person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another person pursuant to an agreement with the Company) is completed pursuant to which all holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property and the holders of at least 50% of the then outstanding Common Stock tender their shares of Common Stock, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"*Original Issue Date*" means the Original Issue Date first set forth on the first page of this Warrant or its predecessor instrument.

"*Shaq Agreement*" means that certain Summary of Commercial Terms, dated as of November 18, 2019 (effective as of January 1, 2020), as amended January 1, 2020 and further amended September 7, 2022, to which the Company and the original Holder are parties.

"*Trading Day*" means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in clauses (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"*Trading Market*" means whichever of the New York Stock Exchange, the NYSE American Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or the OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

2. Registration of Warrant. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "*Warrant Register*"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed and such other documents as necessary to permit the transfer (including an opinion of counsel as to the permissibility of the transfer pursuant to federal and state securities laws), to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of this Warrant (any such new Warrant, a "*New Warrant*"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. Exercise and Duration of Warrants.

(a) This Warrant shall be exercisable by the registered Holder in whole at any time and in part from time to time as to the number of shares vested as set forth in the table below on each vesting date set forth in the table below through and including the Expiration Date. At 5:30 p.m., Central time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value.

Vesting Date	Number of Warrant Shares Vesting on the Vesting Date
November 20, 2022	284,091
February 1, 2023	284,091

(b) Notwithstanding anything to the contrary set forth in this Warrant, in the event of a Change of Control, (i) at Company's sole option unless (ii) the Change of Control results in the Company no longer having a class of securities registered under Section 12 or Section 15 of the Securities Exchange Act of 1934 in which case such determination shall be made automatically, the Holder shall surrender this Warrant in exchange for a number of shares of Company's securities, such number of securities being equal to the maximum number of securities issuable pursuant to the terms hereof (after taking into account all adjustments described herein) had the Holder elected to exercise this Warrant immediately prior to the closing of such Change of Control and purchased all such shares pursuant to the cashless exercise provision set forth in Section 10(b) (as opposed to the cash exercise provision set forth in Section 10(a)). The Company acknowledges and agrees that the Holder shall not be required to make any additional payment (cash or otherwise) for such shares as further consideration for their issuance in exchange for the Holder's surrender of this Warrant pursuant to the terms of the preceding sentence. A "*Change of Control*" shall be deemed to occur if the Company shall (a) sell, lease, convey, or otherwise dispose of (including without limitation the grant of an exclusive license to) all or substantially all of the Company's intellectual property or assets as an entirety or substantially as an entirety to any person, entity or group of persons acting in concert, (b) effect a merger, consolidation or reorganization in which the Company is not the surviving entity and the stockholders of the Company immediately prior to the merger, consolidation or reorganization fail to possess direct or indirect ownership of more than 50% of the voting power of the securities of the surviving entity immediately following such transaction (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings), or (c) effect a merger, consolidation or reorganization in which the Company is the surviving corporation and the stockholders of the Company immediately prior to the merger, consolidation or reorganization fail to possess direct or indirect ownership of more than 50% of the securities of the Company immediately following such transaction.

5. Delivery of Warrant Shares.

(a) To effect exercises hereunder, the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant are being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than two Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise. A "*Date of Exercise*" means each of (A) the date of a Change of Control and (B) the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

6. Charges, Taxes and Expenses. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be adjusted to equal the product obtained by multiplying the then-current Exercise Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "*Alternate Consideration*"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Any successor to the Company or surviving entity in such Fundamental

Transaction shall issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to this Section, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) Calculations. All calculations under this Section shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(e) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

10. Payment of Exercise Price. The Holder may pay the Exercise Price in one of the following manners:

(a) Cash Exercise. The Holder may deliver immediately available funds; or

(b) Cashless Exercise. Solely pursuant to a Cashless Exercise, the Company shall issue to the Holder the number of Warrant Shares determined as follows:

X = Y [(A-B)/A]

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the Closing Prices for the five Trading Days immediately prior to (but not including) the Exercise Date.

B = the Exercise Price.

11. No Fractional Shares. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would, otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the Closing Price of one Warrant Share on the date of exercise.

12. 19.999% Blocker. Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates (as defined under Rule 144, "*Affiliates*") and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities Exchange Act of 1934, does not exceed 19.999% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the number of securities or amount of other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 9 of this Warrant. This restriction may not be waived without shareholder approval.

13. Representations, Warranties & Covenants of the Holder. The Holder, by acquiring this Warrant, hereby represents, warrants and covenants to the Company as follows:

(a) Investment Representations. In connection with the issuance of the Warrant and the Warrant Shares, the Holder makes the following representations and covenants:

(i) Investment for Own Account. The Holder is acquiring the Warrant and the Warrant Shares for its own account, not as nominee or agent, and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act; provided, however, that by making the representations herein, the Holder does not agree to hold any of the Warrants or Warrant Shares for any minimum or specific term and reserves the right to dispose of the securities at any time in accordance with or pursuant to a registration statement or an exemption from the registration requirements of the Securities Act.

(ii) Transfer Restrictions, Legends. The Holder understands that (i) the Warrant and Warrant Shares have not been registered under the Securities Act; (ii) the Warrant and Warrant Shares are being offered and sold pursuant to an exemption from registration, based in part upon the Company's reliance upon the statements and representations made by the Holder in this Warrant, and that the Warrant and Warrant Shares must be held by the Holder indefinitely, and that the Holder must, therefore, bear the economic risk of such investment indefinitely, unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration; (iii) each certificate representing the Warrant and Warrant Shares will be endorsed with the following legend until the earlier of (1) such date as the Warrant or Warrant Shares, as the case may be, have been registered for resale by the Holder or (2) the date the Warrant or the Warrant Shares, as the case may be, are eligible for sale under Rule 144 under the Securities Act without limitations:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. UNLESS SOLD PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

(iv) the Company will instruct any transfer agent not to register the transfer of the Warrant or Warrant Shares (or any portion thereof) until the applicable date set forth in clause (iii) above unless the conditions specified in the foregoing legends are satisfied or, if the opinion of counsel referred to above is to the further effect that such legend is not required in order to establish compliance with any provisions of the Securities Act or this Warrant, or other satisfactory assurances of such nature are given to the Company.

The Holder agrees that the removal of the restrictive legend from certificates representing Warrants or Warrant Shares as set forth in this Section is predicated upon the Company's reliance that the Holder will sell any securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom.

(iii) Financial Sophistication; Due Diligence. The Holder has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in connection with the transactions contemplated in this Warrant. The Holder has, in connection with its decision to purchase the Warrant, relied only upon the representations and warranties contained herein and the information contained in the reports, registration statements and definitive proxy statements filed by the Company with the Securities and Exchange Commission (the "*SEC*" and the documents, the "*Company SEC Documents*"). Further, the Holder has had such opportunity to obtain additional information and to ask questions of, and receive answers from, the Company, concerning the terms and conditions of the investment and the business and affairs of the Company, as the Holder considers necessary in order to form an investment decision.

(iv) Accredited Investor Status. The Holder is an "accredited investor" as such term is defined in Rule 501(a) of the rules and regulations promulgated under the Securities Act.

(v) Residency. The Holder is organized under the laws of Delaware and its principal place of operations (if applicable) is in the state of New York.

(vi) General Solicitation. The Holder is not purchasing the Warrant or Warrant Shares as a result of any advertisement, article, notice or other communication regarding the Warrant or Warrant Shares published in any newspaper, magazine or similar media or broadcast over the television or radio or presented at any seminar or any other general solicitation or general advertisement. Prior to the time that Holder was first contacted by the Company the Holder had a pre-existing and substantial relationship with the Company.

(vii) Foreign Investors. If Holder is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code), Holder hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with the receipt of Warrant Shares upon vesting of the Warrant and the receipt of the Warrant, including (i) the legal requirements within its jurisdiction for the receipt of the Warrant and Warrant Shares, (ii) any foreign exchange restrictions applicable to such receipt, (iii) any government or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the acquisition, holding, redemption, sale or transfer of the Warrant and Warrant Shares. Holder's beneficial ownership of the Shares will not violate any applicable securities or other laws of Holder's jurisdiction

(b) Authority. Holder has all necessary power and authority to execute and deliver this Warrant and to carry out its provisions. All action on Holder's part required for the lawful execution and delivery of this Warrant has been taken. This Warrant, when executed and delivered by the Holder, shall constitute the valid and binding obligation of the Holder enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency or other laws of general application affecting enforcement of creditors' rights.

(c) No Investment, Tax or Legal Advice. The Holder understands that nothing in the Company SEC Documents, the Shaq Agreement, this Warrant, or any other materials presented to the Holder in connection with the purchase and sale of the Warrant or the Warrant Shares constitutes legal, tax or investment advice. The Holder has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Warrant and Warrant Shares.

(d) Additional Acknowledgement. The Holder acknowledges that it has independently evaluated the merits of the transactions contemplated by this Warrant and the Shaq Agreement, that it has independently determined to enter into the transactions contemplated hereby, that it is not relying on any advice from or evaluation by any other person.

(e) Limited Ownership. The purchase of the Warrant and the Warrant Shares will not result in the Holder (individually or together with any other person or entity with whom the Holder has identified, or will have identified, itself as part of a "group" in a public filing made with the SEC involving the Company's securities) acquiring, or obtaining the right to acquire, in excess of 19.999% of the outstanding shares of common stock or voting power of the Company on a post-transaction basis that assumes the Warrant and the Warrant Shares have been issued.

(f) No Short Position. As of the date hereof, the Holder acknowledges and agrees that it has not engaged in any short sale regarding the Company's voting stock or any other type of hedging transaction involving the Company's securities (including, without limitation, depositing shares of the Company's securities with a brokerage firm where such securities are made available by the broker to other customers of the firm for purposes of hedging or short selling the Company's securities).

14. Limitation on Transfer.

(a) "*Restricted Securities*" means the Warrants, the Warrant Shares and any other shares of capital stock of the Company issued in respect of such Warrant Shares (as a result of stock splits, stock dividends, reclassifications, recapitalizations or similar events) or securities issued in respect of such Warrants; provided, however, that securities that are Restricted Securities shall cease to be Restricted Securities upon any sale pursuant to an effective registration statement under the Securities Act or pursuant to Rule 144 or another exemption available under the Securities Act. In no event may the Restricted Securities be sold or transferred unless either (A) they first shall have been registered under the Securities Act or (B) the Company shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act.

(b) Notwithstanding any other provision herein to the contrary, (1) the Holder shall not sell, transfer, assign, donate, pledge or otherwise dispose of the Restricted Securities until at least 183 days following the date such shares vest, and (2) the Holder shall not at any time, directly or indirectly, sell, transfer or otherwise dispose of any Restricted Securities when the Holder is in possession of material non-public information about the Company.

(c) Any certificate representing Restricted Securities shall bear a legend substantially in the following form:

> The securities represented hereby are subject to a restriction on transfer contained in a Warrant dated as of September 7, 2022. A copy of the agreement is available at the Company's principal executive offices.

(d) The Holder acknowledges and agrees that the Company, in its discretion, may cause stop transfer orders to be placed with its transfer agent with respect to the Restricted Securities in order to facilitate the transfer restrictions referred to in this Section. The Company shall remove the legend from the certificates representing any Restricted Securities at the request of the holder thereof at such time as they are sold pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act in compliance with this Section.

(e) The Holder shall engage, directly or indirectly, in any short sales with respect to the Common Stock of the Company until September 7, 2023.

15. Omitted.

16. Notices. Any notice required or permitted under this Warrant (including, without limitation, any Exercise Notice) shall be given in writing and shall be deemed effectively given upon the earlier of (1) actual receipt or three days after mailing if mailed postage prepaid by regular or airmail to the Company or the Holder or (2) one day after it is sent by overnight mail via nationally recognized courier or (3) on the same day as sent via confirmed e-mail or facsimile transmission, provided that the original is sent by personal delivery or mail by the sending party. Address for such notice will be provided by each party to the other under separate cover.

17. Miscellaneous.

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of Minnesota, without regard to the principles of conflicts of law thereof.

(c) This Warrant and the Shaq Agreement constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein.

(d) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(f) Prior to exercise of this Warrant, the Holder hereof shall not, by reason of being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

(g) Except as otherwise set forth herein, the Company and the Holder shall bear their own expenses and legal fees incurred on their behalf with respect to this Warrant and the transactions contemplated hereby. Each party hereby agrees to indemnify and to hold harmless of and from any liability the other party for any commission or compensation in the nature of a finder's fee to any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which such indemnifying party or any of its employees or representatives are responsible.

(h) Each party acknowledges that it has received adequate information to enter into this Warrant, that it has had adequate opportunity to make whatever investigation or inquiry it may deem necessary or desirable in connection with the subject matter of this Warrant prior to the execution hereof, and that it has not relied on any promise, representation, or warranty, express or implied, not contained in this Warrant. Each of the parties hereto acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Warrant, and that it has executed the same with the advice of said independent counsel. Each party cooperated and participated in the drafting and preparation of this Warrant, and any and all drafts relating thereto exchanged among the parties shall be deemed the work product of all of the parties and may not be construed against any party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Warrant against any party that drafted or prepared it is of no application and is hereby expressly waived by each of the parties hereto, and any controversy over interpretations of this Warrant shall be decided without regards to events of drafting or preparation. Further, any rule of law or any legal decision that would provide any party with a defense to the enforcement of the terms of this Warrant against such party shall have no application and is expressly waived.

[*Remainder of page intentionally left blank, signature page follows*]

In witness whereof, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

IMEDIA BRANDS, INC.

By: ______________________________
Tim Peterman, *Chief Executive Officer*

Agreed & Acknowledged:
ABG-SHAQ, LLC

By: Jay Dubiner
Name: Jay Dubiner
Title: Chief Legal Officer

EXERCISE NOTICE

The undersigned Holder hereby irrevocably elects to purchase ____________ shares of Common Stock pursuant to the attached Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase __________ Warrant Shares pursuant to the Warrant.

(2) The Holder intends that payment of the Exercise Price shall be made as (check one):

______ "Cash Exercise" under Section 10

______ "Cashless Exercise" under Section 10

(3) If the holder has elected a Cash Exercise, the Holder shall pay the sum of $____________ to the Company in accordance with the terms of the Warrant.

(4) Pursuant to this Exercise Notice, the Company shall deliver to the holder __________ Warrant Shares in accordance with the terms of the Warrant.

Dated ___________ __, ____

Name of Holder:

(Print)

____

By: ____

Its: ____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Warrant Shares Exercise Log

Date	Number of Warrant Shares Available to be Exercised	Number of Warrant Shares Exercised	Number of Warrant Shares Remaining to be Exercised

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ____________the right represented by the attached Warrant to purchase ________ shares of Common Stock to which such Warrant relates and appoints ______________ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated ____________ __, ____

____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Address of Transferee

____
____
____

Attest:

____

Exhibit 4.5

THIRD AMENDMENT TO THE VENDOR LOAN AGREEMENT

THIRD AMENDMENT TO THE VENDOR LOAN AGREEMENT

between

1. **Emotion Invest GmbH & Co. KG,** Theatinerstra.Be 7, c/o Arcus Capital AG, 80333 Munich, Germany

-the **"Lender 1"** -

2. **BE Beteiligungen Fonds GmbH & Co. geschlossene Investmentkommanditgesellschaft,** Hohenzollemring 72, 50672 Cologne, Germany

- the ·**Lender 2"** -

3. **Iris Capital Fund** II, 62 rue Pierre Charron, c/o Iris Capital Management, 75008 Paris, France

-the **"Lender 3"** -

- the parties under nos. l through 3 each individually also a **"Lender"** and collectively the **"Lenders"** -

4. **iMedia & 123tv Holding GmbH,** registered with the commercial register of the local court of Munich under HRB 267579

- the **"Borrower"** -

5. **iMedia Brands, Inc.,** 6740 Shady Oak Road, Eden Prairie, Minnesota 55344 USA

- **"iMedia"** -

6. **1-2-3.TV GmbH,** Bavariafilmplatz 7, 82031 Grunwald, Germany

- "**1-2-3.TV"**-

- iMedia and 1-2-3.TV jointly also the **"Guarantors**0 -

-the Lenders, the Borrower and iMedia individually also a **"Party"** and collectively the **"Parties"** -

RECITALS

(A) The Parties entered into a vendor loan agreement dated September 14/15/20/22, 2021 (part C of the role of deed no. H 3959/2021 of the notary public Sebastian Herrler, Munich), as amended with amendment agreements to the vendor loan agreement dated November 5, 2021 and May 26, 2022, respectively **("Vendor Loan Agreement")** under which the Lenders granted loans to the Borrower in the aggregate principal amount of EUR 18,000,000.

(B) The Lenders, the Borrower and iMedia have entered into a share purchase agreement regarding the 1-2-3.TV group dated September 14/15/20/22, 2021 (part B of the role of deed no. H 3959/2021 of the notary public Sebastian Herrler, Munich) under which, *inter alia,* the Lenders have sold their participation in 1-2-3.TV to the Borrower against a certain purchase price.

(C) The Parties now wish to amend the Vendor Loan Agreement in accordance with the provisions of this agreement **("Agreement")**

Now, therefore, the Parties agree as follows:

1. DEFINITIONS

Capitalized terms used in this Agreement which are not defined otherwise in this Agreement shall have the meaning attributed to them under the Vendor Loan Agreement.

2. AMENDMENT OF VENDORLOANAGREEMENT

2.1 The Lenders hereby agree and consent to the postponement of the Loan Amount to be repaid on the Ordinary Maturity Date I in the amount of EUR 9,000,000.00 until ***November 15, 2023,*** and the postponement of the Loan Amount to be repaid on the Ordinary Maturity Date II in the amount of EUR 9,000,000.00 until ***November 15, 2024***. Pursuant to the foregoing, the Lenders hereby agree that no payment is due and owing on ***February 5, 2023,*** as set forth in the Second Amendment to the Loan Agreement.

2.2 Except as specifically provided in Section 2.1, the Vendor Loan Agreement is not amended and the provisions of the Vendor Loan Agreement shall remain in full force and effect. In particular, the Parties agree that Section 2.1 refers to the nominal Loan Amount only and that Sections 3 (*Interest*) and 5.2.1 (*Termination*) of the Vendor Loan Agreement shall remain in full force and effect.

3. COSTS AND EXPENSES

Each *of* the Parties hereto shall bear its own legal and other costs and expenses incurred in connection with the execution, implementation and consummation of this Agreement, including all previous negotiations and communications.

4. AMENDMENTS; NOTICES

4.1 Any amendment of, or notice or other declaration (the **"Notice(s)")** under or in connection with, this Agreement shall be made in writing *(in Schriftform*), unless a notarization or any other stricter form is required by mandatory law or in this Agreement. The written form shall include exchange of letters, fax and exchange of emails if scans of the under-signed documents are attached but no other transmission by way of telecommunication. The electronic form shall not suffice to comply with the written form requirement.

4.2 All Notices to be given to a Party or any of them hereunder shall be addressed as set out above.

5. RIGHTS OF THIRD PARTIES

Except as explicitly otherwise provided for in this Agreement, this Agreement shall only grant rights to the Parties and shall not constitute a contract for the benefit of third parties or a contract with protective effect for third parties.

6. CHOICE OF LAW AND PLACE OF JURISDICTION

6.1 This Agreement shall be governed by and construed in accordance with the substantive laws of Germany without recourse to the conflicts of laws provisions.

6.2 Any dispute, controversy or claim arising from or in connection with this Agreement or its validity shall be exclusively and finally settled by three arbitrators in accordance with the Arbitration Rules of the German Institution of Arbitration as in effect from time to time without recourse to the ordinary courts of law. The place of arbitration shall be Munich, Germany. The language of the arbitral proceedings shall be English. Documents originally prepared for purposes other than the relevant proceeding in the German language do not have to be translated into the English language (unless so required by arbitration tribunal).

6.3 In the event that mandatory applicable law requires any matter arising out of or in connection with this Agreement and its execution to be decided upon by an ordinary court of law, the competent courts in Munich, Germany, shall have the exclusive jurisdiction.

7. **SEVERABILITY**

If any provision of this Agreement should be or become wholly or partially void *(nichtig),* ineffective *(unwirksam)* or unenforceable *(undurchsetzbar),* the validity, effectiveness and enforceability of the other provisions of this Agreement shall not be affected thereby. Any such invalid. ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provision as comes closest to the economic intent and purpose of the invalid. ineffective or unenforceable provision as regards subject-matter, extent (Ma.P), time, place and scope *(Ge/tungsbereich)*. The aforesaid shall apply *mutatis mutandis* to any gap *(Lucke)* in this Agreement This Section 7 shall not merely operate as a shift of the burden of proof *(Beweis/astumkehr)* but sec. 139 BGB shall be contracted out in its entirety.

[*Signature Pages follow]*

Emotion Invest GmbH & Co. KG, represented by its general partner Emotion Invest Verwaltungs GmbH

Munich, 04.10.2022

Place, Date

Name: Stefan Eishold
Position: CEO

Iris Capital Fund II, represented by its management company Iris Capital Management

Place, Date

Name: Eric de la Riviere
Position: Managing Partner

BE Beteiligungen Fonds GmbH & Co. geschlossene Investmentkommanditgesellschaft, represented by its general partner BE Verwaltungs GmbH

Cologne, 07.10.2022

Place, Date

Name: Brodbeck
Position: MD

Eschmann
MD

iMedia & 123tv Holding GmbH

Eden Prairie, MN - September 19, 2022

P1ace, Date

Name: Tim Peterman

Position: Managing Director

iMedia Brands, Inc.

Eden Prairie, MN – September 19, 2022

P1ace, Date

Name: Tim Peterman

Position: CEO

1-2-3.TV GmbH

P1ace, Date

Name: Tim Peterman

Position: Managing Director

Exhibit 31.1

CERTIFICATION

I, Timothy A. Peterman, certify that:

1. I have reviewed this report on Form 10-Q of iMedia Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: December 13, 2022

/s/ TIMOTHY A. PETERMAN

Timothy A. Peterman
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Thomas E. Zielecki, certify that:

1. I have reviewed this report on Form 10-Q of iMedia Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: December 13, 2022

/s/ THOMAS E. ZIELECKI
Thomas E. Zielecki
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATION OF THE CHIEF EXECUTIVE AND FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of iMedia Brands, Inc., a Minnesota corporation (the "Company"), for the quarter ended October 29, 2022, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), the undersigned officers of the Company certify pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: December 13, 2022	/s/ TIMOTHY A. PETERMAN Timothy A. Peterman Chief Executive Officer (Principal Executive Officer)
Date: December 13, 2022	/s/ THOMAS E. ZIELECKI Thomas E. Zielecki Chief Financial Officer (Principal Financial and Accounting Officer)