

EVINE Live Inc. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	February 2, 2019	February 3, 2018
	(In thousands, except share and per share data)	
ASSETS		
Current assets:		
Cash	\$ 20,485	\$ 23,940
Restricted cash equivalents	450	450
Accounts receivable, net	81,763	96,559
Inventories	65,272	68,811
Prepaid expenses and other	9,053	5,344
Total current assets	177,023	195,104
Property and equipment, net	51,118	52,048
Other assets	1,846	2,106
TOTAL ASSETS	\$ 229,987	\$ 249,258
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 56,157	\$ 55,614
Accrued liabilities	37,374	35,646
Current portion of long term credit facility	2,488	2,326
Deferred revenue	35	35
Total current liabilities	96,054	93,621
Other long term liabilities	50	68
Long term credit facility	68,932	71,573
Total liabilities	165,036	165,262
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, 99,600,000 shares authorized; 67,919,349 and 65,290,458 shares issued and outstanding	679	653
Additional paid-in capital	442,197	439,111
Accumulated deficit	(377,925)	(355,768)
Total shareholders' equity	64,951	83,996
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 229,987	\$ 249,258

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

EVINE Live Inc. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended		
	February 2, 2019	February 3, 2018	January 28, 2017
	(In thousands, except share and per share data)		
Net sales	\$ 596,637	\$ 648,220	\$ 666,213
Cost of sales	389,790	413,108	424,686
Gross profit	206,847	235,112	241,527
Operating expense:			
Distribution and selling	191,917	199,484	207,030
General and administrative	25,883	24,442	23,386
Depreciation and amortization	6,243	6,370	8,041
Executive and management transition costs	2,093	2,145	4,411
Gain on sale of television station	(665)	(551)	—
Distribution facility consolidation and technology upgrade costs	—	—	677
Total operating expense	225,471	231,890	243,545
Operating income (loss)	(18,624)	3,222	(2,018)
Other income (expense):			
Interest income	34	17	11
Interest expense	(3,502)	(5,084)	(5,937)
Loss on debt extinguishment	—	(1,457)	—
Total other expense, net	(3,468)	(6,524)	(5,926)
Loss before income taxes	(22,092)	(3,302)	(7,944)
Income tax benefit (provision)	(65)	3,445	(801)
Net income (loss)	\$ (22,157)	\$ 143	\$ (8,745)
Net income (loss) per common share	\$ (0.34)	\$ 0.00	\$ (0.15)
Net income (loss) per common share — assuming dilution	\$ (0.34)	\$ 0.00	\$ (0.15)
Weighted average number of common shares outstanding:			
Basic	66,073,206	63,870,046	59,784,594
Diluted	66,073,206	63,968,299	59,784,594

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EVINE Live Inc. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended		
	February 2, 2019	February 3, 2018	January 28, 2017
	(in thousands)		
OPERATING ACTIVITIES:			
Net income (loss)	\$ (22,157)	\$ 143	\$ (8,745)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	10,164	10,307	11,209
Share-based payment compensation	3,064	2,888	1,946
Gain on sale of television station	(665)	(551)	—
Amortization of deferred revenue	(35)	(60)	(86)
Amortization of deferred financing costs	215	366	558
Loss on debt extinguishment	—	1,457	—
Deferred income taxes	—	(3,522)	788
Changes in operating assets and liabilities:			
Accounts receivable, net	14,796	2,503	15,978
Inventories	3,539	1,381	(3,181)
Prepaid expenses and other	905	166	423
Accounts payable and accrued liabilities	(2,614)	(11,800)	(11,606)
Net cash provided by operating activities	7,212	3,278	7,284
INVESTING ACTIVITIES:			
Property and equipment additions	(8,768)	(10,499)	(10,261)
Proceeds from the sale of assets	665	12,738	—
Cash paid for acquisition	—	—	(508)
Net cash provided by (used for) investing activities	(8,103)	2,239	(10,769)
FINANCING ACTIVITIES:			
Proceeds from issuance of revolving loan	239,300	96,800	—
Proceeds of term loans	5,821	6,000	17,000
Proceeds from exercise of stock options	181	79	—
Proceeds from issuance of common stock and warrants	—	4,628	12,470
Payments on revolving loan	(245,300)	(96,800)	—
Payments on term loans	(2,325)	(18,780)	(2,852)
Payments for restricted stock issuance	(133)	(45)	(46)
Payments for deferred financing costs	(96)	(265)	(1,512)
Payments on capital leases	(12)	—	(39)
Payments for repurchases of common stock	—	(5,055)	—
Payments for common stock issuance costs	—	(452)	(786)
Payments for debt extinguishment costs	—	(334)	—
Net cash provided by (used for) financing activities	(2,564)	(14,224)	24,235
Net increase (decrease) in cash and restricted cash equivalents	(3,455)	(8,707)	20,750
BEGINNING CASH AND RESTRICTED CASH EQUIVALENTS	24,390	33,097	12,347
ENDING CASH AND RESTRICTED CASH EQUIVALENTS	\$ 20,935	\$ 24,390	\$ 33,097

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