Disclaimers

This presentation contains, and our officers and representatives during this presentation may from time to time make “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements set forth in this press release include, among other things, statements regarding potential synergies achieved from acquisitions, the impact of strategic operational changes and the Company’s future financial performance. In addition, statements containing words such as “guidance,” “may,” “believes,” “anticipate,” “expect,” “intend,” “plan,” “project,” “projections,” “business outlook,” and “estimate” or similar expressions constitute forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered an indication of future performance. These forward-looking statements involve risks and uncertainties regarding the Company’s future financial performance; could cause actual results or developments to differ materially from those indicated due to a number of factors affecting Leaf Group’s operations, markets, products and services; and are based on current expectations, estimates and projections about the Company’s industry, financial condition, operating performance and results of operations, including certain assumptions related thereto. Potential risks and uncertainties that could affect the Company’s operating and financial results are described in Leaf Group’s annual report on Form 10-K for the fiscal year ending December 31, 2019 filed with the Securities and Exchange Commission (http://www.sec.gov) on March 16, 2020, as such risks and uncertainties may be updated from time to time in Leaf Group’s quarterly reports on Form 10-Q filed with the Securities and Exchange Commission, including, without limitation, information under the captions ‘Risk Factors’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations.’ These risks and uncertainties include, among others: risks associated with political and economic instability domestically and internationally including those resulting from the COVID-19 pandemic, which have and could lead to fluctuations in the availability of credit, decreased business and consumer confidence and increased unemployment; the Company’s ability to execute its business plan to return to compliance with the continued listing criteria of the New York Stock Exchange (“NYSE”); the Company’s ability to continue to comply with applicable listing standards within the available cure period; changes by the Small Business Administration or other governmental authorities regarding the Coronavirus Aid, Relief and Economic Security Act of 2020 (the “CARES Act”), the Paycheck Protection Program (“PPP”) or related administrative matters; the Company’s ability to comply with the terms of the PPP loan and the CARES Act, including to use the proceeds of the PPP loan; the Company’s ability to successfully drive and increase traffic to its marketplaces and media properties; changes in the methodologies of internet search engines, including ongoing algorithmic changes made by Google, Bing and Yahoo; the Company’s ability to attract new and repeat customers and artists to its marketplaces and successfully grow its marketplace businesses; the potential impact on advertising-based revenue from lower ad unit rates, a reduction in online advertising spending, a loss of advertisers, lower advertising yields, increased availability of ad blocking software, particularly on mobile devices and/or ongoing changes in ad unit formats; the Company’s dependence on various agreements with a specific business partner for a significant portion of its advertising revenue; the effects of shifting consumption of media content and online shopping from desktop to mobile devices and/or social media platforms; the Company’s history of incurring net operating losses; the Company’s ability to obtain capital when desired on favorable terms; potential write downs, reserves against or impairment of assets including receivables, goodwill, intangibles (including media content) or other assets; the Company’s ability to effectively integrate, manage, operate and grow acquired businesses; the Company’s ability to retain key personnel; the Company’s ability to prevent any actual or perceived security breaches; the Company’s ability to expand its business internationally; the Company’s ability to generate long-term value for its stockholders; and ongoing actions taken and any future actions that may be taken by activist stockholders. From time to time, the Company may consider acquisitions or divestitures that, if consummated, could be material. Any forward-looking statements regarding financial metrics are based upon the assumption that no such acquisition or divestiture is consummated during the relevant periods. If an acquisition or divestiture were consummated, actual results could differ materially from any forward-looking statements. Any forward-looking statement made by the Company in this press release is based only on information currently available to the Company and speaks only as of the date on which it is made. The Company undertakes no obligation to revise or update any forward-looking information, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law, and may not provide this type of information in the future.

Non-GAAP Disclosure:

This presentation includes reference to Adjusted EBITDA and Segment Operating Contribution, each of which is a non-GAAP measure. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP measures used by Leaf Group may differ from the non-GAAP measures used by other companies. Leaf Group considers these non-GAAP financial measures to be important because they provide a useful measure of the operating performance of Leaf Group and are used by Leaf Group’s management for that purpose, as discussed in greater detail in our earnings releases, which can be found on the Investor Relations section of Leaf Group’s corporate website at http://ir.leafgroup.com. In addition, a reconciliation of non-GAAP measures to the most directly comparable GAAP measures is available in the Appendix to this presentation.
Digital First Brands in Rapidly Growing Lifestyle Categories

Leaf Group Reaches One-fourth of US Internet Population\(^1\)

1) ComScore November 2020
**Proven, Multi-Brand Growth Model**

<table>
<thead>
<tr>
<th>FUTURE</th>
<th>ib Internet Brands®</th>
<th>J2 GLOBAL</th>
<th>IAC®</th>
<th>Leaf Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE BRANDS</td>
<td>Cycling</td>
<td>CarsDirect</td>
<td>Ask</td>
<td>Saatchi Art</td>
</tr>
<tr>
<td></td>
<td>Photographer</td>
<td>WebMD</td>
<td>Angies list</td>
<td>Society 6</td>
</tr>
<tr>
<td></td>
<td>GUITAR</td>
<td>do it yourself</td>
<td>HomeAdvisor</td>
<td>The Other Art Fair</td>
</tr>
<tr>
<td></td>
<td>XBOX</td>
<td>Mashable</td>
<td>Tinder</td>
<td>Hunker</td>
</tr>
<tr>
<td></td>
<td>Wallpaper*</td>
<td>weddingbee</td>
<td>.dash</td>
<td>WELL+GOOD LIVESTRONG.COM</td>
</tr>
</tbody>
</table>

Customer understanding and scale can drive a diversified group of brands.
## Strong Growth –
Momentum Continued through Q4 ‘20

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020 (Y/Y Growth)</th>
<th>Q3 2020 (Y/Y Growth)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$51.0M</td>
<td>$63.3M</td>
</tr>
<tr>
<td><strong>Adj. EBITDA</strong></td>
<td>$2.1M</td>
<td>$2.6M</td>
</tr>
</tbody>
</table>
Diversified, Resilient, and Highly Profitable Media Business

- Positioned in great categories: Home, Art & Design and Fitness & Wellness
- Scalable content platform
- Best of breed advertising technology stack
- Growing direct sales and brand relationships
- Strong contribution margin

Audience

54MM¹

- Acquired OnlyInYourState in February 2019
- Acquired Well+Good in 2018
- Hunker launched in 2017 (#1 Digital Home Brand)²
- Livestrong editorial transformation

<table>
<thead>
<tr>
<th>Q3 2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RPV</td>
<td>$32.41</td>
</tr>
<tr>
<td>Segment Contribution</td>
<td>$6.1M</td>
</tr>
<tr>
<td>Segment Margin</td>
<td>40.8%</td>
</tr>
</tbody>
</table>

¹ November 2020 comScore
² September 2020 comScore
Online Marketplace for Emerging Artists

$64B \textsuperscript{(1)}
\text{GLOBAL ART MARKET}

$6B \textsuperscript{(1)}
\text{ONLINE}

Market Ecosystem \textsuperscript{(1)(2)}

Established “Big Name” Artists
Price Point: $50k+

Emerging High-Quality Artists
Price Point: $1k - $50k+

Poster & Wall Art
Price Point: <$1k+

Emerging Artists on Saatchi Art\textsuperscript{(3)}

1) 2019 Art Market Report by Art Basel and UBS.
2) Based on volume data of the dealer and auction market segments, which collectively represent ~90% of the market on a value basis.
3) Q3 2020

100K +
Saatchi Art Group is an Online Leader in a Massive Global Category Ripe for Disruption

Q3 Online GTV
+77%

- Global marketplace connecting artists and consumers
- “View in A Room” software / augmented reality
- Increasing purchase confidence in online art category
- Strong artist and customer service
- Impactful virtual and in-person events
Home Décor & Design Marketplace that Empowers Creativity in Your Everyday Life

- Personalized, design-first shopping
- Original designs from ~400K artists
- 75% of GTV in Home Decor
- More than 75 premium made-to-order products
- $69MM paid to artists to date

$284B
Home Furnishings Market

$50B
U.S. Online Home Furnishings Market

1) Wall Street research.
Right Business Model in the Right Category at the Right Time

Q3 GTV
+121%

Q3 U.S. DTC GTV
+149%

- Fundamental change in consumer behavior
- Personalized, design-first shopping
- Over 75 made-to-order products
- No inventory risk
- Global vendor and fulfillment network
- Asset light
- Negative working capital

Note: Figures represent Q3'20 vs. Q3'19.
Our Growth Flywheel is Spinning Faster

Artists & Designs
- ~400K global artists
- ~7 million designs
- $69 million paid to artists to date

Premium Products
- 75+ high-quality products
- Affordable prices
- Unique, artist-led trend-forward designs

B2B & Vendor Network
- Growing B2B, Drop-Ship relationships
- Expanding international vendor network
- New 3P marketplace opportunities

Customers
- Record new customers
- Strong repeat purchasing behavior
- Rising average order value (AOV)
- High customer satisfaction
Significant M&A Opportunity
Business is Strong and the Future is Bright.

 Balanced, **highly profitable** Media portfolio with a **large audience in high passion categories**. Media industry showing rapid recovery.

 Saatchi Art delivering **strong overall growth** in the face of cancelled in person fairs through **accelerating online GTV** and **The Other Art Fair’s shift to virtual**.

 Society6 is an **emerging winner** in a permanently changed retail landscape with **accelerating ecommerce penetration** and strong positioning in the home category. **Strengthening flywheel** with artist-led community, record customers and on-demand production enabling **personalization and scalable operations**.

 Leaf Group delivering **record revenue growth**, driving improved operating margin and cash flow.
# Leaf Group Revenue and Key Business Metrics

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$113.5</td>
<td>$129.0</td>
<td>$155</td>
<td>$155</td>
<td>$40.0</td>
<td>$63.3</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Media</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$47.3</td>
<td>$44.9</td>
<td>$61.1</td>
<td>$65.3</td>
<td>$16.7</td>
<td>$15.0</td>
<td>(10)%</td>
</tr>
<tr>
<td><strong>Marketplaces</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Society6 Group Revenue</td>
<td>$59.9</td>
<td>$75.0</td>
<td>$81.7</td>
<td>$73.9</td>
<td>$19.2</td>
<td>$43.6</td>
<td>127%</td>
</tr>
<tr>
<td>Saatchi Art Group Revenue</td>
<td>$6.3</td>
<td>$9.1</td>
<td>$12.2</td>
<td>$15.8</td>
<td>$4.1</td>
<td>$4.7</td>
<td>13%</td>
</tr>
</tbody>
</table>

## Operating Metrics

### Media Metrics

- **Pro forma Visits per Google Analytics**: (in thousands) 589,789, 461,471 (22%)
- **Pro forma Revenue per Visit (RPV)**: $28.32, $32.41 (14%)

### Society6 Group Metrics

- **Number of Transactions**: 309,656, 681,400 (120%)
- **Gross Transaction Value (in thousands)**: $22,192, $49,095 (121%)

### Saatchi Art Group Metrics

- **Number of Transactions**: 6,834, 8,541 (25%)
- **Gross Transaction Value (in thousands)**: $7,149, $9,784 (37%)

---

1) On April 24, 2020, Leaf Group entered into an Asset Sale and Services Agreement with Hearst Newspapers (“Hearst”), pursuant to which the Company sold to Hearst a library of content carried on certain websites that had been hosted by the Company on behalf of Hearst for $9.5 million, of which $4.0 million was paid at signing (the “Hearst Transaction”). As of April 25, 2020, the Company is no longer including visits to the sites migrated to Hearst in the Hearst Transaction in its media metrics.

2) Pro forma Visits and Pro forma Revenue per Visit exclude visits generated by certain domains no longer under our control as a result of the Hearst Transaction for all periods reported. The number of visits is derived from Google Analytics.
Attractive Financial Profile

1) Adjusted EBITDA reflects net income (loss) excluding interest (income) expense, income tax expense (benefit), and certain other non-cash or non-recurring items impacting net income (loss) from time to time, principally comprised of depreciation and amortization, stock-based compensation, contingent payments to certain key employees/equity holders of acquired businesses and other payments attributable to acquisition, disposition or corporate realignment activities. See Appendix for a reconciliation of Adjusted EBITDA, a non-GAAP financial measure, to net loss, the most directly comparable GAAP financial measure.

2) For the three months ended June 30, 2020, we had $1.5 million in cost savings, which included temporary salary cuts of our executive team and salaried direct workforce (whose salaries were reinstated effective with payroll paid on June 30, 2020) and compensation cuts and deferrals of compensation of our independent directors (whose cash retainer compensation was reinstated, effective July 1, 2020), neither of which is expected to reoccur.
Segment Growth and Contribution

Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) share-based compensation expense; (d) interest and other income (expense); (e) income taxes; and (f) contingent payments to certain key employees/equity holders of acquired businesses. See Appendix for a reconciliation of Segment Operating Contribution, a non-GAAP financial measure, to net loss, the most directly comparable GAAP financial measure.
### Q4 2020 Preliminary Results

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>40%+</td>
</tr>
<tr>
<td><strong>Marketplaces GTV</strong></td>
<td></td>
</tr>
<tr>
<td>Society6 Group</td>
<td>100%+</td>
</tr>
<tr>
<td>Saatchi Art Group</td>
<td>20%+</td>
</tr>
<tr>
<td><strong>Media Revenue</strong></td>
<td>(20%)</td>
</tr>
</tbody>
</table>
Healthy Balance Sheet

As of September 30, 2020 ($ in millions)

**ASSETS**

<table>
<thead>
<tr>
<th>ASSET</th>
<th>Amount ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>33.0</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>17.0</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>14.3</td>
</tr>
<tr>
<td>Other Long-Term Assets(2)</td>
<td>42.6</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 106.9</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES and STOCKHOLDER’S EQUITY**

<table>
<thead>
<tr>
<th>LIABILITY</th>
<th>Amount ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable, Accrued Expenses, and Other Current Liabilities</td>
<td>$34.1</td>
</tr>
<tr>
<td>Debt (credit facility, PPP)</td>
<td>11.4</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>5.3</td>
</tr>
<tr>
<td>Non-current Liabilities</td>
<td>8.8</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>47.3</td>
</tr>
<tr>
<td><strong>Total Liabilities and Stockholders’ Equity</strong></td>
<td><strong>$ 106.9</strong></td>
</tr>
</tbody>
</table>

1) Leaf Group had federal net operating loss (“NOL”) carryforwards of approximately $255.6 million as of December 31, 2019. NOLs generated prior to January 1, 2018 expire between 2021 and 2037. NOLs generated since January 1, 2018 can be carried forward indefinitely. In addition, as of December 31, 2019, Leaf Group had state NOL carryforwards of approximately $94.8 million which expire between 2020 and 2039. Leaf Group has taken a full valuation allowance against all of our United States federal and state and certain foreign deferred tax assets.

2) Includes intangible assets, net, goodwill and other assets.
Diverse portfolio of digital first brands in large, growing lifestyle categories shifting rapidly online

Large intent driven audience with >54M monthly unique visitors\(^1\); ~one-fourth of U.S. internet population

Significant room for monetization, revenue diversification and international expansion

Well-positioned platform for strategic M&A

Long-term opportunity to deliver against 15%+ annual revenue growth target

Strong Balance Sheet with $33.0M in cash and $256M Federal NOL’s + $95M State NOL’s

Management team with deep consumer internet, brand building and M&A experience

\(^1\) ComScore November 2020
Experienced Leadership and Management Team

SEAN MORIARTY
CEO
- CEO at Saatchi Art
- President, CEO at Ticketmaster
- EVP, Technology at Citysearch

BRIAN GEPHART
CFO
- CAO at JH Capital
- Capital Markets & Accounting Advisory Services at PricewaterhouseCoopers LLP

BRIAN PIKE
COO & CTO
- CTO at Rubicon Project
- CTO at Ticketmaster

ADAM WERGELES
EVP & General Counsel
- EVP, Business and Legal Affairs, and General Counsel at Serviz, Inc.
- Chief Legal Officer at ReachLocal

JILL ANGEL
EVP, People
- VP Operations at Saatchi Art
- Team leader at Cocodot, Swirl by DailyCandy, and GSI Commerce

ALAN WALDMAN
EVP, Product & Technology
- VP Product at Cisco Metacloud
- SVP Technology Operations at Ticketmaster

KATE SPIES
SVP & GM, Well+Good
- VP Content and Audience Development at Bauer Media
- Editor In Chief of Mamamia Women’s Network, Australia
- Digital Content Director at Cosmopolitan, Australia

JULIE MATRAT
SVP & GM, Society6
- SVP, Operations Finance & Analytics at Leaf Group
- Director, Operations Finance & Analytics at Yahoo!

JEANNE ANDERSON
SVP & GM, Saatchi Art
- SVP Product Marketing and Optimization at ZipRecruiter
- Leadership roles at DogVacay and NetQuote

SCOTT MESSER
SVP & GM, Media
- BD for IMG Media, National Lampoon and private equity firms

SHAWN MILNE
SVP, Corporate Finance & Investor Relations
- Internet Analyst at Janney Capital Markets, Oppenheimer & Co.
- Consumer Analyst at Hambrecht & Quist
## Reconciliation of Segment Disclosure and Adjusted EBITDA

### Segment Revenue:

<table>
<thead>
<tr>
<th></th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
<th>Q2 '19</th>
<th>Q3 '19</th>
<th>Q4 '19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Society6 Group</td>
<td>$16,998</td>
<td>$15,203</td>
<td>$19,205</td>
<td>$22,446</td>
<td>$15,993</td>
<td>$34,665</td>
<td>$43,631</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saatchi Art Group</td>
<td>3,840</td>
<td>3,986</td>
<td>4,122</td>
<td>3,825</td>
<td>2,748</td>
<td>3,982</td>
<td>4,668</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketplaces</td>
<td>$20,967</td>
<td>$19,655</td>
<td>$24,712</td>
<td>$28,603</td>
<td>$20,967</td>
<td>$19,655</td>
<td>$24,712</td>
<td>$28,603</td>
<td>$20,967</td>
<td>$19,655</td>
<td>$24,712</td>
</tr>
<tr>
<td>Media Group</td>
<td>12,780</td>
<td>14,966</td>
<td>16,744</td>
<td>16,916</td>
<td>13,200</td>
<td>16,600</td>
<td>16,703</td>
<td>18,828</td>
<td>14,124</td>
<td>12,321</td>
<td>14,966</td>
</tr>
<tr>
<td>Total</td>
<td>$33,747</td>
<td>$34,321</td>
<td>$41,456</td>
<td>$45,519</td>
<td>$34,038</td>
<td>$35,789</td>
<td>$40,030</td>
<td>$45,099</td>
<td>$32,865</td>
<td>$50,968</td>
<td>$63,255</td>
</tr>
</tbody>
</table>

### Segment Operating Contribution:

<table>
<thead>
<tr>
<th></th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
<th>Q2 '19</th>
<th>Q3 '19</th>
<th>Q4 '19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$33,747</td>
<td>$34,321</td>
<td>$41,456</td>
<td>$45,519</td>
<td>$34,038</td>
<td>$35,789</td>
<td>$40,030</td>
<td>$45,099</td>
<td>$32,865</td>
<td>$50,968</td>
<td>$63,255</td>
</tr>
</tbody>
</table>

### Reconciliation to consolidated pre-tax income (loss):

<table>
<thead>
<tr>
<th></th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
<th>Q2 '19</th>
<th>Q3 '19</th>
<th>Q4 '19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$33,747</td>
<td>$34,321</td>
<td>$41,456</td>
<td>$45,519</td>
<td>$34,038</td>
<td>$35,789</td>
<td>$40,030</td>
<td>$45,099</td>
<td>$32,865</td>
<td>$50,968</td>
<td>$63,255</td>
</tr>
</tbody>
</table>

1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) share-based compensation expense; (d) interest and other income (expense); (e) income taxes; and (f) contingent payments to certain key employees/equity holders of acquired businesses.

2) Strategic shared services include shared operating expenses that are not directly attributable to the operating segments, including: network operations center, marketing, business development, product development, creative, financial systems, quality assurance, software engineering, and information systems. Corporate overhead includes general and administrative functions that are not directly attributable to the operating segments, including: executive, accounting, finance, human resources, legal, and facilities.

3) Strategic shared services and corporate overhead excludes the following: (a) depreciation expense; (b) amortization of intangible assets; (c) share-based compensation expense; (d) interest and other income (expenses); and (e) income taxes.

4) Represents depreciation expense of the Company’s long-lived tangible assets and amortization expense of its finite-lived intangible assets, including amortization expense related to its investment in media content assets, included in the Company’s GAAP results of operations.

5) Represents the expense related to stock-based awards granted to employees as included in the Company’s GAAP results of operations.

6) Represents such items, when applicable, as (a) legal, accounting and other professional service fees directly attributable to acquisition, disposition or corporate realignment activities, (b) employee severance, (c) contingent payments to certain key employees/equity holders of acquired businesses, and (d) other payments attributable to acquisition, disposition or corporate realignment activities.

7) In Q2 2020, we had $1.5 million in cost savings, which included temporary salary cuts of our executive team and salaried direct workforce (whose salaries were reinstated effective with payroll paid on June 30, 2020) and compensation cuts and deferrals of compensation of our independent directors (whose cash retainer compensation was reinstated, effective July 1, 2020), neither of which is expected to reoccur.

---

1. Adjusted EBITDA
2. Strategic shared services
3. Corporate overhead
4. Reconciliation
5. Pre-tax income
6. Diluted EPS
7. Additional notes
## Reconciliation of Segment Disclosure and Adjusted EBITDA

### ($ in thousands)

<table>
<thead>
<tr>
<th>Segment Revenue:</th>
<th>Nine Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2020</td>
<td>September 30, 2019</td>
</tr>
<tr>
<td>Society6 Group</td>
<td>$94,289</td>
<td>$51,406</td>
</tr>
<tr>
<td>Saatchi Art Group</td>
<td>11,398</td>
<td>11,948</td>
</tr>
<tr>
<td>Media Group</td>
<td>41,401</td>
<td>46,503</td>
</tr>
<tr>
<td>Total</td>
<td>$147,088</td>
<td>$109,857</td>
</tr>
</tbody>
</table>

### Segment Operating Contribution

| Society6 Group(1) | $7,276 | $(118) |
| Saatchi Art Group(2) | (1,735) | (1,722) |
| Media Group(2) | 14,642 | 16,918 |
| Add (deduct): Strategic shared services and corporate overhead(2) | 20,879 | 22,343 |
| Acquisition, disposition and realignment costs(3) | – | – |
| Adjusted EBITDA | $(696) | $(7,265) |

### Reconciliation to consolidated pre-tax income (loss):

| Adjusted EBITDA | $(696) | $(7,265) |
| Add (deduct): Interest income (expense), net | (265) | 217 |
| Other income (expense), net | 9,384 | 6 |
| Depreciation and amortization(4) | (7,273) | (7,740) |
| Stock-based compensation(5) | (7,262) | (6,590) |
| Acquisition, disposition, realignment and contingent payment costs(6) | – | (90) |
| Income (loss) before income taxes(7) | $(6,112) | $(21,462) |

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1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) share-based compensation expense; (d) interest and other income (expense); (e) income taxes; and (f) contingent payments to certain key employees/equity holders of acquired businesses.

2) Strategic shared services include shared operating expenses that are not directly attributable to the operating segments, including: network operations center, marketing, business development, product development, creative, financial systems, quality assurance, software engineering, and information systems. Corporate overhead includes general and administrative support functions that are not directly attributable to the operating segments, including: executive, accounting, finance, human resources, legal, and facilities. Strategic shared services and corporate overhead excludes the following: (a) depreciation expense; (b) amortization of intangible assets; (c) share-based compensation expense; (d) interest and other income (expenses); and (e) income taxes.

3) Represents such items, when applicable, as (a) legal, accounting and other professional service fees directly attributable to acquisition, disposition or corporate realignment activities, (b) employee severance, and (c) other payments attributable to acquisition, disposition or corporate realignment activities, excluding contingent payments to certain key employees/equity holders of acquired businesses.

4) Represents depreciation expense of the Company’s long-lived tangible assets and amortization expense of its finite-lived intangible assets, including amortization expense related to its investment in media content assets, included in the Company’s GAAP results of operations.

5) Represents the expense related to stock-based awards granted to employees as included in the Company’s GAAP results of operations.

6) Represents such items, when applicable, as (a) legal, accounting and other professional service fees directly attributable to acquisition, disposition or corporate realignment activities, (b) employee severance, (c) contingent payments to certain key employees/equity holders of acquired businesses, and (d) other payments attributable to acquisition, disposition or corporate realignment activities.

7) For the nine months ended September 30, 2020, we had $1.5 million in cost savings, which included temporary salary cuts of our executive team and salaried direct workforce (whose salaries were reinstated effective with payroll paid on June 30, 2020) and compensation cuts and deferrals of compensation of our independent directors (whose cash retainer compensation was reinstated, effective July 1, 2020), neither of which is expected to reoccur.