leaf GROUP

CREDIT SUISSE TECHNOLOGY CONFERENCE

NOVEMBER 2020

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,” “believe,” “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.

Building Digital First Brands in Rapidly Growing Lifestyle Categories

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

1) ComScore October 2020

Proven, Multi-Brand Growth Model

	FUTURE	Internet Brands	J2 GLOBAL	IAC	leaf GROUP
EXAMPLE BRANDS	Cycling Weekly Digital Photographer Guitar World XBOX The Official Magazine Wallpaper*	CarsDirect WebMD do it yourself weddingbee	EVERYDAY HEALTH IGN Mashable Offers.com	Ask Angie's list HomeAdvisor .dash tinder The Daily Beast vimeo	SAATCHI ART society6 The Other Art Fair hunker WELL+GOOD LIVESTRONG.COM
LIFESTYLE CATEGORIES	Technology, Gaming & Entertainment, Music, Creative & Photography	Automotive, Health, Legal, Home/Travel	Technology, Health, Security, Communications, Martech	Dating, Publishing, Home Services, Information Services	Home, Art and Design, Fitness and Wellness

Customer understanding and scale can drive a diversified group of brands

Accelerating Growth –
Momentum Continues into Q4

	Q2 2020		Q3 2020	
Total Revenue	$51.0M	+42%	$63.3M	+58%
Society6 Group Revenue	$34.7M	+128%	$43.6M	+127%
Saatchi Art Group Revenue	$4.0M	0%	$4.7M	+13%
Media Group Revenue	$12.3M	-26%	$15.0M	-10%
Adjusted EBITDA	$2.1M		$2.6M	

Media: Balance / Highly Profitable Portfolio

Evolution of Media

2016

Revenue
$47.3M

- eHow $11M revenue in FY16
- Sold Cracked to E.W. Scripps for $39M

eHow

Audience[1]	47M
RPV	$17.33
Segment Op $	10.8M
Segment Margin	23%

2017

Revenue
$44.9M

- Launched Hunker along side verticalization strategy

hunker

Audience[1]	50M
RPV	$16.06
Segment Op $	18.2M
Segment Margin	41%

2018

Revenue
$61.1M

- Acquired Well+Good and built out direct sales capabilities

WELL+GOOD

Audience[1]	54M
RPV	$21.48
Segment Op $	26.4M
Segment Margin	43%

2019

Revenue
$65.3M

- Acquired OnlyInYourState in February
- eHow $3M in revenue

hunker ONLY IN YOUR STATE
WELL+GOOD LIVESTRONG.COM

Audience[1]	66M
RPV	$22.95
Segment Op $	24.7M
Segment Margin	38%

1) ComScore monthly unique ended month of December

Our Media Businesses are Diversified, Resilient, and Highly Profitable

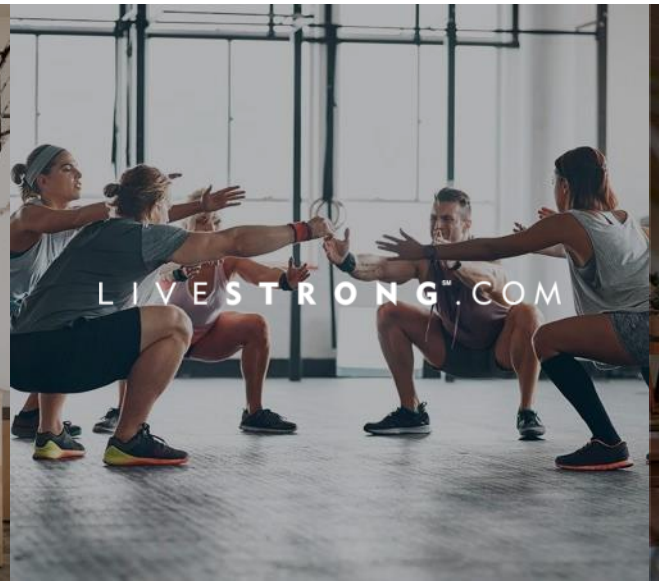
Media business showed solid improvement in Q3 with revenue down 10% vs. down 26% in Q2.

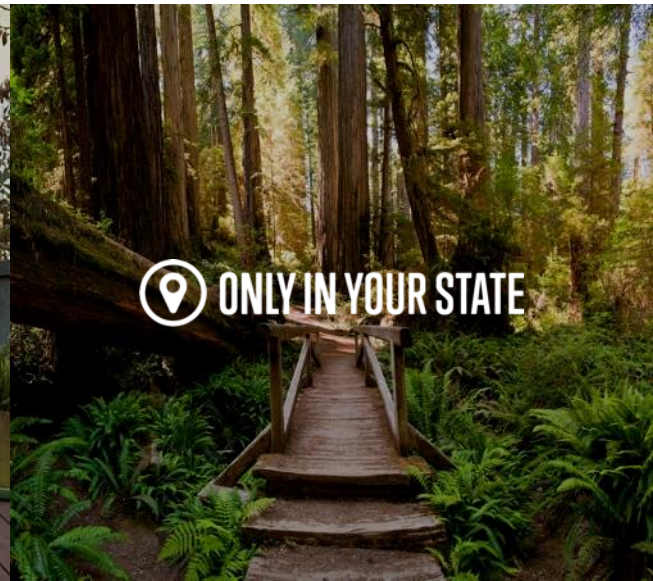
Direct sales grew throughout the quarter and drove 14% YOY growth in RPV. Key advertising partners in Q3 included: Walmart, Lightlife, V8, Cotton and Athleta.

Hunker and OnlyInYourState grew revenues on a YOY basis, while Livestrong made progress in its transformation efforts to set the brand up for growth in 2021.

Media segment operating contribution was strong at $6.1 million or 40.9% of revenue, a 28% increase over Q2.

Our brands are in the right categories to drive growth: Fitness & Wellness and Home, Art & Design. Significant opportunity to drive direct sales and increase RPV. Focus on diversification of traffic and revenue including video, subscriptions and affiliate commerce.





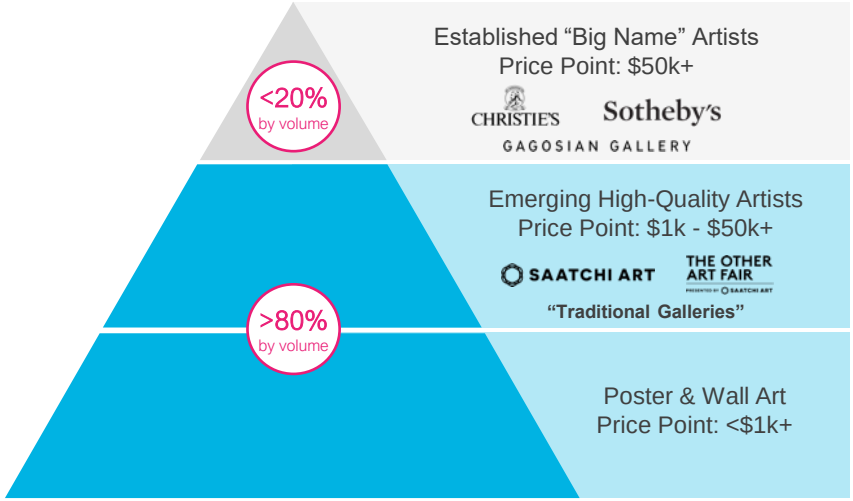
SAATCHI ART

Online Marketplace for Emerging Artists

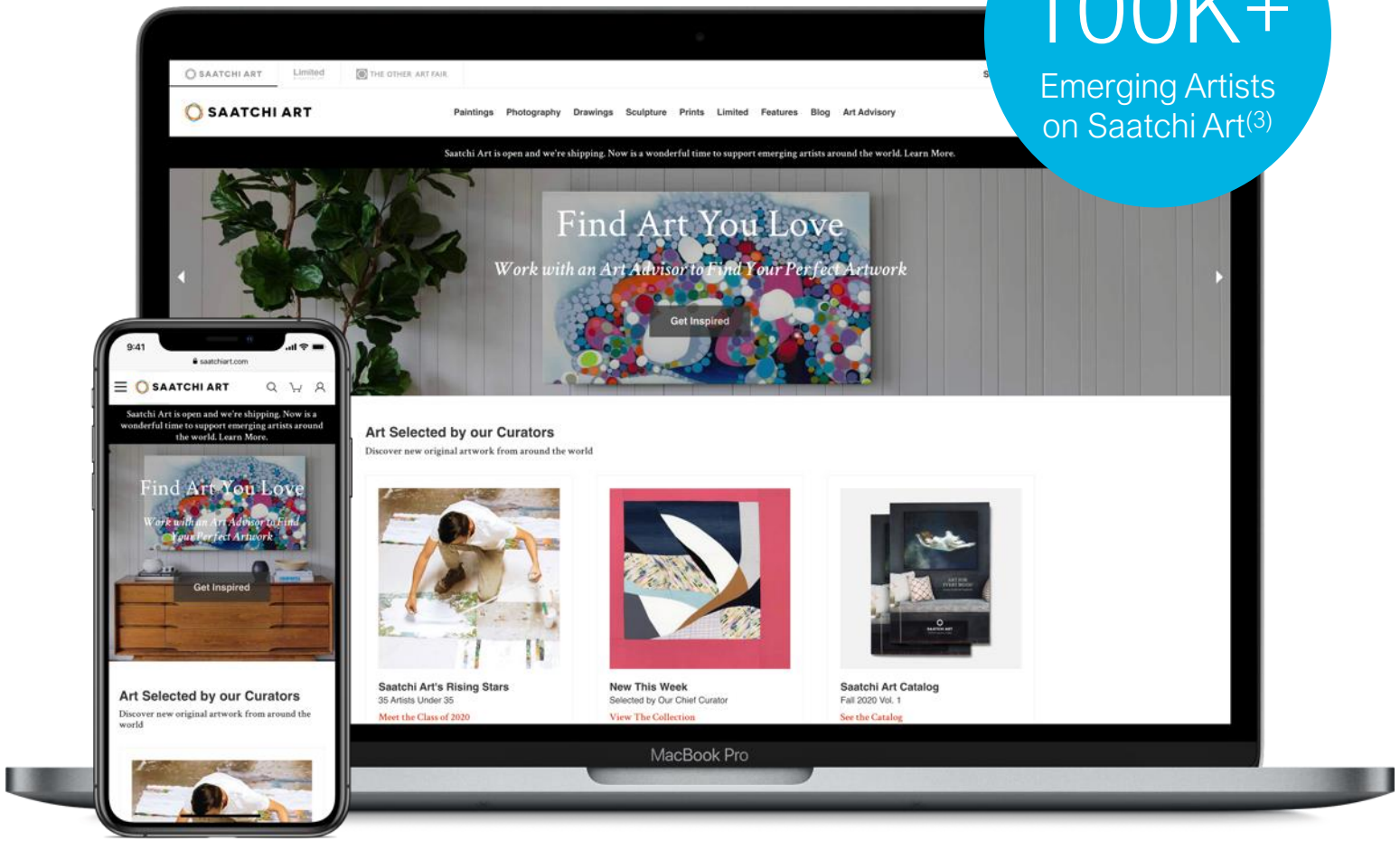
$64B[1]
GLOBAL ART MARKET

$6B[1]
ONLINE

Market Ecosystem [1][2]



100K+
Emerging Artists on Saatchi Art[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

SAATCHI ART

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

Saatchi Art Group Revenue

$4.7M +13%

Online GTV

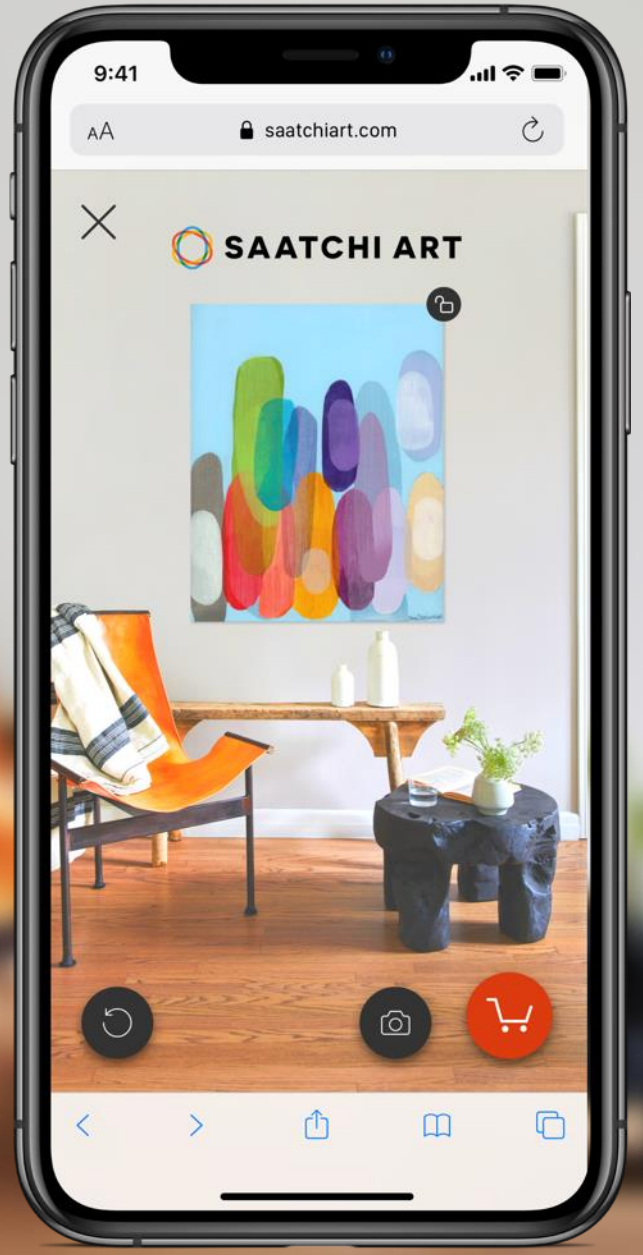
+77%

Changed consumer behavior and focus on the home. The closing of local galleries worldwide fueling online spending in art category. Q3 Saatchi Art online GTV accelerated +77%.

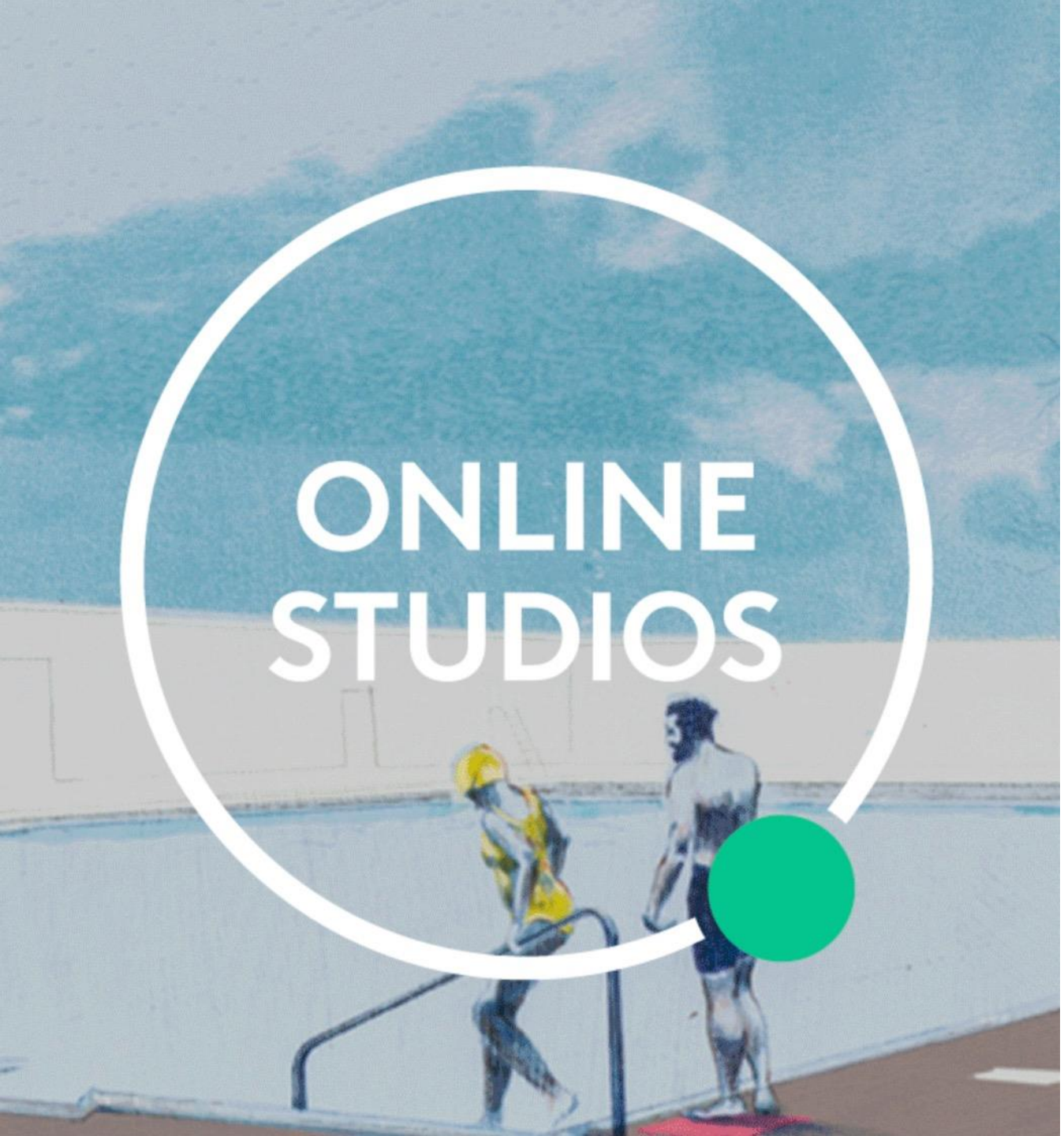
Improving user experience and encouraging purchase confidence. In July, launched augmented reality "View in a Room" tool across Mobile Web.

Customer satisfaction rates are at an all-time high. Focused on best-in-class customer service and operational scalability.

Solid growth in the face of cancelled in-person fairs. Saatchi Art Group grew revenue 13% despite the cancellation of The Other Art Fair's physical events which impacted revenue by $1.5M on a YOY basis.



Augmented reality "View In A Room" for mobile web.



SAATCHI ART

The Other Art Fair Goes Virtual

Successful pivot to digital programming. The Other Art Fair's new Online Studios program has generated more than $1.8M in GTV from its launch in April to the end of Q3, and is expected to generate $2.5M in GTV by the end of 2020.

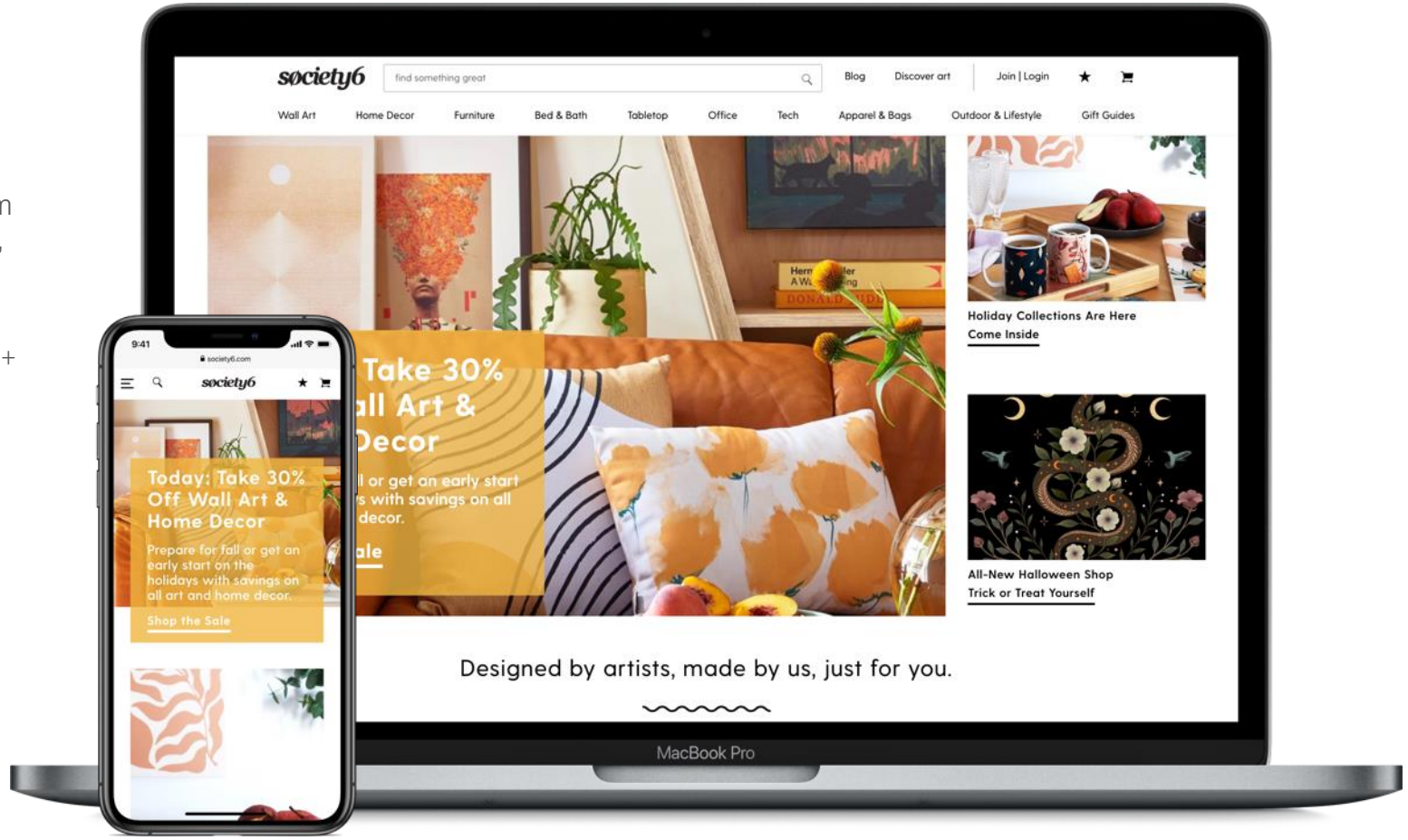
Expands local fairs to global audience. The Other Art Fair physical fairs attract 12-15K over a 3-day event. New Online Studios introduces local artists to a global online audience.

Emerging Virtual Events business. Online Studios paving the way for significant new digital events strategy for 2021, pairing virtual and offline programming that can touch a global audience.

Home Décor & Design Marketplace that Empowers Creativity in Your Everyday Life

Society6 features original designs from ~400K artists from across the world—available on a diverse array of wall art, home decor and lifestyle products

- $133M TTM GTV[1] business in rapidly growing $50BN+ U.S. online home decor category[2]
- 75%+ of GTV in Home Décor category



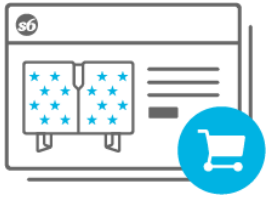
1) TTM Q3 2020
2) Cowen October 2020 Report

Home Décor Category is Being Redefined Online and Society6 is Leading the Way

- Personalized, design-first shopping
- More than 75 premium made-to-order products
- Two-sided marketplace; ~400K artists and global customer base
- No inventory risk
- Global fulfillment network
- Asset light
- Negative working capital

ARTIST UPLOADS & SELLS DESIGNS

Artist uploads their artwork to Society6 and makes it available for sale as a variety of lifestyle products.



DISCOVER & BUY GREAT HOME GOODS

Society6 has hundreds of thousands of independent artists from around the globe, selling their original works as 60+ lifestyle products.

BRING CUSTOMIZED DESIGNS INTO EVERYDAY LIFE

Society6 delivers dynamic, quality products to design-minded people looking to express their individuality.

EVERY PURCHASE IS MADE-TO-ORDER

When a customer buys a product, it is made-to-order, using only the highest quality materials. Society6 will then package it and ship it for the artist.

society6

Society6 is the Right Business Model in the Right Category at the Right Time

Society6 Group Revenue

$43.6M +127%

Society6 Group GTV

+121%

B2B GTV

+48%

U.S. DTC GTV

+149%

International GTV

+56%

Massive growth in eCommerce from lasting changes in consumer behavior.

Design-first made-to-order online home décor marketplace

Strengthening GTV flywheel with growing global artist community, premium products, customers and B2B

Focused on early marketing for holiday and driving retention from record Q2 & Q3 new customer cohort

Q2 new customer cohort repeat purchase rates 30%+ YOY

society6

Transformation in Retail is Underway and Accelerating

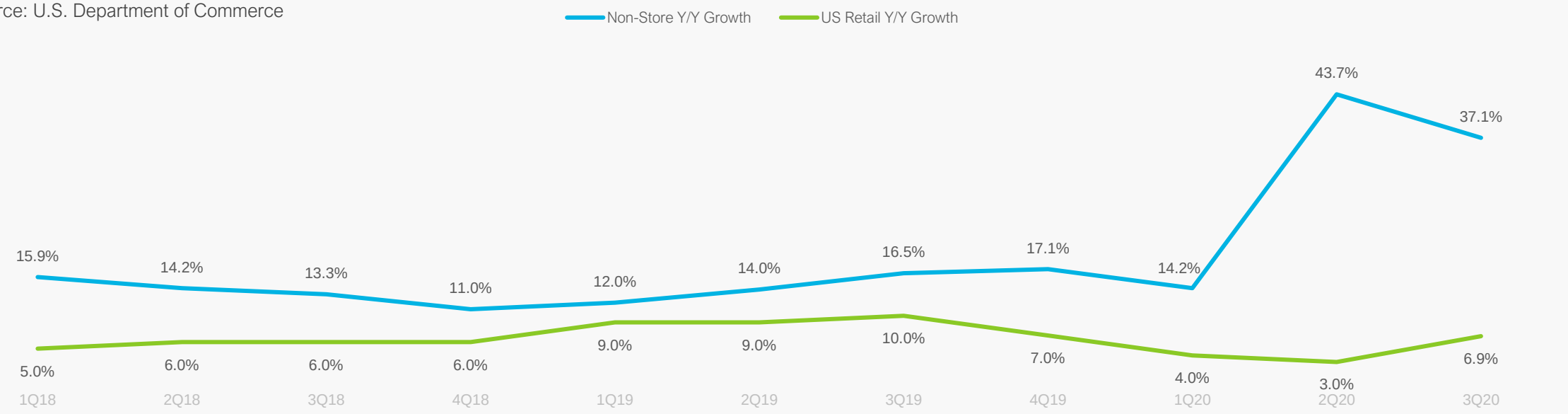
Profound changes in consumer behavior including more nesting as a result of stay-at-home restrictions are pulling forward substantial eCommerce penetration gains.

As states and markets have reopened, growth rates remain strong suggesting **consumer behavior changes are here to stay.**

Online home goods market is a clear winner with one of the strongest category growth rates. $133M TTM GTV[1] business in **rapidly growing $50BN+** U.S. online home goods category[2]

U.S. eCommerce expected to grow 48% in 2020 to $867BN[2] - **accelerating online adoption by over 2 years.**

Source: U.S. Department of Commerce



1) Cowen U.S. eCommerce Disruption October 2020
2) TTM Q3 2020

society6

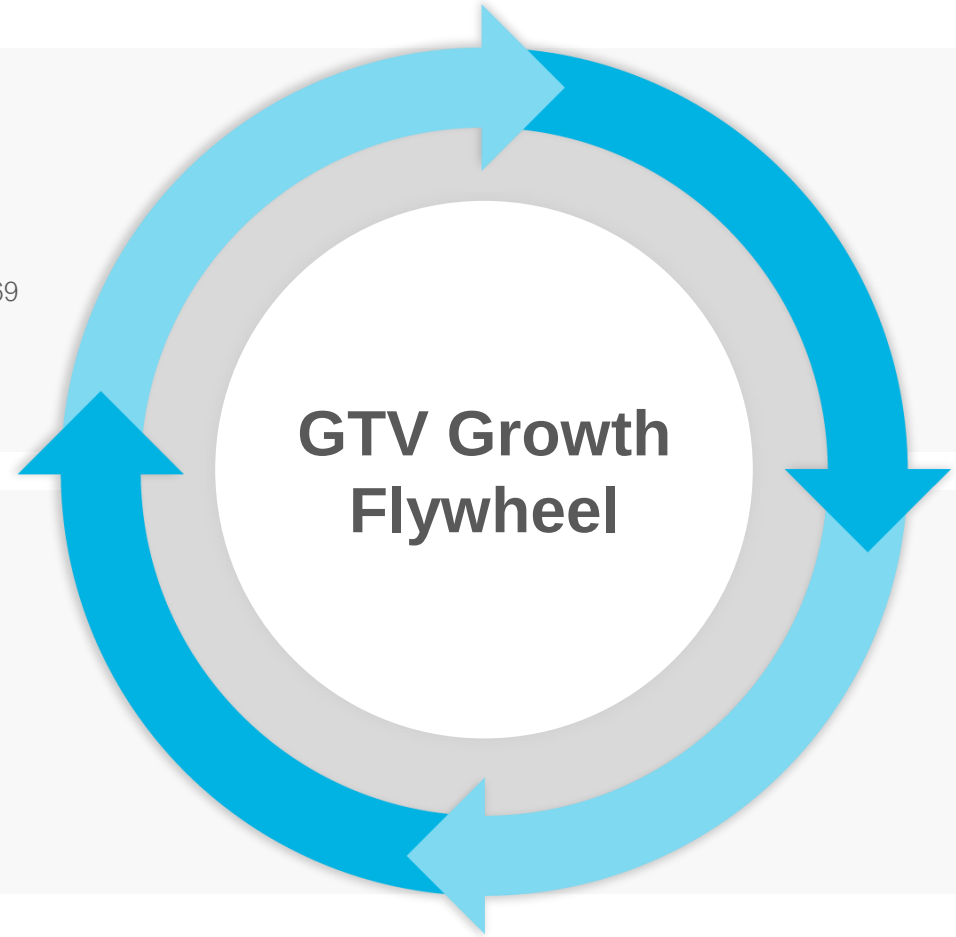
Our Growth Flywheel is Spinning Faster

Artists Community

- 400K global artists
- 7 million designs
- Every purchase made pays an artist. More than $69 million to date.

Premium Products

- High-quality products at affordable prices
- Over 75 products available with further product expansion in home décor, tech, accessories
- Artist-led trend-forward designs



B2B & Vendor Network

- Growing B2B and Drop-Ship retailer relationships
- Expanding international vendor network
- Launch new 3P marketplaces

Customers

- Record new customers in Q2 & Q3
- Encouraging early repeat purchase rate, +30% YOY
- Strong average order value (AOV)
- High customer satisfaction rates

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.

Significant M&A Opportunity

2016

2017

2018

2019

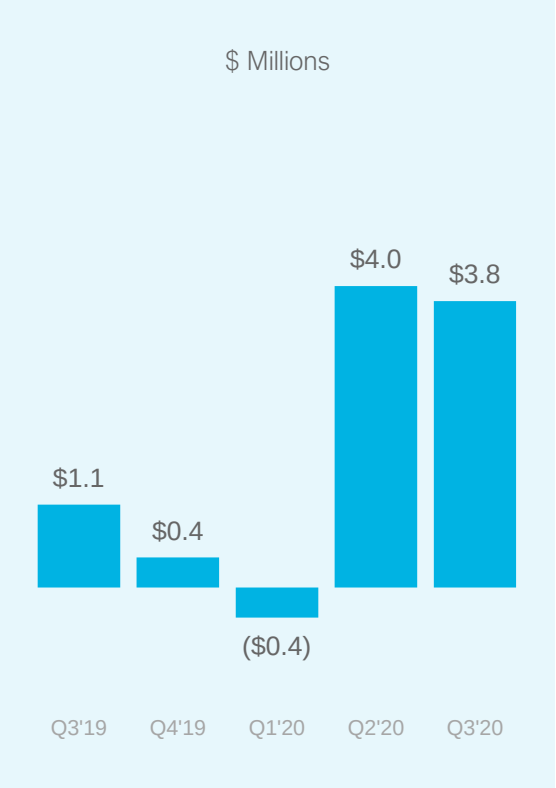
Leaf Group Revenue and Key Business Metrics

	2016	2017	2018	2019	Q3 2019	Q3 2020	YoY % Change
Total Revenue	$113.5	$129.0	$155	$155	$40.0	$63.3	58%
Media							
Revenue	$47.3	$44.9	$61.1	$65.3	$16.7	$15.0	(10)%
Marketplaces							
Society6 Group Revenue	$59.9	$75.0	$81.7	$73.9	$19.2	$43.6	127%
Saatchi Art Group Revenue	$6.3	$9.1	$12.2	$15.8	$4.1	$4.7	13%
Operating Metrics							
Media Metrics							
Pro forma Visits per Google Analytics[1][2] (in thousands)					589,789	461,471	(22)%
Pro forma Revenue per Visit (RPV)[1][2]					$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%

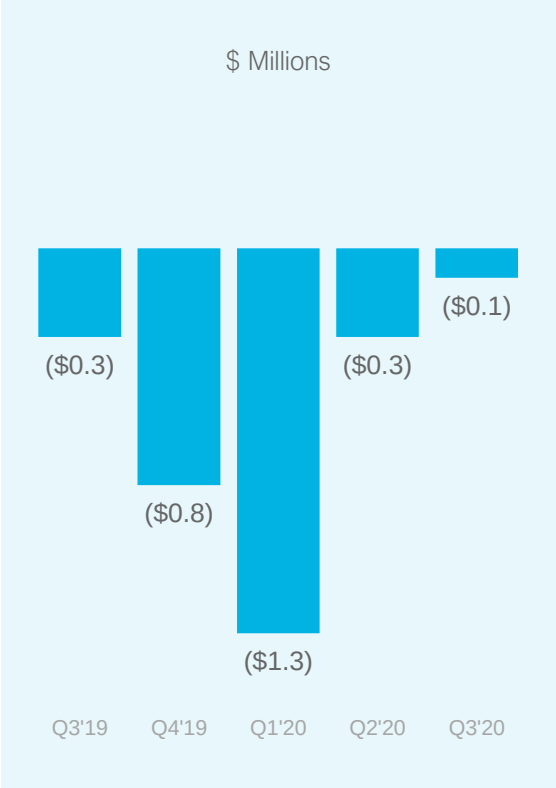
1) On April 24, 2020, Leaf Group entered into an Asset Sale and Services Agreement with Hearst Newspapers ("Hearst"), pursuant to which the Company sold to Hearst a library of content carried on certain websites that had been hosted by the Company on behalf of Hearst for $9.5 million, of which $4.0 million 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.

Improving Operating Leverage

SOCIETY6 GROUP CONTRIBUTION [1]

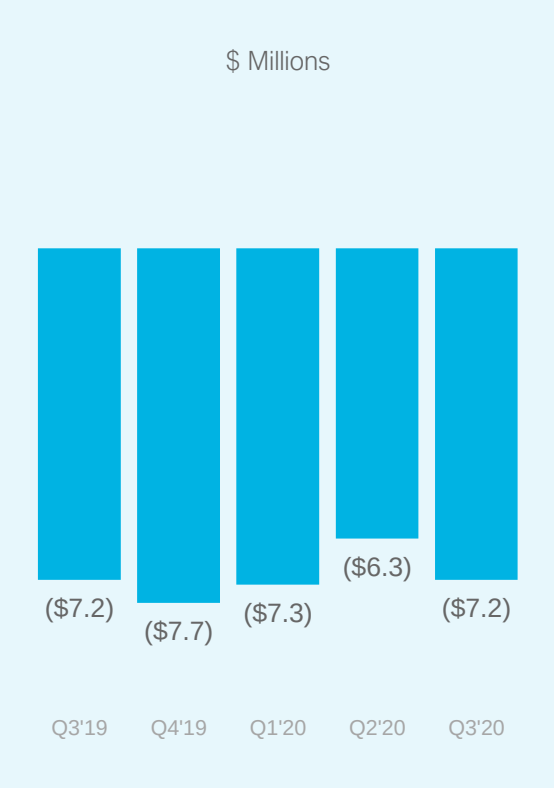


SAATCHI ART GROUP CONTRIBUTION [1]



MEDIA CONTRIBUTION [1]

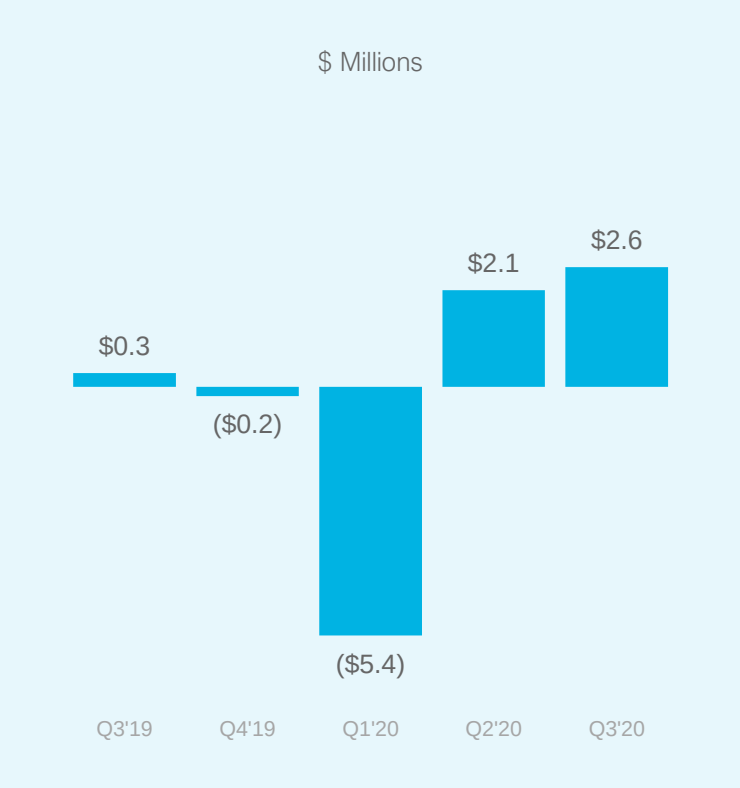
STRATEGIC SHARED SERVICES & CORPORATE OVERHEAD



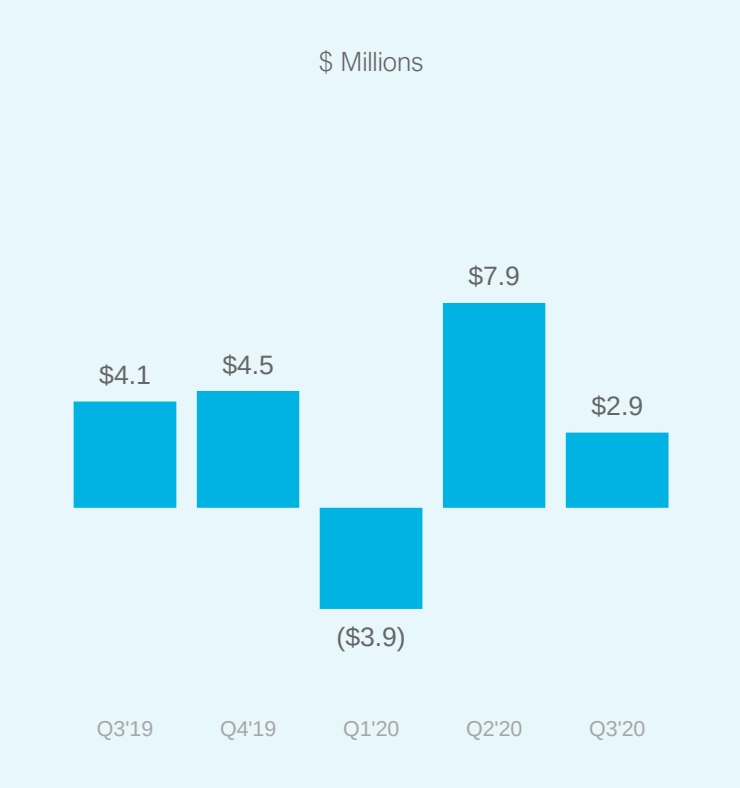
1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) share-based compensation expense; (d) interest and other income (expense); (e) income taxes; and (f) contingent payments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

Improving Operating Leverage

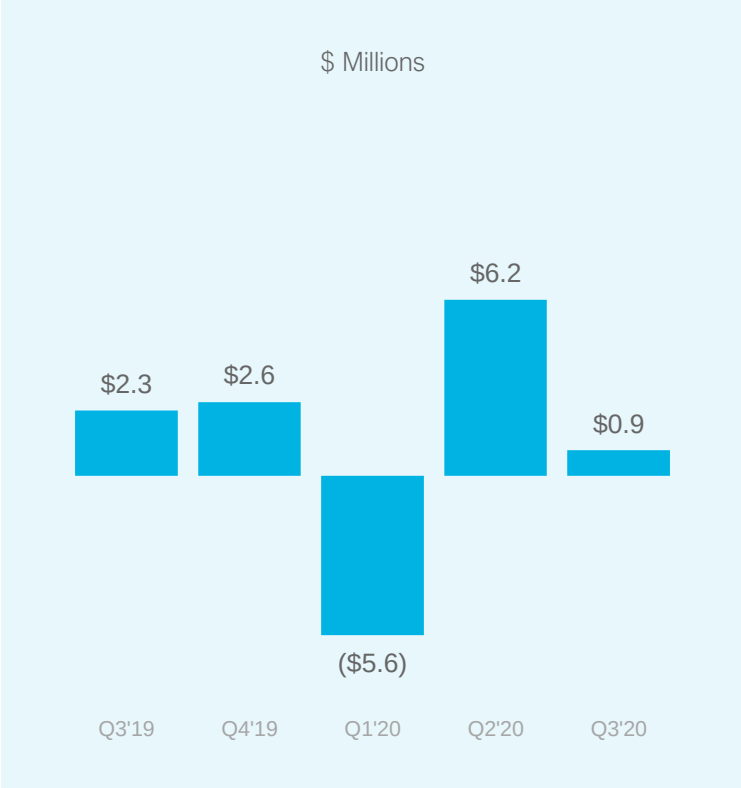
ADJUSTED EBITDA [1][2]



OPERATING CASH FLOW



FREE CASH FLOW



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.

Leaf Group Healthy Balance Sheet

Approximately $256M in Federal and $95M in State NOLs[1]

As of September 30, 2020 ($ in millions)

ASSETS

Cash & Cash Equivalents	33.0
Other Current Assets	17.0
Property and Equipment, Net	14.3
Other Long Term Assets[2]	42.6
Total Assets	**$ 106.9**

LIABILITIES and STOCKHOLDER'S EQUITY

Accounts Payable, Accrued Expenses, Debt, and Other Current Liabilities	42.5
Deferred Revenue	5.3
Non-current Liabilities	11.8
Stockholders' Equity	47.3
Total Liabilities and Stockholders' Equity	**$ 106.9**

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.

2022 Targets

2022 targets of more than $250M in revenue and $20M in Adjusted EBITDA

Key assumptions are as follows:

- Continued momentum in Marketplaces brands
- Improving digital media macro environment
- Strong incremental Segment Operating Contribution Margin

Media Segment Operating Contribution Margin in the 35-40% range, and as Marketplaces revenue continues to grow, we expect incremental Segment Operating Contribution Margin to be in the 15-20% range.

Strategic Shared Services and Corporate Overhead to continue to decline as % of revenue

CAPEX to remain low in 3-4% range

Investment Highlights

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 October 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 & C0.
- Consumer Analyst at Hambrecht & Quist

Reconciliation of Segment Disclosure and Adjusted EBITDA

($ in thousands)	Q1' 18	Q2' 18	Q3' 18	Q4' 18	Q1' 19	Q2' 19	Q3' 19	Q4' 19	Q1' 20	Q2' 20	Q3' 20
Segment Revenue:											
Society6 Group					$ 16,998	$ 15,203	$ 19,205	$ 22,446	$ 15,993	$ 34,665	$ 43,631
Saatchi Art Group					3,840	3,986	4,122	3,825	2,748	3,982	4,668
Marketplaces	$ 20,967	$ 19,655	$ 24,712	$ 28,603							
Media Group	12,780	14,666	16,744	16,916	13,200	16,600	16,703	18,828	14,124	12,321	14,956
Total	$ 33,747	$ 34,321	$ 41,456	$ 45,519	$ 34,038	$ 35,789	$ 40,030	$ 45,099	$ 32,865	$ 50,968	$ 63,255
Segment Operating Contribution											
Society6 Group[1]					$ (638)	$ (605)	$ 1,125	$ 428	$ (445)	$ 3,952	$ 3,769
Saatchi Art Group[1]					(673)	(739)	(310)	(770)	(1,347)	(295)	(93)
Marketplaces[1]	$ 61	$ (548)	$ 326	$ (967)							
Media Group [1]	5,457	6,534	6,559	7,866	3,609	6,645	6,664	7,812	3,744	4,775	6,123
Add (deduct):											
Strategic shared services and corporate overhead[2]	(6,765)	(6,824)	(6,774)	(6,726)	(7,927)	(7,237)	(7,179)	(7,682)	(7,329)	(6,330)	(7,220)
Acquisition, disposition and realignment costs[3]	—	224	17	79	—	—	—	—	—	—	—
Adjusted EBITDA	$ (1,247)	$ (614)	$ 128	$ 252	$ (5,629)	$ (1,936)	$ 300	$ (212)	$ (5,377)	$ 2,102	$ 2,579
Reconciliation to consolidated pre-tax income (loss):											
Adjusted EBITDA	$ (1,247)	$ (614)	$ 128	$ 252	$ (5,629)	$ (1,936)	$ 300	$ (212)	$ (5,377)	$ 2,102	$ 2,579
Add (deduct):											
Interest income (expense), net	17	29	114	146	118	60	39	8	(66)	(97)	(102)
Other income (expense), net	(8)	(25)	(59)	13	(7)	19	(6)	34	10	3,837	5,537
Depreciation and amortization[4]	(2,455)	(2,446)	(2,687)	(2,682)	(2,716)	(2,662)	(2,362)	(2,371)	(2,487)	(2,506)	(2,280)
Stock-based compensation[5]	(2,208)	(2,676)	(2,502)	(2,045)	(1,921)	(2,209)	(2,460)	(2,774)	(2,704)	(2,523)	(2,035)
Acquisition, disposition, realignment and contingent payment costs[6]	—	(539)	(1,016)	(584)	(90)	—	—	—	—	—	—
Income (loss) before income taxes[7]	$ (5,901)	$ (6,271)	$ (6,022)	$ (4,900)	$ (10,245)	$ (6,728)	$ (4,489)	$ (5,315)	$ (10,624)	$ 813	$ 3,699

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) 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.

Reconciliation of Segment Disclosure and Adjusted EBITDA

($ in thousands)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Segment Revenue:		
Society6 Group	$ 94,289	$ 51,406
Saatchi Art Group	11,398	11,948
Media Group	41,401	46,503
Total	$ 147,088	$ 109,857
Segment Operating Contribution		
Society6 Group[1]	$ 7,276	$ (118)
Saatchi Art Group[1]	(1,735)	(1,722)
Media Group[1]	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)

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.