

iMedia Brands Reverse Stock Split FAQ

Here are answers to some of the questions we encountered most frequently about the iMedia reverse stock split. If you can't find what you are looking for here, please contact Gateway Investor Relations at 949-574-3860 or IMBI@GatewayIR.com.

What is a reverse stock split?

A reverse stock split is a corporate action in which a company reduces the total number of its authorized, issued and outstanding shares in proportion to the split ratio. For example, in a ten-for-one reverse split of common stock, such as the one that iMedia announced, if you held 10 shares of common stock at the time of the reverse split, you would hold one share of common stock after the reverse split. As a result of the reduction in the number of such shares, the price per share generally increases in reverse proportion to the split ratio upon completion of a reverse stock split.

The first share price on December 12, 2019 will be calculated based on the last share price traded on December 11, 2019 multiplied by 10.

What is the goal of this reverse stock split?

iMedia is conducting a ten-for-one reverse common stock split to bring the company into compliance with the minimum bid price requirement for maintaining its listing on the Nasdaq Capital Market.

When will the reverse stock split be effective?

The reverse stock split will be effective at 5:00 p.m. Central time on December 11, 2019, and the company will begin trading on a post-reverse split basis at market open on December 12, 2019.

Is shareholder approval required for the reverse stock split?

As a Minnesota corporation, iMedia did not require shareholder approval to affect this reverse stock split. However, the reverse stock split was unanimously approved by the company's board of directors.

What is the impact of iMedia's reverse stock split?

The reverse stock split affects all holders of common stock uniformly and does not affect any stockholder's percentage of ownership interests in the company, except that each fractional share a holder would otherwise have been entitled to receive will be cancelled in exchange for the payment of cash consideration. Shares of iMedia common stock after giving effect to the reverse stock split have the same proportional voting and other rights and are identical in all other respects to our common stock previously authorized and outstanding.

Did the reverse stock split result in a change of the number of shares of iMedia common stock authorized for issuance?

The number of shares of iMedia common stock authorized for issuance was reduced in proportion to the split ratio from 100 million shares of capital stock, which could be designated as common stock, and 50 million shares of common stock to 10 million shares of capital stock, which could be designated as common stock, and 5 million shares of common stock at the same time that the reverse stock split became effective.

How many shares of iMedia common stock are outstanding after the reverse split?

Before the reverse stock split, iMedia had approximately 82.1 million shares of outstanding common stock. After giving effect to the ten-for-one reverse split, iMedia has approximately 8.2 million shares of common stock outstanding.

How many shares do I own after the reverse stock split?

To calculate the number of shares you own after the reverse stock split, divide the number of shares that you own immediately before the effectiveness of the reverse stock split by ten and round down to the nearest whole share, as all fractional shares of common stock will be cancelled in exchange for the payment of cash consideration.

What do I do with the shares of iMedia common stock that I own?

If your shares are held in a brokerage account, you do not need to take any action to affect the exchange of shares. Your broker is likely authorized to exchange the shares for you and the number of shares you own after the reverse stock split should be reflected in your account. You can contact your broker for more information.

If your shares are held in book-entry form or you hold an iMedia common stock certificate, you do not need to take any action to affect the exchange of your shares. EQ Shareowner Services, iMedia's transfer agent, will automatically update your holding in the Direct Registration System. If you hold an iMedia common stock certificate and wish to receive a certificate representing your post reverse split shares of iMedia common stock, you may do so by contacting Direct Registration System for more information by calling 800-401-1957.

What is the impact of the reverse stock split on stock options and warrants?

An adjustment will be made to the company's stock options and warrants based on the 10 for one split ratio. Warrant and option holders do not need to submit their warrants or option agreements for exchange. The adjustment will be made automatically. The number of shares of common stock issued subject to stock options or warrants will automatically be proportionately decreased by the split ratio and the exercise price or conversion ratio will automatically be proportionately increased by the same split ratio. Options previously granted to management and employees will be adjusted in the same manner.

How does the reverse stock split affect trading of iMedia's common stock?

There is no impact on the actual trading of iMedia's common stock. Shares of iMedia's common stock will continue to be quoted on the NASDAQ without interruption. However, shares of iMedia's common stock will begin trading under a new CUSIP number (452465 206) following the effectiveness of the reverse split.

Who can I contact if I have additional questions?

For additional questions regarding the reverse stock split, please contact your broker, iMedia's transfer agent EQ Shareowner Services by calling 800-401-1957, or iMedia's investor relations firm, Gateway Investor Relations, by calling 949-574-3860 or emailing IMBI@gatewayir.com.