



# XCEL

LEADERS IN LIVE STREAM  
AND SOCIAL COMMERCE

NASDAQ:XELB

## FORWARD LOOKING STATEMENTS

Certain statements in this presentation, as well as certain oral statements made by management during the presentation, constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements include, without limitation, statements expressed or implied regarding our plans and milestones, plans to fund our current activities, statements concerning our strategic relationships and activities, strategy, future operations and expansion, future financial position, future sales and revenues, projected costs, and market penetration. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “should,” “expects,” “seeks,” “plans,” “goals,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “projects,” “continue,” “intends,” “could,” “opportunity,” or negative of such terms or other comparable terminology. These forward looking statements include, but are not limited to statements regarding estimates and forecasts of financial and other performance metrics and market opportunities. These statements are based on the current expectations and forecasts of Xcel Brands, Inc’s management and are not predictions or guarantees of future performance. You should not place undue reliance on our forward-looking statements, which are subject to a multitude of known and unknown risks and uncertainties that could cause actual results, future circumstance or events to differ materially from those stated in or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the ability of our licensees to produce, market and sell quality products bearing our brand names, continued market acceptance of our brands and any future brands we acquire, our ability to service our significant debt obligations, our ability to raise capital for any future acquisitions, concentration of a substantial portion of our licensing revenue from a limited number licensees, our dependence on QVC, restrictions in our agreements with QVC and other licensees on our ability to sell products with certain retailers, our dependence on promotional services of our spokesperson, limitations on our ownership of the H Halston brands, our ability to manage expected future growth, our ability to identify and acquire additional trademarks, competition for licensees, competition in our licensee’s markets, our ability to protect our intellectual property, our dependence on our CEO and other key executive officers, the success of our e-commerce strategy, supply chain disruptions, operating in high inflation environment and potential recession and other risks and uncertainties detailed from time to time in our public disclosure documents or other filings with the Securities and Exchange Commission. Additional risks and uncertainties relating to us, and our business can be found in the “Risk Factors” section of our latest annual report on Form 10-K as well as in our other public filings. The forward- looking statements are made as of the date hereof, and we disclaim any intention and have no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This Presentation contains projected financial information and goals with respect to Xcel Brands, Inc. Such projected financial information and goals constitute forward-looking information and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See “Forward-Looking Statements” above. Actual results may differ materially from the results contemplated by the financial forecast information contained in this Presentation, and the inclusion of such information in this Presentation should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved.

## NON-GAAP FINANCIAL MEASURES

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures in this presentation. Adjusted EBITDA is a non-GAAP unaudited measure, which we define as net income (loss) attributable to Xcel Brands, Inc. stockholders before depreciation and amortization, proportional share of trademark amortization of equity method investee, interest and finance expenses (including loss on extinguishment of debt, if any), income taxes, other state and local franchise taxes, stock-based compensation and costs in connection with potential acquisitions certain adjustments to allowances for doubtful accounts, for account debtors that have filed for bankruptcy, property and equipment impairment, gain on sale of assets, loss on wholesale apparel, jewelry and Longaberger operations and gain on the reduction of contingent obligation. We use Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to identify business trends relating to Xcel’s results of operations. We believe Adjusted EBITDA is also useful because it provides supplemental information to assist investors in evaluating Xcel’s financial results.

Adjusted EBITDA should not be considered in isolation or as an alternative to net income or any other measure of financial performance calculated and presented in accordance with GAAP. Given that Adjusted EBITDA is a financial measure not deemed to be in accordance with GAAP and is susceptible to varying calculations, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in our industry, because other companies may calculate Adjusted EBITDA in a different manner than we calculate this measure.

In evaluating Adjusted EBITDA, you should be aware that in the future we may or may not incur expenses similar to some of the adjustments in this report. Our presentation of Adjusted EBITDA does not imply that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net income (loss) and other GAAP results, and not rely on any single financial measure.

# XCEL BRANDS IS A LEADER IN SOCIAL COMMERCE

We own and manage a portfolio of **leading consumer brands in fashion and home** that are promoted primarily through Live Stream media and Social Commerce.

In 2024, we are excited to launch ORME in partnership with our technology partner KonnectBio<sup>(1)</sup>. We believe ORME has the potential to be a leading Social Commerce Marketplace for both our brands and third-party brands.

(1) ORME is 30% owned by Xcel Brands Inc..



**“Xcel was built to re-imagine  
Shopping, Entertainment, and  
Social Media as Social  
Commerce”**

*- Robert W. D'Loren, CEO*

# XCEL BRANDS BY THE NUMBERS

**12+ Years**

as a Leader in Live Stream and  
Social Commerce

**\$600MM**

Annual Retail Sales Generated  
by our Brands

**20K+**

Hours of Live Stream  
Programming

**7 BRANDS**

In our portfolio<sup>(1)</sup>

**6MM+**

Followers on Social Media

**\$4BB+**

Total Retail Sales Generated  
through Live Streaming

(1) All brands are fully owned by Xcel Brands Inc, other than (i) Isaac Mizrahi which represents a minority interest retained ownership (ii) Longaberger which represents a 50% ownership position in the business by Xcel, (iii) Christian Siriano is owned by Christian Siriano Licensing, LLC, and (iv) TWRHLL which is 50% owned by Xcel, and 50% owned by Christie Brinkley.

# OUR BRANDS

JUDITH RIPKA



HALSTON

ISAAC MIZRAHI



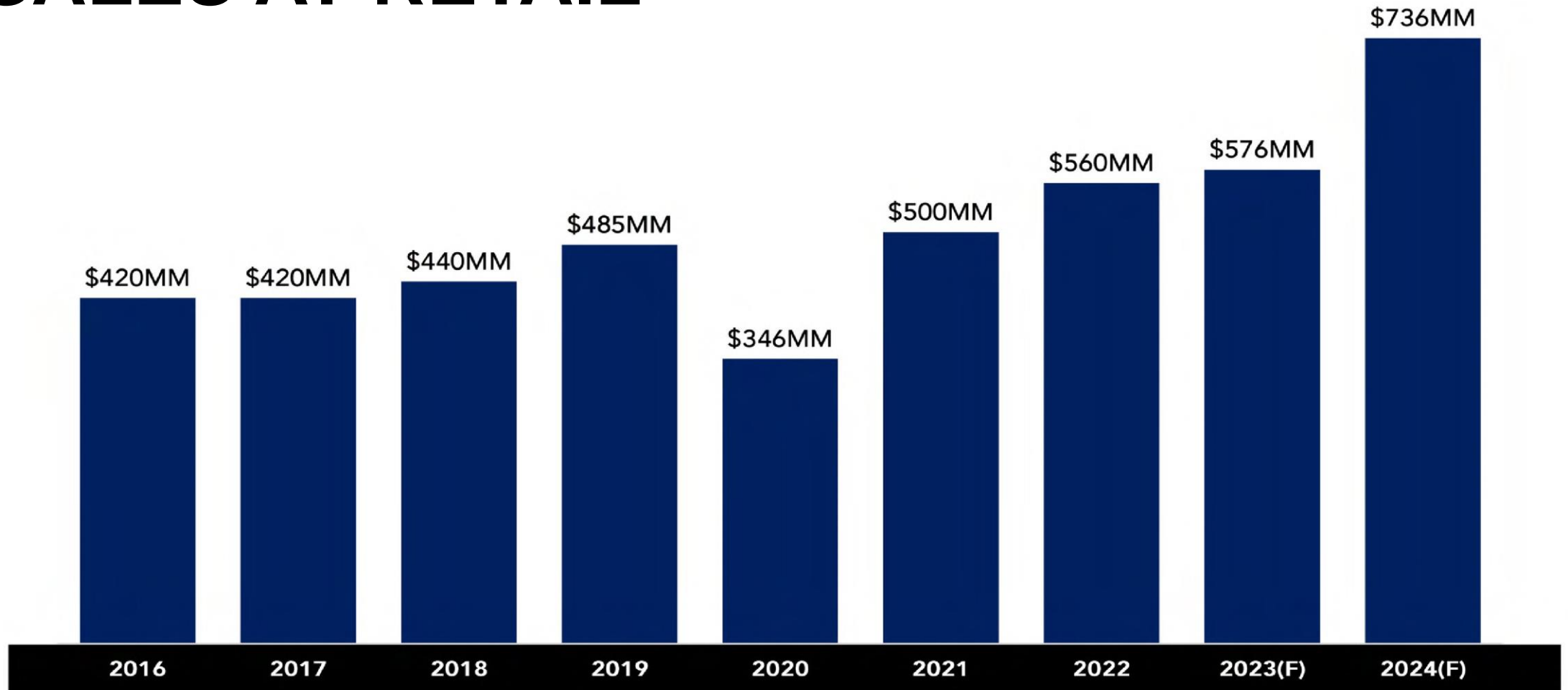
Longaberger



Note: All brands are fully owned by Xcel Brands Inc, other than (i) Isaac Mizrahi which represents a minority interest retained ownership (ii) Longaberger which represents a 50% ownership position in the business by Xcel, (iii) Christian Siriano is owned by Christian Siriano Licensing, LLC, and (iv) TWRHLL which is 50% owned by Xcel, and 50% owned by Christie Brinkley.

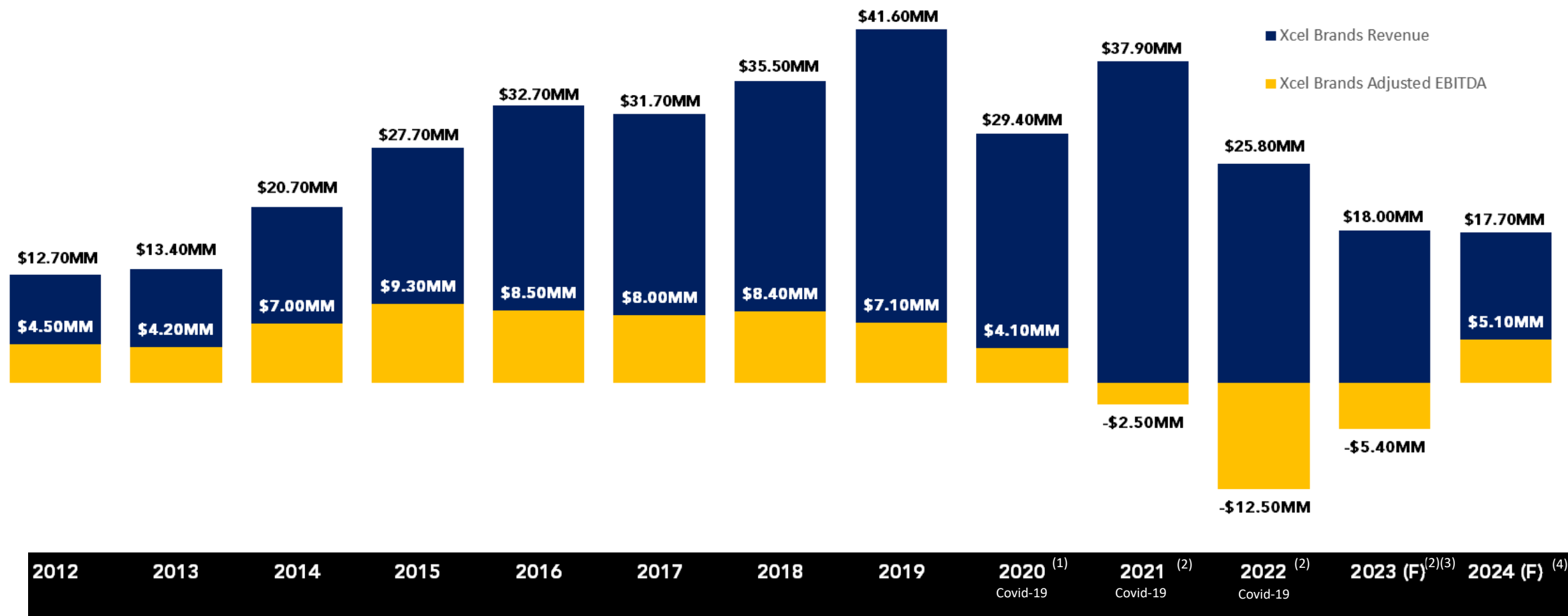


# SALES AT RETAIL



Retail Sales include actual retail sales where reported, as well as estimates based on a combination of our net wholesales and reported net wholesales of our licensees, converted to estimated retail sales applying a reasonable mark-up rate. Estimated retail sales of our brands does not reflect the Company's revenues and Adjusted EBITDA for these periods. However we believe it represents a consumer demand indicator for our brands. Refer to Slide 7 for detail on the Company's revenues and Adjusted EBITDA.

# REVENUE AND ADJ. EBITDA



(1) Launched wholesale divisions in jewelry and apparel to enhance brands

(2) Invested over \$5MM in technology and systems from 2020-2022

(3) Sold Isaac Mizrahi in May 2022, resulted in revenue reduction of \$16MM and EBITDA reduction of approximately \$6.8MM, reduced debt from \$25MM to \$0.

(4) Restructure resulted in \$13MM annual decrease in operating expenses. For 2023 year end forecast, there is an adjustment to add back to Adjusted EBITDA operating contribution deficits from the wholesale apparel, jewelry and Longaberger businesses, and the costs associated with the transition of these businesses to our new licensing partners. There were no adjustments presented for periods prior to 2023, and 2024 forecast. Reconciliation of Net Income to Adjusted EBITDA is included on Page 31.

# BALANCE SHEET HIGHLIGHTS

	FISCAL YEAR ENDING				QUARTER ENDING
	2019	2020	2021	2022	3Q'23
Cash	\$ 4,641	\$ 4,957	\$ 4,483	\$ 4,608	\$ 2,189
Current Assets	17,566	16,147	17,179	14,020	8,382
<b>TOTAL Assets</b>	<b>\$ 143,191</b>	<b>\$ 123,054</b>	<b>\$ 125,781</b>	<b>\$ 88,935</b>	<b>\$ 75,750</b>
Current Liabilities <sup>(1)</sup>	\$ 8,085	\$ 8,215	\$ 9,310	\$ 5,097	\$ 5,437
Operating Lease Obligations	11,525	10,570	8,459	7,215	5,581
Total Term Debt <sup>(2)</sup>	18,821	16,638	28,031	-	-
<b>TOTAL Liabilities<sup>(3)</sup></b>	<b>\$ 32,314</b>	<b>\$ 25,329</b>	<b>\$ 34,841</b>	<b>\$ 11,493</b>	<b>\$ 9,855</b>
Working Capital incl. Cash <sup>(4)</sup>	\$ 9,481	\$ 7,932	\$ 7,869	\$ 8,923	\$ 2,945
Working Capital excl. Cash	4,840	2,975	3,386	4,315	756
<b>Current Ratio</b>	<b>2.2x</b>	<b>2.0x</b>	<b>1.8x</b>	<b>2.8x</b>	<b>1.5x</b>

Figures other than Current Ratio in \$,000's U.S.

<sup>(1)</sup> Current liabilities are presented exclusive of the current portion of operating lease obligations.

<sup>(2)</sup> Term Debt represents total loans outstanding and excludes contingent obligations.

<sup>(3)</sup> Total liabilities are presented exclusive of operating lease obligations, deferred revenues related to the G-III Master License, and contingent obligations payable with stock.

Operating lease obligations are reduced and expensed in the ordinary course of business through rent payments.

Certain contingent obligations are payable only upon achieving specific financial targets, whereby there is an option to pay the obligation with stock.

It should be noted that contingent obligations prior to 12/31/2021 were not achieved and have been written off.

<sup>(4)</sup> Working Capital represents Current Assets less Current Liabilities as defined in this presentation.



# XCEL IS WELL POSITIONED FOR THE FUTURE OF SHOPPING

## VALUABLE BRAND PORTFOLIO

with significant growth potential

## WORKING CAPITAL LIGHT

business model focused on royalty revenues

## STRONG BALANCE SHEET

low leverage and significant IP Value

## POSITIONED FOR GROWTH

- organic
- brand development
- acquisitions

## OVER 6MM FOLLOWERS

across our brands

## PROVEN TRACK RECORD

of historical Revenue and Adj. EBITDA growth

## SEASONED TEAM

unparalleled in building brands in Social Commerce

AND LAUNCHING THE WORLD'S FIRST AI-POWERED SHORT-FORM VIDEO MARKETPLACE IN 2024...

# ORME

A NEXT GENERATION SHORT FORM  
VIDEO MARKETPLACE

BUILDING COMMUNITIES WITH SHOPPERS AND INFLUENCERS



# WHAT IS ORME FOR OUR SHOPPERS AND INFLUENCERS?

**WITH ORME  
YOU CAN:**

**CREATE**  
fun times

**TELL  
STORIES**  
that inspire

**LEARN**  
from authentic  
people

**PROTECT  
THE TRUTH**  
with real and  
honest reviews

**EXPLORE  
PRODUCTS**  
in fashion, beauty, home,  
pet, and wellness

**CREATE,  
SHOP,  
& SHARE**  
And get cash fees!

**BECOME PART  
OF SOMETHING**  
built for shoppers and  
influencers

# WHAT IS ORME FOR OUR BRANDS AND RETAILERS?

## ORME IS:

A way to  
**INSPIRE**  
people about  
brands and  
products

Combining the best of  
affiliate, influencer, and  
digital marketing in a

**PERFORMANCE  
BASED MODEL**

**Free, simple and  
fast integration**  
with all ecommerce  
platforms

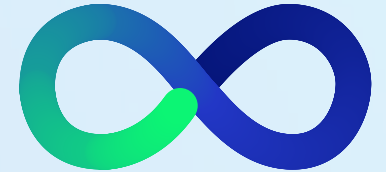
## A SOLUTION

to today's problems  
with low returns on  
affiliate, influencer, and  
digital marketing costs

**Easy &  
Efficient**

in managing the  
content creation  
process

**INFINITE  
RETURN ON AD  
SPEND**



A safe and controlled  
way to leverage

**CUSTOMERS AS  
INFLUENCERS**

# WHAT IS ORME FOR OUR INVESTORS?

## ORME IS:

A management team with deep knowledge in livestreaming sales with over **20,000 hours** of content production time with over **\$4 bn** in livestreaming sales

An opportunity with

**UNICORN  
POTENTIAL**

A leading technology in the application of short form video social commerce and the application of **AI across our technology platform**

A highly scalable technology built to launch in the **U.S.** with **global potential**

Available in iOS, Android, and desktop

**State-of-the-art**

technology that is fully developed, funded, and tested

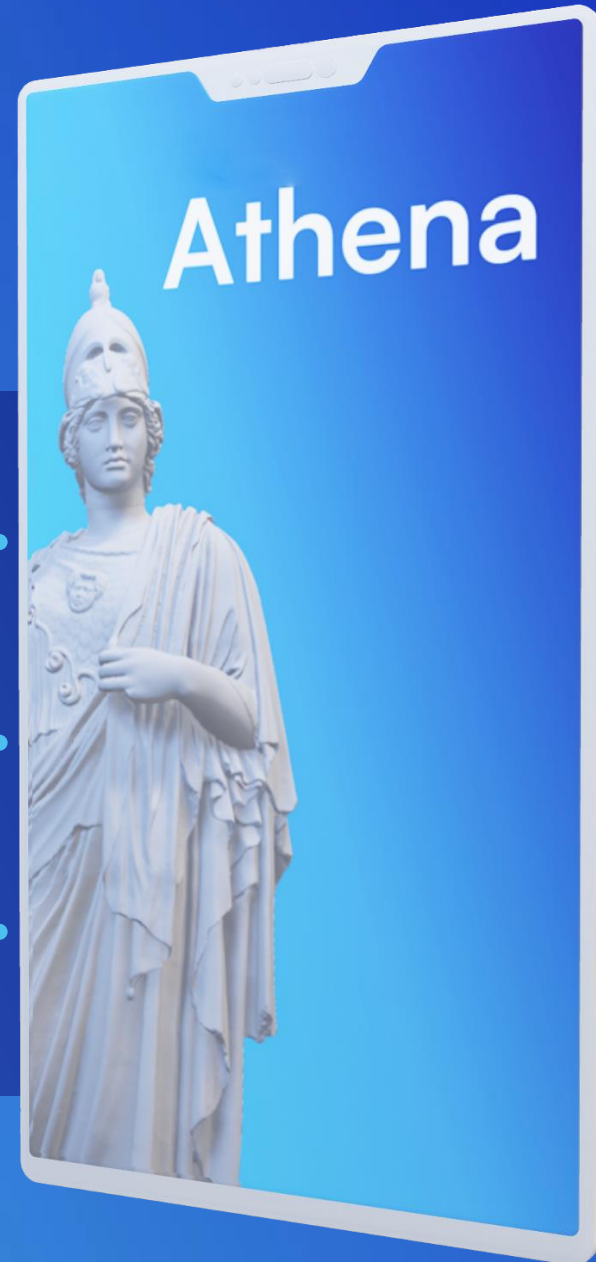


This generation will think it, and it will happen. **ORME will be there for them.**





# What the Tech Does



Shoppers, Brands and Retailers,  
**create shoppable content**

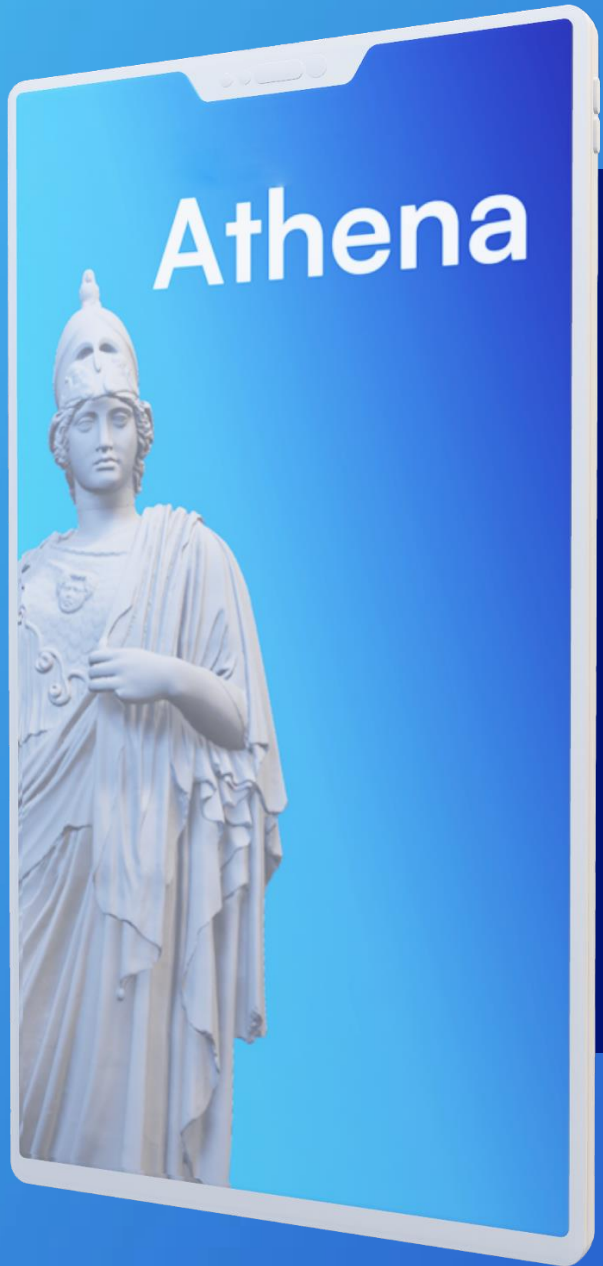
Shoppers make purchases, in-app,  
via **3-click checkout**

Shoppers/influencers **share  
videos to earn a fee**

**Performance  
based pay-out**

**No more vague  
ROAS reports**

Boosts Brand  
content by **100x!**



## Personalized AI powered content, and product recommendation engine, style chat bot, and content screening filter

Content based user input and AI machine learning

Similar products and content recommendations through machine learning based on user profile, browsing data, and other AI sources

Style Chat bot powered by AI, recommends products and looks

Content screening filter and editing through AI and machine learning

# Market & Opportunity

## SFV and social commerce market size

### Billions

are up for grabs

**Affiliate & Banner marketing** globally is a \$12 bn market

**Video Shopping** is projected to be a **\$35 bn** in the U.S. market by 2024. In China, the live streaming market, specifically Short Form Video (SFV) is over **\$500 bn**, up from **\$3 bn** in 2017

**Influencer marketing** (Social Media) spend by brands was around **\$16.4 bn** in 2022 and is increasing at the rate of **18.8%** per annum

## Retail and Media industry disruption

### AI

will accelerate the rate of change

### E-COMMERCE

Mall traffic is decreasing speed of logistics

### SHORT FORM VIDEO (SFV)

Sales growing as a percentage of e-commerce

### FAST FASHION

Reimagined 52 seasons - SHEIN Model

## Consumer behaviour change



### PRICE INFORMATION


Price transparency, showrooming

### CUSTOMER VOICE

Customer sees trends: see now, buy now, wear now

### CROWDED MARKET

Over distribution, mark downs, rise in off-price retail

<h1>AI FACTS</h1>	 <h2>ChatGPT</h2> <p>Launched <b>11 / 30 / 22</b></p>	<p>AI will create the world's first <b>Trillionaires</b> and will enhance every aspect of daily life</p>	<p>AI will become a force of both <b>CREATION &amp; DESTRUCTION</b></p>
<p><b>AI =</b> <b>NEWEST TREND</b></p>	<p>Users <b>&gt; 100 mn</b></p> <p>Visitors in June 2023 <b>1.6 bn</b></p>	<p>2 types: <b>AI</b> <math>\left\{ \begin{array}{l} \text{CREATORS} \\ \text{APPLIERS} \end{array} \right.</math></p>	<p><b>±300 mn</b> job losses expected across the entire socio-economic system</p>

**ORME is a leading applier of AI**



**ORME is built to reimagine**  
shopping, entertainment and social  
media as social commerce

**ORME reconsiders the retail  
sales model:**

Switch from the  
one to many to many to many  
retail model

**ORME leverages customers  
as influencers**





# ORME Solves the Problem

Affiliate/Banner marketing is outdated

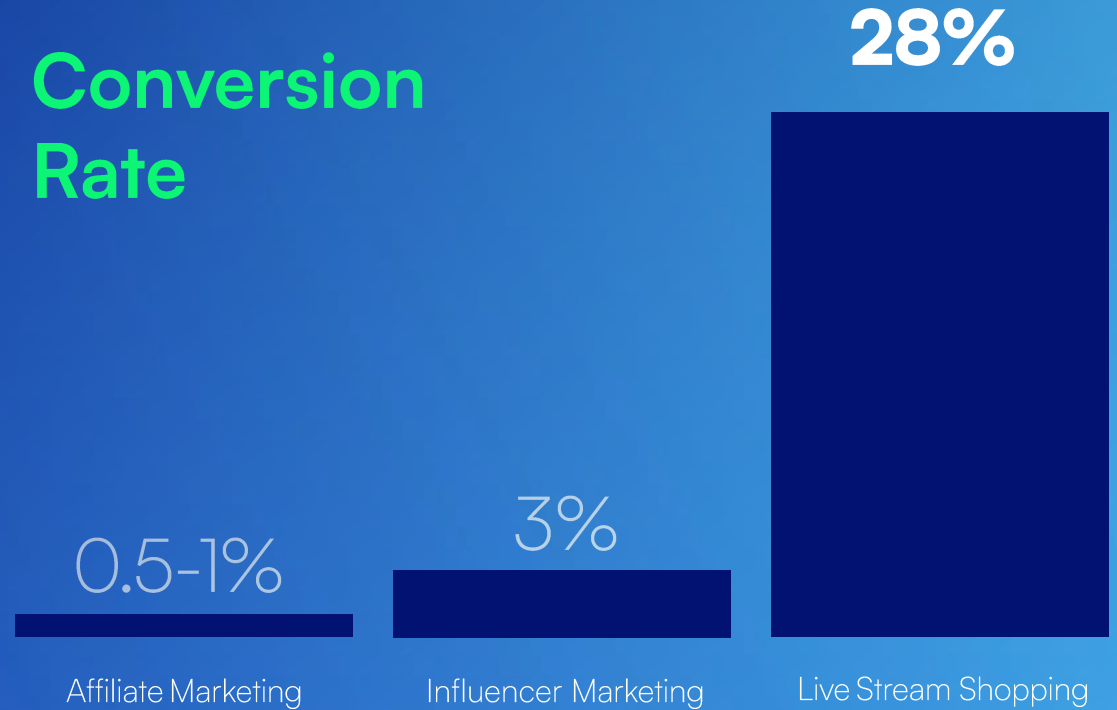
Nobody clicks on banners anymore

Influencer marketing is growing but discovery and attribution is a major challenge.

Video offers high conversion rates, but no end-to-end SFV platform exists in the U.S.

In-App checkout is a major friction problem in many existing platforms

## Conversion Rate





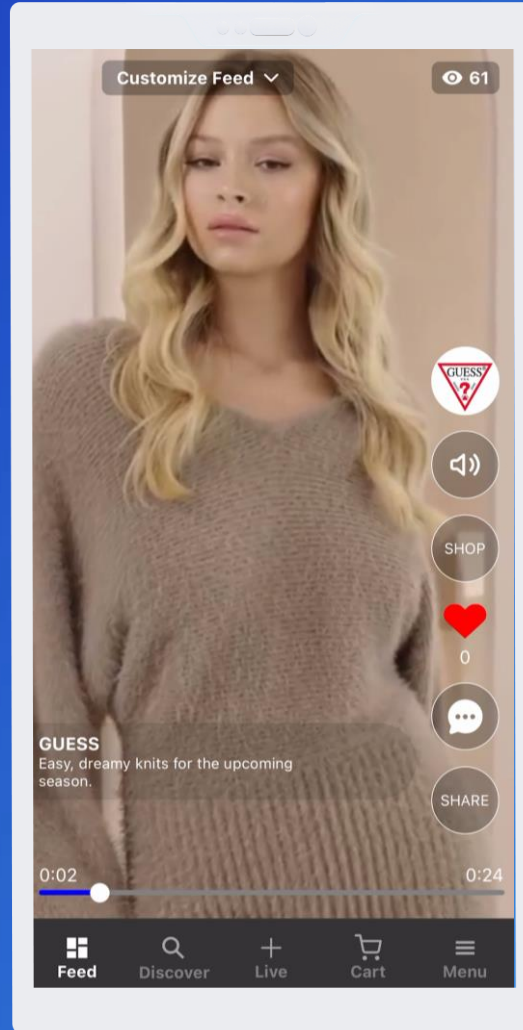
On average,  
**28%** of the leads  
are converted  
into sales  
in video shopping.

Source: McKinsey & Company

# ORME is the Solution



# Download the app



## The future is here



# XCEL

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