

Adjusted EBITDA Reconciliation

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	For the three months ended		For the six months end	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Net loss, as reported	\$ (375,125)	\$ (601,172)	\$ (742,743)	\$ (689,851)
Share based compensation expense	77,099	82,631	159,058	204,086
Depreciation and amortization	296,380	74,610	519,828	149,219
Interest Expense	1,723	3,455	50,770	7,237
Issuance of stock for compensation	-	-	336,000	-
Taxes	70,000	-	70,000	-
Adjusted EBITDA	<u>\$ 70,077</u>	<u>\$ (440,476)</u>	<u>\$ 392,913</u>	<u>\$ (329,309)</u>

-- Financial Statement Schedules follow --

ICTV BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF

	June 30, 2017	December 31, 2016
<u>ASSETS</u>	<i>(Unaudited)</i>	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,254,785	\$ 1,390,641
Accounts receivable, net of \$397,389 and \$123,109, respectively	3,059,766	506,337
Other receivable, net	267,460	-
Inventories, net	8,843,661	1,499,270
Prepaid expenses and other current assets	553,522	254,303
Total current assets	14,979,194	3,650,551
Property and equipment	1,078,337	74,098
Less accumulated depreciation	(132,415)	(58,099)
Property and equipment, net	945,922	15,999
Intangibles assets, net	3,984,370	872,864
Total assets	\$ 19,909,486	\$ 4,539,414
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 4,694,135	\$ 1,644,899
Deferred revenue – short-term	401,736	377,445
Contingent consideration – short term	2,594,984	-
Deferred consideration – short term	160,417	-
Other liabilities- current	295,650	288,525
Total current liabilities	8,146,922	2,310,869
Deferred revenue – long-term	233,298	274,374
Contingent consideration – long term	984,776	-
Deferred consideration – long term	1,003,701	-
Other liabilities – long-term	514,826	665,713
Total long-term liabilities	2,736,601	940,087
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock 20,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value, 100,000,000 shares authorized, 52,303,725 and 28,343,007 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	42,093	18,132
Additional paid-in-capital	19,906,390	11,546,804
Accumulated other comprehensive loss	96,701	-
Accumulated deficit	(11,019,221)	(10,276,487)
Total shareholders' equity	9,025,963	1,288,458
Total liabilities and shareholders' equity	\$ 19,906,390	\$ 4,539,414

See accompanying notes to the condensed consolidated financial statements as filed on www.sec.gov.

ICTV BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS and COMPREHENSIVE LOSS
(Unaudited)

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
NET SALES	\$ 7,950,076	\$ 4,544,092	\$ 15,597,195	\$ 8,267,736
COST OF SALES	<u>1,726,046</u>	<u>1,343,069</u>	<u>3,879,626</u>	<u>2,539,765</u>
GROSS PROFIT	<u>6,224,030</u>	<u>3,201,023</u>	<u>11,717,569</u>	<u>5,727,971</u>
OPERATING EXPENSES:				
General and administrative	2,673,271	1,081,419	5,155,541	2,040,737
Selling and marketing	<u>3,854,031</u>	<u>2,717,321</u>	<u>7,243,975</u>	<u>4,369,848</u>
Total operating expenses	<u>6,527,302</u>	<u>3,798,740</u>	<u>12,399,516</u>	<u>6,410,585</u>
OPERATING LOSS	(303,272)	(597,717)	(681,947)	(682,614)
INTEREST EXPENSE, NET	(1,723)	(3,455)	(50,770)	(7,237)
MISCELLANEOUS INCOME (LOSS)	<u>(130)</u>	<u>-</u>	<u>59,974</u>	<u>-</u>
LOSS BEFORE PROVISION FOR INCOME TAX	(305,125)	(601,172)	(672,743)	(689,851)
PROVISION FOR INCOME TAXES	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>-</u>
NET LOSS	<u>\$ (375,125)</u>	<u>\$ (601,172)</u>	<u>\$ (742,743)</u>	<u>\$ (689,851)</u>
OTHER COMPREHENSIVE INCOME:				
Foreign currency translation adjustment	<u>102,118</u>	<u>-</u>	<u>96,701</u>	<u>-</u>
COMPREHENSIVE LOSS	<u>\$ (273,007)</u>	<u>\$ -</u>	<u>\$ (646,042)</u>	<u>\$ -</u>
NET LOSS PER SHARE				
BASIC	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
DILUTED	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES				
BASIC AND DILUTED	<u>52,075,703</u>	<u>28,202,739</u>	<u>48,093,572</u>	<u>28,175,406</u>

See accompanying notes to the condensed consolidated financial statements as filed on www.sec.gov.

ICTV BRANDS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(Unaudited)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (742,743)	\$ (689,851)
Adjustments to reconcile net loss to net increase in cash provided by (used in) operating activities:		
Depreciation	78,263	3,744
Amortization of intangible assets	441,565	145,475
Bad debt expense	653,491	442,193
Share based compensation	159,058	204,086
Issuance of stock for compensation	336,000	-
Change in fair value of contingent consideration	(48,035)	-
Loss on disposal of property and equipment	3,228	-
Noncash interest	53,117	8,198
Change in assets and liabilities:		
Accounts receivable	(3,206,920)	(516,374)
Other receivable	(837,708)	-
Inventories	(507,213)	656,805
Prepaid expenses and other current assets	(299,219)	138,626
Accounts payable and accrued liabilities	3,049,236	(90,184)
Severance payable	-	(45,995)
Deferred revenue	(16,785)	49,910
Net cash provided by (used in) operating activities	<u>(884,665)</u>	<u>306,633</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(127,128)	-
Cash paid for acquisition of PhotoMedex, Inc.	(5,000,000)	-
Net cash used in investing activities	<u>(5,127,128)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of costs	6,982,930	-
Proceeds from exercise of options	55,559	-
Payments of deferred consideration for acquisition	(14,583)	-
Payments of DermaWand asset purchase agreement	(150,000)	(150,000)
Net cash provided by (used in) financing activities	<u>6,873,906</u>	<u>(150,000)</u>
Effect of exchange rates on cash and cash equivalents	2,031	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	864,144	156,633
CASH AND CASH EQUIVALENTS, beginning of the period	<u>1,390,641</u>	<u>1,334,302</u>
CASH AND CASH EQUIVALENTS, end of the period	<u>\$ 2,254,785</u>	<u>\$ 1,490,935</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH
ACTIVITY:

Cashless exercise of options	\$ 23	\$ -
Payments of DermaWand asset purchase agreement	\$ -	\$ 1,200,000
Contingent consideration reclassified to other receivable	\$ 570,248	\$ -
Acquisition of PhotoMedex on January 23, 2017		
Fair value of assets acquired	\$ 9,198,043	\$ -
Fair value of deferred consideration	(4,198,043)	-
Cash paid for acquisition	\$ 5,000,000	\$ -
Asset Acquisition of Ermis Labs on January 23, 2017		
Cost of assets acquired	\$ 1,981,822	\$ -
Present value of deferred consideration	(1,131,822)	-
Issuance of common stock for asset purchase	(850,000)	-
Cash paid for acquisition	\$ -	\$ -

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