

Company Overview

Business Description

Headquartered in West Chester, PA, QVC Group, Inc. ("QVC Group" or "QVCG," f/k/a Qurate Retail, Inc.), along with its Debtor⁽¹⁾ and non-Debtor affiliates (collectively, the "Company"), is a global live social shopping company that curates and sells consumer merchandise through video-driven commerce across linear television, streaming, e-commerce, mobile, and social platforms.

- Through flagship brands QVC, HSN, and the Cornerstone brands (Ballard Designs, Frontgate, Garnet Hill, and Grandin Road), the Company reaches more than 200 million households per day across 15 television channels and engages more than 12 million customers through QVC+ and HSN+ streaming plus Facebook, Instagram, TikTok, YouTube, and mobile apps.
- QVC, Inc. ships approximately 182 million units annually from nine global distribution centers; Cornerstone separately operates four fulfillment centers serving its catalog, e-commerce, and retail business. The business employs approximately 15,800 people across seven countries.

The Company reaches customers through three reportable segments: QxH, QVC International, and Cornerstone Brands ("Cornerstone" or "CBI").

- **QxH** (combined U.S. QVC and HSN platform): FY 2025 net revenue of approximately \$5.94 billion (~64% of consolidated), generating approximately \$517 million of Adjusted OIBDA, down from \$765 million in FY 2024.
- **QVC International** (Germany, Austria, Japan, U.K., Ireland, and Italy): FY 2025 net revenue of approximately \$2.36 billion (~26% of consolidated), generating approximately \$293 million of Adjusted OIBDA, down from \$333 million in FY 2024.
- **Cornerstone Brands** (four home-and-apparel brands sold through e-commerce, catalogs, and outlet stores): FY 2025 net revenue of approximately \$937 million (~10% of consolidated), generating approximately \$16 million of Adjusted OIBDA, down sharply from \$36 million in FY 2024.

QVC Group, Inc. and certain affiliates filed for Chapter 11 protection on April 16, 2026 (the "Petition Date") in the U.S. Bankruptcy Court for the Southern District of Texas, reporting \$1 billion to \$10 billion in both assets and liabilities.

1) For a complete list of Debtor entities, see organizational structure chart below.

Recent Financial Performance

FY 2025 consolidated net revenue of \$9.23 billion declined for a second consecutive year, down from \$10.04 billion in FY 2024 and \$10.92 billion in FY 2023.

Results were weighed down by approximately \$2.4 billion of non-cash impairment charges recorded in FY 2025, including the write-off of the remaining \$1.465 billion of QxH goodwill and \$930 million of impairment to the QVC and HSN tradenames.

- These follow \$902 million of QxH goodwill and \$578 million of QVC/HSN tradename impairments taken in FY 2024.
- As of December 31, 2025, the QxH operating segment goodwill balance was zero, with \$1,190 million of indefinite-lived tradenames remaining.

Digital platforms represented 66.9% of QxH revenue in FY 2025 (up from 61.8% in FY 2023), and approximately 91% of worldwide shipped sales came from repeat customers.

Consolidated available liquidity stood at approximately \$1.71 billion as of April 10, 2026.

- \$195 million at QVCG; \$86 million at LINTA; \$1.35 billion at QVC, Inc. and subsidiaries (of which \$335 million is held at QVC International); and \$74 million at CBI.

Corporate History

Origins and the Liberty Era:

- The Company's corporate lineage runs from the 1995 Comcast / Tele-Communications, Inc. joint acquisition through Liberty Media's consolidating control in 2003 and the September 2011 split-off that spun the interactive-commerce businesses out as Liberty Interactive Corporation (predecessor to QVCG).
- HSN traces back to Lowell Paxson's 1977 AM radio format and 1982 cable launch with Roy Speer; QVC traces back to Joseph Segel's November 1986 inaugural broadcast.

The Zulily and HSN Acquisitions:

- In October 2015, Liberty Interactive Corporation acquired Zulily for approximately \$2.4 billion to expand its flash-sale e-commerce offering. Successive impairments followed; the business was sold on May 24, 2023 to Regent for \$25 million of cash plus up to \$375 million of contingent consideration, with QVCG contributing approximately \$80 million at closing to retire Zulily's RCF balance.
- On December 29, 2017, Liberty Interactive Corporation acquired the remaining ~61.8% of HSN it did not already own in an all-stock transaction valuing HSN at \$2.6 billion on an enterprise basis (\$2.1 billion equity value), approximately 9.98x fiscal-year EBITDA.
- Cumulative QxH goodwill impairment losses reached \$5,228 million as of December 31, 2025, together with QxH tradename writedowns (\$930 million in FY 2025 and \$578 million in FY 2024 alone), reversing the bulk of the HSN acquisition premium on the balance sheet.

The December 2020 International Restructuring:

- A 15-step multi-jurisdiction reorganization formed QVC Global Corporate Holdings, LLC ("QVC Global") and positioned it to retire legacy Liberty-era 3.5% MSI Exchangeables due 2031 using Tax Cuts and Jobs Act repatriation mechanics.
- The restructuring also created a \$1.825 billion face LINTA Promissory Note accruing interest at 0.48%, now the largest single item resolved under the Intercompany Settlement.
- Earlier in 2020 (declared August 21, distributed September 14), QVCG paid a special dividend that included issuance of 8.0% Series A Cumulative Redeemable Preferred Stock (Nasdaq: QVCGP) with an initial aggregate liquidation preference of approximately \$1.3 billion (~\$1.272 billion face amount outstanding as of the Petition Date).

Company Overview (cont'd)

Management and Standalone Transition (2021-2025)

David L. Rawlinson II, formerly CEO of NielsenIQ, succeeded Mike George as CEO on October 1, 2021, shortly before the December 18, 2021 Rocky Mount fire.

On February 21, 2025, QVCG (then Qurate Retail, Inc.) rebranded as QVC Group, Inc. to complete its transition to a standalone public operating entity.

- Beginning in March 2025, QVC executives took over the public-company functions (tax, accounting, investor relations, and reporting) that Liberty Media Corporation ("LMC") had previously provided under the September 23, 2011 Services Agreement.

Dr. John C. Malone did not stand for re-election at the 2025 annual meeting following the September 25, 2024 settlement of the Delaware stockholder derivative action Atallah v. Malone; Gregory B. Maffei remains as Chairman. LMC is not a Debtor in the Chapter 11 Cases.

Four Key Entities ("Four Capital Structures in One")

QVC Group, Inc. (QVCG) - public TopCo. Tickers QVCGA / QVCGB / QVCGP; holds 100% of LINTA and 62% of CBI.

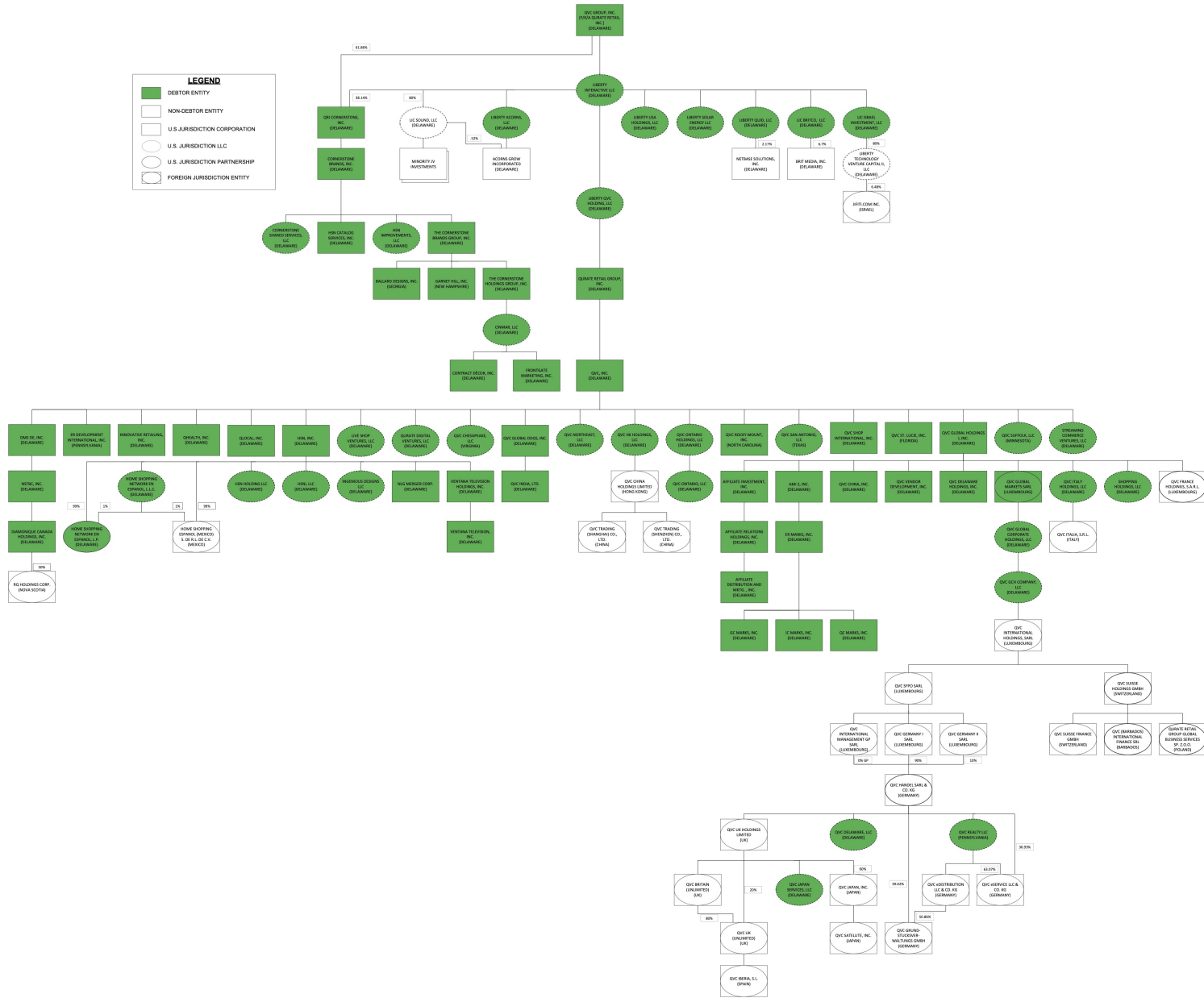
Liberty Interactive LLC ("LINTA"; called "LI LLC" in the 10-Ks) - intermediate holding company. Carries all unsecured holdco debt; holds the remaining 38% of CBI and, indirectly through Debtor affiliates Qurate Retail Group, Inc. ("QRGI") and Liberty QVC Holding, LLC, the QVC, Inc. operating stack.

QVC, Inc. - operating company. Carries every dollar of secured funded debt; houses QVC Global Corporate Holdings, LLC ("QVC Global") and the QVC International foreign subsidiaries.

CBI (QRI Cornerstone, Inc.) - intermediate holder of operating subsidiary Cornerstone Brands, Inc. No funded debt at either tier; on April 1, 2025, QVC notified the RCF Lender Group of its election to remove Cornerstone Brands, Inc. as a borrower under the RCF.

QVC International and the QVC Japan 60/40 joint venture with Mitsui & Co., Ltd. operate through non-Debtor foreign subsidiaries; no foreign insolvency proceedings have been filed or are expected.

Corporate Organizational Structure



Operations Overview

Fulfillment Network and Workforce

The Company runs a vertically integrated live video commerce platform supported by an asset-light fulfillment network of nine distribution centers and four QVC, Inc. contact centers worldwide.

- Five U.S. distribution centers: Bethlehem, PA; Suffolk, VA; Florence, SC; Ontario, CA; and Piney Flats, TN.
- International centers: Chiba, Japan; Huckelhoven and Dusseldorf, Germany; Knowsley and London, U.K.; and Brugherio, Italy.
- Cornerstone operates four dedicated fulfillment centers and 35 retail and outlet locations. In FY 2025, QVC, Inc. employees handled approximately 70 million customer-service calls and shipped approximately 182 million units globally.

QxH (U.S. QVC and HSN)

QxH reaches approximately 88 million U.S. television households across five linear channels (QVC, QVC2, QVC3, HSN, HSN2), but the operating center of gravity has shifted online.

- Digital-platform revenue rose to 66.9% of QxH net sales in FY 2025 from 61.8% in FY 2023; roughly 90% of new QxH customers now make their first purchase through a digital channel.

QxH net revenue declined 10% in FY 2025, attributable to a 10.6% decrease in units shipped and a \$53 million decrease in shipping and handling revenue, partially offset by a \$156 million decrease in estimated product returns.

FY 2025 cost of goods sold as a percentage of revenue rose to 66.4% from 65.6%, driven in part by higher product costs from tariffs at QxH; the Disclosure Statement frames the tariff backdrop as having increased inflationary cost pressures and recessionary fears.

QVC International

QVC International was the portfolio's most resilient segment in FY 2025, with the smallest revenue decline among the three reportable segments. FY 2025 revenue was \$2.4 billion and Adjusted OIBDA was \$293 million.

International e-commerce penetration reached 54% in 2025, compared with a domestic QxH rate of 67%, which the Debtors describe as room for further international e-commerce penetration in line with domestic performance.

Mitsui's 40% noncontrolling interest in QVC Japan is reflected in consolidation.

Operations Overview (cont'd)

Cornerstone Brands

Cornerstone has been in steady operational decline. Segment Adjusted OIBDA fell from \$137 million in FY 2021 to \$36 million in FY 2024 and to \$16 million in FY 2025 (a 56% YoY drop and ~88% peak-to-trough contraction).

The Q4 2025 quantitative impairment test triggered a \$12 million CBI goodwill writedown.

Cornerstone (Cornerstone Brands, Inc.) carries no funded debt and was removed as a Revolving Credit Facility borrower effective on or about April 1, 2025.

Critically, the Plan conditions the CBI Debtors' Debtor Release on Class D3 (CBI general unsecured claims) remaining Unimpaired, giving the Cornerstone Debtors a structural veto over the upper-box release architecture.

Streaming and Live Social Commerce

The growth story underlying the November 2024 WIN Strategy targets \$1.5 billion-plus run-rate streaming-and-social revenue within three years, centered on TikTok Shop and the QVC+ / HSN+ streaming apps.

On April 2, 2025, QVC Group launched the first U.S. 24/7 live social shopping experience with TikTok Shop.

- Trade-press reporting in April 2026 stated that in November 2025 QVC was the highest-earning store on TikTok Shop, generating over \$25 million in revenue and overtaking K-Beauty powerhouse Medicube at \$22.46 million.
- The TikTok channel acquired nearly one million new customers in 2025 and contributed to QVC US growing its total customer file in 2025 for the first time in over four years.

QVC+ / HSN+ reached approximately 1.5 million monthly average users.

Prepetition Obligations

Debtors' Prepetition Obligations							As of April 16, 2025
USD in Millions							Amount
Debt Instrument	Agent / Lender	Rate	Maturity	Borrowers / Issuers	Guarantors / Obligors	Security	Outstanding
Secured Debt:							
Revolving Credit Facility (\$3,250M)	JPMorgan Chase Bank, N.A. (Agent)	\$ + 1.625% ⁽¹⁾	10/27/2026	QVC, Inc., QVC Global Corporate Holdings, LLC	RCF Credit Group Guarantors (17 QVC, Inc. subsidiaries) ⁽²⁾	First-priority lien on QVC, Inc. equity ⁽³⁾⁽⁴⁾	\$ 2,900.0 ⁽⁵⁾
Outstanding Letters of Credit (\$450M)	JPMorgan Chase Bank, N.A. (Agent)	n/a	10/27/2026	QVC, Inc., QVC Global Corporate Holdings, LLC	RCF Credit Group Guarantors (17 QVC, Inc. subsidiaries) ⁽²⁾	First-priority lien on QVC, Inc. equity ⁽³⁾⁽⁴⁾	235.0 ⁽⁶⁾
4.750% QVC, Inc. Notes Due 2027	U.S. Bank National Association (Trustee)	4.750%	02/15/2027	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	44.0 ⁽⁸⁾
4.375% QVC, Inc. Notes Due 2028	U.S. Bank National Association (Trustee)	4.375%	09/01/2028	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	72.0 ⁽⁸⁾
6.875% QVC, Inc. Notes Due 2029	U.S. Bank National Association (Trustee)	6.875%	04/15/2029	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	605.0 ⁽⁸⁾
5.450% QVC, Inc. Notes Due 2034	U.S. Bank National Association (Trustee)	5.450%	08/15/2034	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	400.0
5.950% QVC, Inc. Notes Due 2043	U.S. Bank National Association (Trustee)	5.950%	03/15/2043	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	300.0
6.375% QVC, Inc. Notes Due 2067⁽⁹⁾	U.S. Bank National Association (Trustee)	6.375%	09/13/2067	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	225.0
6.250% QVC, Inc. Notes Due 2068⁽⁹⁾	U.S. Bank National Association (Trustee)	6.250%	11/26/2068	QVC, Inc.	QVC, Inc. Notes Indentures Credit Group Guarantors (18 QVC, Inc. subsidiaries) ⁽⁷⁾	First-priority lien on QVC, Inc. equity ⁽³⁾	500.0
Total Secured Debt							\$ 5,046.0
Unsecured Debt:							
8.500% LINTA Notes Due 2029	The Bank of New York Mellon Trust Company, N.A. (Trustee)	8.500%	07/15/2029	Liberty Interactive LLC (d/b/a LINTA)	None	Unsecured ⁽¹⁰⁾	287.0 ⁽¹¹⁾
4.000% LINTA Exchangeable Notes Due 2029⁽¹²⁾	The Bank of New York Mellon Trust Company, N.A. (Trustee)	4.000%	11/15/2029	Liberty Interactive LLC (d/b/a LINTA)	None	Unsecured ⁽¹⁰⁾	280.0 ⁽¹¹⁾
8.250% LINTA Notes Due 2030	The Bank of New York Mellon Trust Company, N.A. (Trustee)	8.250%	02/01/2030	Liberty Interactive LLC (d/b/a LINTA)	None	Unsecured ⁽¹⁰⁾	504.0 ⁽¹¹⁾
3.750% LINTA Exchangeable Notes Due 2030⁽¹²⁾⁽¹³⁾	The Bank of New York Mellon Trust Company, N.A. (Trustee)	3.750%	02/15/2030	Liberty Interactive LLC (d/b/a LINTA)	None	Unsecured ⁽¹⁰⁾	413.0 ⁽¹¹⁾
Total Unsecured Debt							\$ 1,484.0
Total Debt⁽¹⁴⁾							\$ 6,530.0

- Adjusted Term SOFR + 1.625%, subject to a leverage-based pricing grid keyed to the Borrowers' consolidated net leverage ratio.
- RCF Credit Group Guarantors (Exhibit C2, 17 QVC, Inc. subsidiaries): Affiliate Investment, Inc.; Affiliate Relations Holdings, Inc.; AMI 2, Inc.; ER Marks, Inc.; Home Shopping Network on Espanol, LP; Home Shopping Network on Espanol, LLC; HSN, Inc.; HSN Holding LLC; HSN, LLC; Ingenious Designs LLC; NRG Merger Corp.; QVC Rocky Mount, Inc.; QVC San Antonio, LLC; QVC Global Holdings I, Inc.; QVC GCH Company, LLC; Vertana Television Holdings, Inc.; Vertana Television, Inc.
- The RCF and all QVC, Inc. Notes are equally and ratably (pari passu) secured by pledged QVC, Inc. equity pursuant to the Pledge Agreement dated June 16, 2009 (QRGI as pledgor; JPMorgan as Collateral Agent). No other assets pledged.
- In the 2021 Refinancing, the RCF lenders received an additional equity pledge of Cornerstone Brands, Inc., supplementing the QVC, Inc. and Zully, LLC equity pledges already held under the prior credit agreement. Zully was subsequently removed as Borrower and prepared for disposition under the 2022 Cash Management Plan.
- \$3,250M aggregate revolving commitments; \$2,900M drawn as of the Petition Date.
- \$235M letters of credit issued but undrawn as of the Petition Date (shown at face value); excluded from the Debtors' \$6,538 total funded debt. The LC subfacility provides for up to \$450M in aggregate commitments from certain Issuing Banks.
- QVC Notes Indenture Credit Group Guarantors (Exhibit C3, 18 QVC, Inc. subsidiaries): all 17 RCF Credit Group Guarantors plus QVC Global Corporate Holdings, LLC, which is itself an RCF co-Borrower.
- Issued under the 2024 QVC, Inc. Notes Indenture (September 25, 2024) in the 2024 Capital Contribution and Exchange, whereby QVC, Inc. exchanged 89% of the then-outstanding 4.750% / 4.375% Notes for new 6.875% Notes plus \$352M cash (\$75M QVC, Inc. cash; \$277M LINTA capital contribution). The 4.750% (\$44M) and 4.375% (\$72M) Notes are residual stubs.
- 6.375% 2067 Notes listed on NYSE as QVCD; 6.250% 2068 Notes listed on NYSE as QVCC.
- LINTA Notes were originally issued by Liberty Media Corporation (now Liberty Interactive LLC, d/b/a LINTA) under the LINTA Notes Indenture dated July 7, 1999. Not guaranteed by QVC, Inc. or any other party; structurally subordinated to all QVC-level secured and guaranteed obligations.
- Original issuance vs. amounts outstanding: 8.500% Notes ~\$500M / \$287M; 4.000% Exchangeables ~\$869M / \$280M; 8.250% Notes ~\$1B / \$504M; 3.750% Exchangeables ~\$1B / \$413M.
- PHONES (participating hybrid option note exchangeable securities). The 4.000% 2029 and 3.750% 2030 Notes are exchangeable, at holder's option, for the value of a certain number of shares of Sprint Corporation (or its successor T-Mobile US following the 2020 acquisition) and Lumen Technologies common stock. LINTA may settle in cash, reference shares, or a combination. Failure to deliver within 10 trading days (551M) or 15 (x51M; 5-day avg closing price) triggers an Event of Default.
- CDS exposures disclosed alongside long holdings: Whitebox holds \$35.85M of 3.750% LINTA Exchangeables in respect of a credit default swap; Schonfeld discloses \$6M exposure to a LINTA Notes CDS instrument.
- Total Debt reflects funded debt only. Excludes \$1,272M of QVCG 8.0% Series A Cumulative Redeemable Preferred Stock (NASDAQ: QVCGP), with mandatory redemption scheduled for March 15, 2031. Quarterly cash dividends suspended in June 2025, triggering the contractual rate step-up from 8.000% to 9.500% PIK.

Top Unsecured Claims

30 Largest Unsecured Creditors

USD in Millions

As of April 16, 2026

	Creditor	Nature of Claims	Amount of Claim		Creditor	Nature of Claims	Amount of Claim
1	Procaps Laboratories, Inc	TRADE SUPPLIER	\$ 10.4	16	Meta Platform, Inc.	OPERATIONAL VENDOR	2.4
2	Microsoft Corporation	OPERATIONAL VENDOR	6.6	17	JCL Design LLC	TRADE SUPPLIER	2.3
3	Accenture International Limited	OPERATIONAL VENDOR	6.4	18	Impact Tech Inc	OPERATIONAL VENDOR	2.3
4	C&J Clark America Inc	TRADE SUPPLIER	6.3	19	Diane Gilman Jeans LLC	TRADE SUPPLIER	2.2
5	John Hardy USA Inc.	TRADE SUPPLIER	5.0	20	NYDJ	TRADE SUPPLIER	2.1
6	New Age Electronics, a Div of Synnex Corporation	TRADE SUPPLIER	4.1	21	Agoura Health Products	TRADE SUPPLIER	2.1
7	United Parcel Service	FREIGHT VENDOR	3.3	22	IHKWIP LLC	TRADE SUPPLIER	2.0
8	Beekman 1802, Inc	TRADE SUPPLIER	3.2	23	Easy Way Leisure Corp	TRADE SUPPLIER	1.8
9	Desert Rose Trading Ltd Co	TRADE SUPPLIER	3.0	24	Orient International	TRADE SUPPLIER	1.8
10	Ecoflow Technology Inc.	TRADE SUPPLIER	2.9	25	Hesung Innovation Corp.	TRADE SUPPLIER	1.7
11	Waco Shoe Co, LLC	TRADE SUPPLIER	2.9	26	Skechers USA Inc	TRADE SUPPLIER	1.7
12	First Commemorative Mint, Inc	TRADE SUPPLIER	2.7	27	Ebates Performance Marketing, Inc.	OPERATIONAL VENDOR	1.6
13	Wen by Chaz Dean, Inc.	TRADE SUPPLIER	2.7	28	Blackstone International, Ltd.	TRADE SUPPLIER	1.6
14	Roberta's, Inc.	TRADE SUPPLIER	2.6	29	Cleanboss Inc.	TRADE SUPPLIER	1.6
15	Rastelli Brothers Inc	TRADE SUPPLIER	2.4	30	Corky's Ribs and BBQ	TRADE SUPPLIER	1.5
30 Largest Unsecured Claims							\$ 93.2

Source: Bondoro, Court filings

Events Leading to Bankruptcy

Secular Decline of Linear TV and Tariff Pressure

QVC Group's capital structure, sized against linear-TV cash flows that have contracted materially over the past decade, no longer matches the economics of the business.

- Management characterizes the filing as a recognition that QVC Group's debt burden, premised on now-declining cash flows from linear TV, has impaired its ability to invest at the level necessary to fully transition to the new digital and live social shopping age.
- Sustained cord-cutting and declining television watch-time are core secular pressures.

In 2025, the Company also faced a materially more punitive tariff regime, which together with cord-cutting and elevated leverage was cited as a reason for the May 23, 2025 cash-dividend suspension.

- QVC, Inc.'s global merchandise mix is concentrated in tariff-exposed categories: Home 41%, Apparel 19%, Beauty 18%, Accessories 11%, Electronics 6%, Jewelry 5%.

Rocky Mount Fire and Project Athens / WIN Strategy

On December 18, 2021, a five-alarm fire destroyed approximately 75% of QVC's 1.5 million-square-foot Rocky Mount, NC fulfillment center, the Company's second-largest distribution center, processing roughly 25%-30% of U.S. volume and serving as the primary hard-goods returns hub.

- Management cites an ultimate revenue loss of more than \$500 million and a customer-count loss exceeding one million; QVC reached a final insurance settlement in June 2023 and received \$280 million of insurance proceeds during 2023.
- The Edgecombe County property was sold in February 2023 for approximately \$19 million in net cash proceeds (gross transaction price approximately \$20.8 million) after QVC declined to rebuild.

Under CEO Rawlinson, Project Athens (June 2022) ultimately delivered over \$500 million of annual adjusted OIBDA impact, but the program stabilized margin rather than reversed the top-line decline.

- QVC, Inc.'s consolidated Adjusted OIBDA fell by \$288 million in FY 2025 (\$248 million decline at QxH and \$40 million at QVC International); Q3 2025 consolidated Adjusted OIBDA was down approximately 32% year-over-year.
- The November 2024 WIN Strategy pivoted toward live social shopping, drove the February 2025 QVC Group rebrand and the March 2025 announcement of approximately 900 headcount reductions, and set the \$1.5 billion 2027 streaming-and-social-revenue target.

Events Leading to Bankruptcy (cont'd)

Liability Management and Sale-Leasebacks

The Company pursued sustained out-of-court liability management from 2020 forward. In October 2021, QVC amended its JPMorgan-administered revolving credit facility (the "RCF"), extending the maturity three years to October 27, 2026.

Sale-leasebacks in July 2022 (five U.S. properties, \$443 million proceeds) and November 2022 (two properties in Germany and the U.K., \$182 million) added roughly \$625 million of liquidity. On December 21, 2022, ahead of potentially approaching credit-document restrictions and with QVCG and LINTA facing ongoing cash needs, QVC, Inc. distributed \$800 million up to QVCG, ultimately split (as of December 29, 2022) into \$499 million retained at QVCG and \$301 million pushed down to LINTA.

- Two days earlier, on December 19, 2022, QVC Group's independent financial advisor Kroll, LLC delivered a solvency opinion and presentation to the QVCG board regarding the transfers.

The September 2024 Capital Contribution and Exchange was a pivotal pre-filing transaction, undertaken to make room for an RCF extension: QVC, Inc. exchanged 89% of its 2027 and 2028 Notes for \$605 million of new 6.875% Senior Secured Notes due 2029 plus \$352 million of cash consideration, funded \$75 million from QVC, Inc. cash and \$277 million as a capital contribution from LINTA to QVC, Inc.

- The exchange left approximately \$116 million of 2027 and 2028 stubs on their original covenant and collateral package.
- The Preferred Shareholders dispute this characterization, citing QVC, Inc.'s 2025 10-K which describes the \$277 million as contributed by QVCG via an intermediate transfer to LINTA, implicating a potential QVCG claim against LINTA/QVC that the Intercompany Settlement does not address.

Events Leading to Bankruptcy (cont'd)

2025 Credit Profile Deterioration and Going Concern

S&P Global Ratings downgraded QVC's senior secured rating from 'B-' to 'CCC' on August 26, 2025, citing elevated risk that QVC would pursue a distressed debt exchange ahead of an upcoming maturity and characterizing the Cornerstone Removal and related steps as likely preparation for a debt exchange or balance sheet restructuring tantamount to default. Moody's followed to Caa3 in October 2025.

By year-end 2025, QVC had breached the facility's net-leverage covenant (greater than 4.5 to 1.0 as of December 31, 2025).

KPMG's 2025 audit report included a going concern paragraph citing both the upcoming October 27, 2026 maturity and the covenant breach as raising substantial doubt about the Company's ability to continue as a going concern.

The Company has been in dialogue with Evercore Group L.L.C. on capital-structure matters since Q2 2023, engaged Kirkland & Ellis as restructuring counsel in April 2025, and engaged AlixPartners as financial advisor in May 2025.

- Gray Reed serves as local co-counsel to Kirkland & Ellis; Kroll Restructuring Administration LLC is the claims agent.

Governance Build and Disinterested Directors

Recognizing that any deleveraging would have to resolve the intercompany claims alongside the funded debt, the Debtors seated eight Disinterested Directors across four parallel Governing Bodies between June and November 2025:

- QVCG Special Committee: Carol Flaton and Roger Meltzer (Kobre & Kim LLP); formed June 20, 2025.
- QVC, Inc. board: Paul Keglevic and Jill Frizzley (Katten Muchin Rosenman LLP); constituted September 22, 2025 upon effectiveness of QVC's Amended and Restated Certificate of Incorporation, which terminated QVC's Delaware close corporation status under sole shareholder QRCI.
- LINTA Board of Managers: Eugene Davis and Thomas Walper (Milbank LLP); seated effective October 1, 2025.
- CBI Special Committee: Jonathan Foster and Michael Zendan (Seward & Kissel LLP); directors appointed effective October 1, 2025, with the Special Committee formally constituted November 2, 2025.

Over five months, the Disinterested Directors and their counsel conducted an independent investigation, supported by AlixPartners forensic accounting (2019-2025) and an Evercore solvency analysis (2020-2025), evaluating ten categories of historical intercompany transactions for fraudulent transfer, preference, illegal dividend, and fiduciary-duty exposure.

- Categories included: the 2020 Restructuring and LINTA Promissory Note; 2021 RCF Refinancing; December 2022 \$800 million Cash Management Plan; ~\$586 million of Post-2022 QVC dividends; the Intercompany Tax Sharing Agreement; the Intercompany Shared Services Agreement; Notes Retirements (June 2022 - February 2025); the September 2024 Capital Contribution & Exchange; Cornerstone's April 1, 2025 RCF removal; and the Zulily divestiture.

Intercompany Settlement

The Intercompany Settlement is the load-bearing mechanism of the upper-box waterfall:

- QVC-LINTA Claim receives no distributions: QVC, Inc.'s \$1.74 billion claim against LINTA (the 2020 LINTA Promissory Note, net of an \$85 million December 2021 paydown from its \$1.825 billion face) shall not receive any distributions from the LINTA Debtors or LINTA Distributable Cash; LINTA Debtors waive any and all Intercompany Claims against the other Debtors.
- QVC-QVCG Settlement Claim Allowed at \$400 million (Class A4): QVC, Inc. receives a newly Allowed \$400 million unsecured intercompany claim against QVCG, which sweeps essentially all QVCG Distributable Cash (approximately \$187 million of balance-sheet cash at the holdco) to the operating company.
- LINTA Settlement Cash Pool of \$23.28 million: contributed by non-LINTA Debtors and combined with LINTA's \$88 million of petition-date cash, this funds the LINTA Notes' projected up-to-approximately-7.5% recovery.

The QVC and QVCG Disinterested Directors quantify the QVCG Claims at approximately \$1 billion (low) to \$3 billion (high), comprising ~\$800 million distributed in connection with the 2022 Cash Management Plan, ~\$343 million of Post-2022 Dividends to QVCG, ~\$691 million to \$1.3 billion of Intercompany Tax Sharing Agreement payments, plus potential tax indemnification claims.

Events Leading to Bankruptcy (cont'd)

Preferred / Equity Committee Litigation

Cleary Gottlieb Steen & Hamilton LLP (with McKool Smith PC as local co-counsel), representing an ad hoc group of QVCG Preferred holders, flagged at the April 17, 2026 first-day hearing that the \$400 million Settlement Claim has never been previously disclosed in any of the Debtors' SEC files and that absent the proposed settlement there will be a meaningful recovery to the preferred.

On April 27, 2026, Counsel filed a Rule 2019 verified statement formally identifying the Preferred Shareholders as Cygnus Capital (1,248,003 QVCGP shares plus 1,800 Class A Common shares), William Pulman (150,000 QVCGP), and Kevin Barnes (20,000 QVCGP), an aggregate 1,418,003 preferred shares (~11.1% of the 12.72 million outstanding QVCGP, ~\$141.8 million aggregate liquidation preference at the \$100 liquidation price).

- Concurrent Emergency Motion under Section 1102(a)(2) sought entry of an order directing appointment of an Official Committee of Preferred Equity Security Holders (Doc. 133).

On April 29, 2026, a second Preferred Shareholder Group (Adam Gui, 15,000 QVCGP shares; Kenneth Grossman, 39,331 QVCGP), represented by Glenn Agre Bergman & Fuentes LLP with Kane Russell Coleman Logan PC as local co-counsel, filed a parallel Rule 2019 statement and a Joinder, emphasizing that QVCG holds approximately \$195 million of cash, a 62% CBI equity stake, and zero funded debt, such that QVCG is solvent absent the Intercompany Claim.

On May 1, 2026, Brown Rudnick LLP filed a third Section 1102(a)(2) motion (Doc. 169) on behalf of 14 holders aggregating 864,084 QVCGA Common shares (~10.9% of common) and 3,310 QVCGP, seeking a combined common-and-preferred Official Equity Committee.

At a same-day status conference, Judge Perez directed parties to confer on scheduling a contested evidentiary hearing for the Section 1102(a)(2) motions, tentatively set for May 8, 2026; the U.S. Trustee formally took no position.

- Sussberg signaled the Debtors will put on affirmative evidence supporting the \$400 million Settlement Claim, citing in 2023 \$343 million of dividends and more than \$500 million over the last several years for tax sharing payments over the tax amount that was due, and conceded that if equity holders prevail at confirmation, they can make a substantial contribution claim.
- Sussberg also disclosed that lead Cleary client Cygnus's preferred position grew from approximately 1% in late 2025 to approximately 9% by May 1; Brody's adequate-representation hook is that the QVCG Disinterested Directors couldn't be bothered to talk to any of the preferred holders despite reaching all other constituencies.

Preferred / Equity Committee Litigation (cont'd)

On May 8, 2026, the Preferred Shareholders escalated materially. An Amended Rule 2019 Verified Statement (Doc. 204) consolidated representation under joint Cleary / Glenn Agre / Kane Russell counsel and disclosed twelve institutional holders aggregating approximately 2.81 million QVCGP shares (~22.1% of outstanding), now including Highbridge Tactical Credit (two funds, 356,617 shares), Kawa Fund (402,676), Plum Island Partners (241,081), Converium (179,950), Fore Capital (128,272), and Asterozoa (106,308).

Concurrently, the same counsel filed an Emergency Motion to Terminate Exclusivity at QVCG only under Section 1121(d) (Doc. 205), signaling an Alternative Plan that would fund QVCG's defense of the Alleged Intercompany Claims at no cost to QVCG creditors.

- Plan attacks include: (i) the Plan transfers QVCG's 62% Cornerstone equity stake to QVC for no consideration beyond the \$400 million cash Settlement Claim, a potential best-interests defect given Cornerstone's \$74 million cash, no funded debt, and projected \$30-42 million Adjusted OIBDA through 2029; (ii) the Plan cannot satisfy Section 1129(a)(10) at QVCG because every class is either deemed unimpaired or deemed to reject, while QVC's \$400 million claim is an insider claim under Section 101(31)(E); and (iii) QVCG's Disinterested Directors relied entirely on Evercore (which has advised QVC since Q2 2023) for solvency analysis.
- The motion also flags that the Disclosure Statement's own Liquidation Analysis implies approximately \$168 million of residual cash for Preferred Shareholders absent the Settlement, before crediting the 62% Cornerstone stake or any non-cash assets.

Events Leading to Bankruptcy (cont'd)

Restructuring Support Agreement and Plan Consideration

The Restructuring Support Agreement executed on the Petition Date carries at least 75% of RCF claims (Class B3), at least 55% of QVC Notes (Class B4), and at least 45% of LINTA Notes (Class C3); the descending support stack mirrors descending projected recoveries.

Simpson Thacher's April 30 Rule 2019 (Doc. 168) discloses the RCF Lender Group as twelve members holding \$2,916 million of RCF commitments (~89.7% of the \$3,250 million facility), led by Strategic Value Partners at \$1,042 million (~32% of the facility) and Silver Point Capital at \$412 million.

- Silver Point alone holds across the full cap stack, every QVC Notes series plus 583,700 QVCG Preferred shares (~\$27 million liquidation preference), making it the only cross-class holder among the RCF Members.

The deleveraging cancels the \$2.9 billion drawn RCF, the \$2.146 billion of QVC Notes, and the \$1.485 billion of LINTA Notes, replacing them with \$1.275-\$1.325 billion of Takeback Debt (senior secured, six-year bullet, no amortization, no call protection, 10.00% coupon on the Takeback Notes; Term SOFR + margin sized to 10.00% all-in on the Takeback Term Loans; 100% par change-of-control put on Notes; 2.00% default spread) plus 100% of the QVC New Equity Interests, issued pro rata to B3 and B4.

- Subject to dilution of up to 10% for a post-emergence Management Incentive Plan; no rights offering, no equity commitment, and no backstop.

Class A6 (QVCG Preferred, \$1.272 billion face / aggregate liquidation preference exceeding \$1.4 billion including accrued and unpaid dividends) and Class A7 (QVCG Common) are cancelled for 0% recovery; all general unsecured claims are unimpaired at every Debtor.

An Exit ABL Facility of up to \$750 million is being marketed, alongside a contemplated Syndicated Exit Financing that, if consummated by the Effective Date, would replace the Takeback Debt dollar-for-dollar.

On May 4, 2026, Evercore filed its Valuation Analysis as Exhibit E to the Disclosure Statement: Net Enterprise Value of \$1,850-\$2,250 million (midpoint \$2,050 million) as of an Assumed Effective Date of August 31, 2026, implying an Equity Value of \$998-\$1,398 million (midpoint \$1,198 million) and a blended ~45-53% recovery on Class B3+B4 secured paper.

DIP Structure and First Day Orders

Because the prepetition collateral is limited to the pledge of QVC, Inc. equity, the Debtors' cash is unencumbered; there is therefore no use of cash collateral and no traditional adequate-protection package granted to the prepetition secured lenders.

JPMorgan Chase leads a \$300 million senior secured superpriority DIP letter-of-credit facility (no new money, no revolver) with a five-bank issuing syndicate (JPMorgan, BofA, BNP Paribas, Wells Fargo, Citibank); fully cash-collateralized at 105% by a \$315 million segregated JPMorgan account, absorbing the RCF-issued prepetition LCs and freeing roughly \$49 million of incremental availability.

- Pricing: 2.50% participation fee, 0.50% commitment fee, 0.75% closing fee, 2.00% default spread. The facility terminates on the earlier of October 16, 2026 (six months post-Petition, 11 days before the RCF stated maturity), the Plan Effective Date, dismissal or conversion, a Section 363 sale, or an Event of Default.

Judge Perez granted interim relief on all first-day motions on April 17, 2026, including an All Trade Order capping interim payments at \$317.4 million of an estimated \$426.1 million of total prepetition trade claims (in the ordinary course, not limited to critical vendors) and an interim NOL trading order designed to preserve almost \$5 billion of tax attributes.

The Combined Disclosure Statement and Confirmation Hearing is set for May 26, 2026, with the Debtors' target Emergence / Effective Date of June 8, 2026; the RSA's 90-day plan-effectiveness deadline runs to July 15, 2026 (the separately defined RSA Outside Date is 180 days from the Agreement Effective Date).

Post-emergence capital structure contemplates \$1.275-\$1.325 billion of Takeback Debt against FY 2026E OIBDA of \$602 million, implying gross leverage of approximately 2.1x-2.2x and net leverage in the ~1.2x area assuming the projected year-end cash balance, a meaningful deleveraging from pre-petition levels.