IDW Media Holdings, Inc.
A Delaware Corporation
14144 Ventura Blvd, Suite 210
Sherman Oaks, CA 91423

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SIC Code: 2721

Quarterly Report
For the Period Ending: 04/30/2025 (the "Reporting Period")

As of 04/30/2025 the number of shares outstanding of our Common Stock was:

☐ Class B Common Stock 28,091,535 shares (excluding 519,360 shares of Class B common stock held in treasury)

☐ Class C Common Stock 545,360 shares

As of 10/31/2024 the number of shares outstanding of our Common Stock was:

☐ Class B Common Stock 26,405,192 shares (excluding 519,360 shares of Class B common stock held in treasury)

☐ Class C Common Stock 545,360 shares

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

Item 1 Exact name of the issuer and the address of its principal executive offices.

The name and address of the issuer's principal executive office:

IDW Media Holdings, Inc.
14144 Ventura Blvd, Suite 210
Sherman Oaks, CA 91423
(323) 433-6670
http://www.idwmh.com

The name and email address of the issuer's investor relations contact:

Davidi Jonas
investor.relations@idwmh.com

The address of the issuer's principal place(es) of business:

14144 Ventura Blvd., Suite 210, Sherman Oaks, CA 91423

Item 2 Shares Outstanding.

Class B Common Stock (as of April 30, 2025)

Total shares authorized:	35,000,000
Total shares outstanding:	28,091,535 shares (excluding 519,360 shares in treasury)
Number of shares in the Public Float:	11,279,553
Number of beneficial shareholders owning at least 100 shares:	100+
Total number of shareholders of record:	100+

Class B Common Stock (as of October 31, 2024)

Total shares authorized:	35,000,000
Total shares outstanding:	26,405,192 shares (excluding 519,360 shares in treasury)
Number of shares in the Public Float:	11,758,972
Number of beneficial shareholders owning at least 100 shares:	100+
Total number of shareholders of record:	100+

Class B Common Stock (as of October 31, 2023)

Total shares authorized:	20,000,000
Total shares outstanding:	13,690,431 shares (excluding 519,360 shares in treasury)
Number of shares in the Public Float:	7,757,966
Number of beneficial shareholders owning at least 100 shares:	98
Total number of shareholders of record:	108

Class C Common Stock (as of April 30, 2025, October 31, 2024, and October 31, 2023)

Total shares authorized:	2,500,000
Total shares outstanding:	545,360

Preferred Stock (as of April 30, 2025, October 31, 2024, and October 31, 2023)

Total shares authorized:	500,000
Total shares outstanding:	0

Item 3 Interim Financial Statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	April 30, 2025 (unaudited)	October 31, 2024
Assets		
Current assets:		
Cash	$ 8,516	$ 7,432
Trade accounts receivable, net	2,912	6,269
Inventory	4,869	5,058
Prepaid expenses and other current assets	3,027	3,037
Total current assets	19,324	21,796
Non-current assets		
Property and equipment, net	278	327
Operating lease right-of-use assets, net	430	630
Intangible assets, net	210	305
Goodwill	199	199
Television costs, net	1,343	1,346
Other assets	33	33
Total assets	**$ 21,817**	**$ 24,636**
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 1,157	$ 1,985
Accrued expenses	1,097	1,707
Deferred revenue	26	14
Operating lease obligations – current portion	207	318
Total current liabilities	2,487	4,024
Other liabilities		
Operating lease obligations – long term portion	239	341
Total liabilities	**2,725**	**4,365**
Stockholders' equity (see Note 3):		
Preferred stock, $0.01 par value; authorized shares – 500; no shares issued at April 30, 2025 and October 31, 2024	-	-
Class B common stock, $0.01 par value; authorized shares – 35,000; 28,610 and 26,925 shares issued and 28,092 and 26,405 shares outstanding at April 30, 2025 and October 31, 2024, respectively	286	260
Class C common stock, $0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at April 30, 2025 and October 31, 2024	5	5
Additional paid-in capital	109,508	108,976
Accumulated deficit	(89,512)	(87,774)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at April 30, 2025 and October 31, 2024	(1,196)	(1,196)
Total stockholders' equity	**19,091**	**20,271**
Total liabilities and stockholders' equity	**$ 21,817**	**$ 24,636**

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three Months Ended April 30, 2025	Three Months Ended April 30, 2024	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024
Revenues	$ 4,783	$ 5,698	$ 9,807	$ 11,639
Costs and expenses:				
Direct cost of revenues	2,740	3,496	5,640	6,449
Selling, general and administrative	2,580	3,025	5,911	6,172
Depreciation and amortization	74	78	147	155
Total costs and expenses	5,394	6,599	11,698	12,776
Loss from operations	(611)	(901)	(1,891)	(1,137)
Interest income, net	78	20	153	20
Other expense, net	-	(12)	-	(12)
Net loss	**$ (533)**	**$ (893)**	**$ (1,738)**	**$ (1,129)**
Basic and diluted net loss per share (see Note 2):				
Loss per share	$ (0.02)	$ (0.06)	$ (0.07)	$ (0.08)
Weighted-average number of shares used in the calculation of basic and diluted loss per share:	25,002	13,892	24,522	13,618
Proforma post-split basic and diluted loss per share (See Note 3):	$ (2.13)	$ (6.42)	$ (7.09)	$ (8.31)
Proforma post-split weighted-average number of shares used in the calculation of basic and diluted loss per share:	250	139	245	136

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended April 30, 2025 and 2024
(Unaudited)

	Class B Common Stock		Class C Common Stock				Treasury Stock, at Cost		
(in thousands)	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Additional Paid In Capital**	**Accumulated Deficit**	**Number of Shares**	**Amount**	**Total Stockholders' Equity**
Balance January 31, 2025	26,971	$ 263	545	$ 5	$ 109,153	$ (88,979)	519	$ (1,196)	$ 19,246
Stock based compensation	-	-	-	-	378	-	-	-	378
Issuance of restricted stock	1,640	16	-	-	(16)	-	-	-	-
Other adjustment	-	7	-	-	(7)	-	-	-	-
Net loss	-	-	-	-	-	(533)	-	-	(533)
Balance April 30, 2025	**28,611**	**$ 286**	**545**	**$ 5**	**$ 109,508**	**$ (89,512)**	**519**	**$ (1,196)**	**$ 19,091**
Balance January 31, 2024	17,132	$ 135	545	$ 5	$ 105,511	$ (86,615)	519	$ (1,196)	$ 17,840
Stock based compensation	-	-	-	-	263	-	-	-	263
Issuance of restricted stock	158	31	-	-	(31)	-	-	-	-
Net loss	-	-	-	-	-	(893)	-	-	(893)
Balance April 30, 2024	**17,290**	**$ 166**	**545**	**$ 5**	**$ 105,743**	**$ (87,508)**	**519**	**$ (1,196)**	**$ 17,210**

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Six Months Ended April 30, 2025 and 2024
(Unaudited)

	Class B Common Stock		Class C Common Stock		Additional		Treasury Stock, at Cost		Total
(in thousands)	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Paid In Capital**	**Accumulated Deficit**	**Number of Shares**	**Amount**	**Stockholders' Equity**
Balance October 31, 2024	26,925	$ 260	545	$ 5	$ 108,976	$ (87,774)	519	$ (1,196)	$ 20,271
Stock based compensation	-	-	-	-	558	-	-	-	558
Issuance of restricted stock	1,686	19	-	-	(19)	-	-	-	-
Other adjustment	-	7	-	-	(7)	-	-	-	-
Net loss	-	-	-	-	-	(1,738)	-	-	(1,738)
Balance April 30, 2025	**28,611**	**$ 286**	**545**	**$ 5**	**$ 109,508**	**$ (89,512)**	**519**	**$ (1,196)**	**$ 19,091**
Balance October 31, 2023	14,210	$ 135	545	$ 5	$ 105,243	$ (86,379)	519	$ (1,196)	$ 17,808
Stock based compensation	-	-	-	-	531	-	-	-	532
Issuance of restricted stock	3,080	31	-	-	(31)	-	-	-	-
Net loss	-	-	-	-	-	(1,129)	-	-	(1,130)
Balance April 30, 2024	**17,290**	**$ 166**	**545**	**$ 5**	**$ 105,743**	**$ (87,508)**	**519**	**$ (1,196)**	**$ 17,210**

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024
Operating activities:		
Net loss	$ (1,738)	$ (1,129)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Recoupment of television costs	-	(403)
Impairment of television costs	-	7
Depreciation and amortization	147	156
Loss on disposal of property and equipment	-	12
Bad debt expense	10	-
Stock based compensation	558	531
Amortization of operating lease right-of-use assets	200	73
Changes in operating assets and liabilities:		
Trade accounts receivable	3,414	1,828
Allowance for sales returns	(67)	2
Inventory	189	339
Prepaid expenses and other current assets	10	(657)
Television costs	3	393
Operating lease liability	(212)	(73)
Trade accounts payable	(828)	(945)
Accrued expenses	(611)	(324)
Deferred revenue	12	95
Net cash provided by (used in) operating activities	1,087	(95)
Investing activities:		
Capital expenditures	(3)	(72)
Net cash used in investing activities	(3)	(72)
Net increase (decrease) in cash	1,084	(167)
Cash at beginning of period	7,432	3,599
Cash at end of period	**$ 8,516**	**$ 3,432**

See accompanying notes to condensed consolidated financial statements.

IDW HOLDINGS, INC.
NOTES TO CONDENDED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2025 AND 2024
(Unaudited)

Note 1—Basis of Presentation and Summary of Significant Accounting Policies

Overview

IDW Media Holdings, Inc., a Delaware corporation, ("IDWMH") together with its subsidiaries (collectively, the "Company") is a diversified media company with operations in publishing and television entertainment. The terms "Company," "we," "us," and "our" are used in this report to refer collectively to IDWMH and its subsidiaries through which various businesses are conducted.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all information and footnotes required by U.S. GAAP for complete financial statements. Certain information and footnote disclosures normally included in our annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. In the opinion of management, all adjustments (consisting principally of normal recurring accruals) considered necessary for a fair presentation have been included. Interim results of operations are not necessarily indicative of the results for the full year or for any future period. These financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto which were filed with the OTC Markets Group with our Annual Report for the fiscal year ended October 31, 2024. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. All amounts in these unaudited condensed consolidated financial statements and notes to the unaudited condensed consolidated financial statements are reflected on a consolidated basis for all periods presented.

The Company's fiscal year ends on October 31st. Each reference below to a fiscal year refers to the fiscal year ending in the calendar year indicated (e.g., fiscal 2024 refers to the fiscal year ended October 31, 2024).

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates. The Company has considered information available to it as of the date of issuance of these unaudited condensed consolidated financial statements and is not aware of any specific events or circumstances that would require an update to its estimates or judgements, or an adjustment to the carrying value of its assets or liabilities. The accounting estimates and other matters assessed include but were not limited to the allowance for credit losses, valuation of long-lived assets including intangible assets with finite useful lives and ultimate revenues for television costs, impairment of goodwill and other long-lived assets, and revenue recognition. These estimates may change as new events occur and additional information becomes available. Actual results could differ materially from these estimates.

Risks and Uncertainties

In November 2023, Yemen-based Houthi militia attacks on commercial ships transiting the Red Sea increased significantly, impacting shipping routes. Since a significant portion of our products are printed by Asia-based companies, this has resulted in increased shipping times and costs. The Company has adapted by increasing the lead time before products are sent to printers. Some of the impact has lessened with diplomatic developments, but disruption continues. We continue to closely monitor the situation and work closely with our shipping partners to minimize the impact on operations.

In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine. As a result of this action, various nations, including the United States of America, have instituted economic sanctions against the Russian Federation and Belarus. The sanctions have prevented us from sub-licensing to Russian publishers and contracting with Russian-based creators, though neither have had a material impact on the Company's financial results.

On January 14, 2025, Diamond Comic Distributors, a major distributor of comic books to the direct market, filed for Chapter 11 bankruptcy protection. The Company has not, since June 2022, distributed its products directly through Diamond, but Diamond remained a client of our distributor and customer, Penguin Random House ("PRH"), including for certain of the Company's products. Although Diamond continues to operate following its entry into bankruptcy, its ability to continue to distribute the Company's products is unknown. On May 16, 2025, Diamond announced that the sale of the company and its assets to Ad Populum, and the emergence from bankruptcy, had been completed. On May 21, 2025, PRH announced it will stop distributing through Diamond, effective with on sale date of June 26, 2025. Although some retailers to which we had distributed through Diamond are now distributed directly through PRH, it is unclear if we will find a comprehensive solution for distribution to the segments of the comic retailer market that will not be served by PRH will be found on a timely basis if at all. We estimate that 15-20% of our current direct market sales are to retailers to which we have historically distributed through Diamond.

Recent changes in EU regulations and proposed U.S. tariffs have the potential to materially impact our business. The new EU regulations require all products sold in the EU to be manufactured in the EU or shipped directly from Asia as an effort to reduce carbon footprints. This has the potential to reduce stock availability, increase printing, shipping, and inventory costs. Proposed tariffs could potentially have a material effect on our print costs as all our product is printed outside of the United States. As of the date of this filing, the proposed tariffs announced would not affect our print costs. We continue to monitor the situation and work with our shipping partners and PRH to minimize the impact on operations.

Segment Information

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 280, *Segment Reporting,* establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company's chief operating decision maker is its Chief Executive Officer, who reviews the financial performance and the results of operations of the segments prepared in accordance with U.S. GAAP when making decisions about allocating resources and assessing performance of the Company (see Note 5).

The Company's principal business consists of the following segments:

i. IDWP Publishing ("IDWP"), a publishing company that creates comic books, graphic novels and digital content through its imprints IDW, Top Shelf Productions and Artist's Editions; and

ii. IDW Entertainment ("IDWE"), a production company and studio that develops, produces, and distributes content based on IDWP's original, copyrighted intellectual property ("IP") for a variety of formats including film and television, and seeks other possible opportunities for franchise expansion including role-playing games (RPGs) and beverages.

In the ordinary course of business, the Company's reportable segments enter into transactions with one another. The most common types of intersegment transactions include IDWE obtaining rights to produce television series based on content created by IDWP. All intersegment transactions are eliminated in consolidation and, therefore, do not affect consolidated results.

Cash Equivalents

Cash equivalents consist of liquid investments with original maturities of three months or less.

Trade Accounts Receivable, Net

The Company accounts for its trade accounts receivable under ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, that changed the impairment model for most financial assets and certain other instruments. For receivables, loans and other instruments, entities are required to use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowance for losses. In addition, an entity will have to disclose significantly more information about allowances, credit quality indicators and past due securities.

Trade accounts receivables are recorded at the invoiced amount and are generally unsecured as they are uncollateralized. The Company provides an allowance for doubtful accounts to reduce receivables to their estimated net realizable value. Judgment is exercised in establishing allowances and estimates are based on the customers' payment history and liquidity. Any amounts that were previously recognized as revenue and subsequently determined to be uncollectible are charged to bad debt expense included in selling, general and administrative expense in the accompanying unaudited condensed consolidated statements of operations. The Company had an allowance for credit losses of $745,000 and $0 as of April 30, 2025, and October 31, 2024, respectively.

Inventory

Inventory consists of IDWP's graphic novels and comic books. Inventory is stated at the lower of cost or net realizable value determined by the first in, first out method.

Long-Lived Assets, Including Definite-Lived Intangible Assets

Intangible assets, which consist of licensing contracts and capitalized software, are recorded at cost, and are amortized on a straight-line basis over their contractual or estimated useful lives, whichever is shorter from 5 – 7 years.

In accordance with ASC 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company tests the recoverability of its long-lived assets with finite useful lives whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company tests for impairment based on the projected undiscounted cash flows to be derived from such assets. If the projected undiscounted future cash flows are less than the carrying value of the asset, the Company will record an impairment loss based on the difference between the estimated fair value and the carrying value of the asset. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows from such assets using an appropriate discount rate. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairments in future periods and such impairments could be material. There was no impairment loss of long-lived assets for the three and six months ended April 30, 2025 and 2024.

Goodwill

Goodwill, which represents the excess of purchase prices over the fair value of nets assets acquired, is carried at cost. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment by applying a fair value-based test. Goodwill is evaluated for impairment on an annual basis at a level of reporting referred to as the reporting unit, and more frequently if adverse events or changes in circumstances indicate that the asset may be impaired.

The Company accounts for goodwill impairment under ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which simplifies the measurement of goodwill by eliminating the Step 2 impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The new guidance requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The adoption of the new standard didn't have a material effect on the Company's financial statements. There was no impairment loss of goodwill for the three and six months ended April 30, 2025 and 2024.

Television Costs

Television costs are stated at the lower of cost less accumulated amortization or fair value. The Company evaluates impairment by the fair value of television costs at the individual level by considering expected future revenue generation, when an event or change in circumstances indicates a change in the expected revenue of the television costs or that the fair value of a film or film group may be less than unamortized costs.

IDWE's business model contemplates the regular entry into agreements for the production of its television shows. The agreements generally provide for the rights and obligations related to the agreement including timing, delivery, and payments. IDWE capitalizes the resulting production costs under the agreements in production cost inventory as payments are made or when the products or services are delivered. IDWE also enters into agreements that allow for the recoupment of expenses previously recorded as cost of revenue that could not be reasonably estimated in prior periods. Recoupment of television costs during the three months ended April 30, 2025 and 2024 were $0 and $7,000, respectively. Recoupment of television costs during the six months ended April 30, 2025 and 2024 were $0 and $403,000, respectively. All prior costs were recouped as of October 31, 2024. For the three and six months ended April 30, 2025, and all future periods, receipts are/will be recorded as revenue.

Revenue Recognition When Right of Return Exists

IDWP's book market distributors offer a right of return to retail customers with no expiration date in accordance with general industry practices. IDWP generally does not offer the right of return on the sale of comic books. Sales returns allowances represent a reserve for IDWP products that may be returned due to dating, competition or other marketing matters, or certain destruction in the field. Sales returns are generally estimated and recorded based on historical sales and returns experience and current trends that are expected to continue. As of April 30, 2025 and October 31, 2024, the Company's reserves for estimated returns were $120,000 and $187,000, respectively.

Deferred Revenue

The Company records deferred revenue upon invoicing for contracted commitments for products and services. Revenue is recognized on the date such product or service is provided or delivered in accordance with the contract.

Recognition of deferred revenue was $56,000 and $194,000 during the three months ended April 30, 2025, and 2024, respectively and $139,000 and $205,000 during the six months ended April 30, 2025, and 2024, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation granted to its employees in accordance with the fair value recognition provisions of ASC 718, *Stock Compensation*. Stock-based compensation expense is measured at the date of grant, based on the fair value of the award, and is recognized using the straight-line method over the employee's vesting period or requisite service period. Compensation for stock-based awards with vesting conditions other than service are recognized at the time that those conditions are achieved. Forfeitures are recognized as they are incurred. Stock-based compensation is included in selling, general and administrative expenses.

Concentration Risks

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, cash equivalents, and trade accounts receivable. The Company holds cash at major financial institutions, which often exceed Federal Deposit Insurance Corporation's insurance limits. Historically, the Company has not experienced any losses due to such concentration of credit risk.

IDWP has one significant customer, PRH, that poses a concentration risk.

Revenues from PRH, IDWP's book market and direct market distributor, represented 80.4% and 85.8% of IDW's total consolidated revenue for the three months ended April 30, 2025 and 2024, respectively, and 84.1% and 88.6% of IDW's total condensed consolidated revenue for the six months ended April 30, 2025 and 2024, respectively. The receivable balances from PRH represented 90.7% and 80.3% of IDW's consolidated receivables at April 30, 2025 and October 31, 2024, respectively.

IDWE has no significant customers that pose a concentration risk.

Contingencies

The Company accrues for loss contingencies when both (a) information available prior to issuance of the unaudited condensed consolidated financial statements indicates that it is probable that a liability had been incurred at the date of the unaudited condensed consolidated financial statements and (b) the amount of loss can reasonably be estimated. When the Company accrues for loss contingencies and the reasonable estimate of the loss is within a range, the Company records its best estimate within the range. When no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount in the range. The Company discloses an estimated possible loss or a range of loss when it is at least reasonably possible that a loss may have been incurred. Gain contingencies are not recorded until they are realized.

As a result of the bankruptcy of Diamond Comic Distributors, as discussed in Note 1 above, the Company recorded a loss contingency of $745,000 at the time the amount could be reasonably estimated.

Fair Value of Financial Instruments

The estimated fair value of financial instruments has been determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting this data to develop estimates of fair value. Consequently, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange.

At April 30, 2025 and October 31, 2024, the carrying value of the Company's current assets of trade accounts receivable, inventory, prepaid expenses and other current assets, trade accounts payable, accrued expenses, production costs payable, and deferred revenue approximated fair value because of the short period of time to maturity. At April 30, 2025 and October 31, 2024, the carrying value of the Company's operating lease obligations approximate fair value as the interest rates related to the financial instruments approximate market yields.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires all public entities to provide enhanced disclosures about significant segment expenses and other segment items on an annual and interim basis. The amendments in this ASU are to be applied retrospectively and are effective for the Company's annual financial statements ending on October 31, 2025 and interim periods starting in fiscal year 2026, with early adoption permitted. The adoption of this pronouncement is not expected to have a material impact on its consolidated financial statement other than increased financial statement disclosures as required.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid and to improve the effectiveness of income tax disclosures. This pronouncement is effective for fiscal years beginning after December 15, 2024 and will be effective for the Company for year ending October 31, 2026. Early adoption is permitted on either a prospective or retrospective basis. The Company is in the process of determining the potential impact of adopting this guidance on its financial position, results of operations, cash flow and disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, and in January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. The pronouncement requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement, but it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The ASU may be applied prospectively or retrospectively and is effective for fiscal years beginning after December 15, 2026 and for the interim periods beginning after December 15, 2027. Early adoption is permitted on either a prospective or retrospective basis. The ASU is effective for the Company's fiscal year ending October 31, 2028, and for the interim period beginning November 1, 2028. The Company is currently evaluating this pronouncement and the impact it may have on its financial position, results of operations, cash flow and disclosures.

Management does not believe that any other recently issued, but not yet effective, accounting standard, if currently adopted, would have a material effect on the accompanying unaudited condensed consolidated financial statements.

Note 2—Loss Per Share

Basic loss per common share is computed by dividing net loss allocated to common stockholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of calculating diluted earnings (loss) per common share, the denominator includes both the weighted-average number of shares of common stock outstanding during the period and the number of common stock equivalents if the inclusion of such common stock equivalents is dilutive. Dilutive common stock equivalents potentially include unvested Class B common stock and stock options using the treasury stock method.

As discussed in Note 3 below, the Company has issued and outstanding shares of Class B common stock and Class C common stock. Because the only differences between the two classes of common stock are related primarily to voting rights, the Company has not presented earnings per share under the two-class method, as the earnings per share are the same for both Class B common stock and Class C common stock.

The Company excluded 2,188,267 and 2,669,391 shares of unvested restricted Class B common stock, and options to purchase 62,737 and 1,608,191 shares of Class B common stock from the calculation of diluted loss per share for the three and six months ended April 30, 2025 and 2024, respectively, as due to the Company's net loss during each of those periods, the effect would have been anti-dilutive. Therefore, basic and diluted loss per share are the same for the three and six months ended April 30, 2025 and 2024.

Note 3—Equity

Voting Privileges and Protective Features

Shares of Class B common stock and Class C common stock are identical, except for voting rights. Each holder of outstanding shares of Class B common stock is entitled to cast the number of votes equal to one tenth of the whole shares of Class B common stock held by such holder. Each holder of outstanding shares of Class C common stock is entitled to cast the number of votes equal to three times the whole shares of Class C common stock held by such holder. Each series of preferred stock, if any, are designated and issued, will have such number of shares, designations, preferences, voting powers, qualifications and special or relative rights or privileges as shall be determined by the Company's Board of Directors, which may include, among others, dividends, voting rights, and liquidation preferences.

Reverse Stock Split

On April 7, 2025, the Company's Board of Directors approved a reverse stock split of the Company's Class B Common Stock, Class C Common Stock, and Preferred Stock, which was subsequently approved by the holder of shares of Class B common stock and Class C common stock that constitute a majority of the combined voting power of the Company's outstanding capital stock ("Majority Stockholder") via written consent on April 8, 2025 (the "Reverse Stock Split"). The Company is currently seeking the approval of various third parties who must approve the Reverse Stock Split for it to be effectuated, and the Company expects to consummate the Reverse Stock Split in the third quarter of the current fiscal year. The exact date of the Reverse Stock Split will be confirmed by the Company in a subsequent public announcement. Under the Reverse Stock Split, every one hundred (100) shares of each class of stock will be combined into one (1) share of the same class. Stockholders entitled to fractional shares will receive a cash payment in lieu of such fractional shares, calculated based on the fair market value as of the effective date of the Reverse Stock Split, as determined by the Board of Directors. Concurrently with consummation of the Reverse Stock Split, the Company will amend and restate its Certificate of Incorporation to reduce the total number of authorized shares of all classes of capital stock from 38,000,000 to 380,000, consisting of 350,000 shares of Class B Common Stock, 25,000 shares of Class C Common Stock, and 5,000 shares of Preferred Stock, each with a par value of $0.01 per share. The reverse stock split will not impact the total dollar value of stockholders' equity, though the par value per share will remain unchanged at $0.01. The Reverse Stock Split is currently under review by the Financial Industry Regulatory Authority (FINRA) and is expected to be deemed effective at some point after the filing of this report, with the exact date to be confirmed in a subsequent announcement.

Note 4—Stock Based Compensation

2019 Stock Option and Incentive Plan

On March 14, 2019, the Company's Board of Directors adopted the 2019 IDW Stock Option and Incentive Plan ("2019 Incentive Plan") to provide incentives to executive officers, employees, directors, and consultants of the Company and/or its subsidiaries originally and reserved 300,000 shares of Class B common stock for the grant of awards under the 2019 Incentive Plan, subject to adjustment. Incentives available under the 2019 Incentive Plan may include stock options, stock appreciation rights, limited stock appreciation rights, restricted stock, and deferred stock units. The number of shares reserved has been increased several times and is currently 2,550,000 shares. Options are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant; those options generally vest based on 3 years of continuous service and have 10-year contractual terms. As of April 30, 2025, 310,995 shares remained available to be awarded under the 2019 Incentive Plan.

On January 7, 2024, the Company issued options to its CEO to acquire 1,545,454 shares of its Class B common stock at a price of $0.4342 per share. The options were exercisable as follows: (a) 230,308 on each of January 8, 2024, January 2, 2025, January 2, 2026, January 2, 2027, January 2, 2028 and January 2, 2029 and (b) 163,606 on January 2, 2030. On February 17, 2025, the options were terminated upon agreement of the Company and the CEO.

Restricted Stock

The fair value of restricted shares of the Company's Class B common stock is determined based on the closing price of the Company's Class B common stock on the grant date. Share awards generally vest on a graded basis over three years of service.

A summary of the status of the Company's grants of restricted shares of Class B common stock is presented below:

	Number of Non-vested Shares	Weighted Average Grant Date Fair Value
Outstanding at October 31, 2024	2,907,348	$ 0.60
Granted	1,640,191	0.18
Vested	(2,359,272)	0.35
Canceled / Forfeited	-	-
Non-vested shares at April 30, 2025	**2,188,267**	**$ 0.55**

On January 6, 2025, 46,152 restricted shares of the Company's Class B common stock were issued to members of the Company's Board of Directors which vested immediately upon grant.

On February 17, 2025, the Company issued 1,545,454 restricted shares of the Company's Class B common stock to the Company's CEO. The restricted shares vest, contingent on the CEO's remaining in continuous service to the Company, as follows:

- 1,081,8181 restricted shares vested on March 31, 2025,
- 231,818 restricted shares to vest on March 31, 2026, if the Company's reported cash flow from operations in fiscal 2025 shall equal at least 110% of the cash flow from operations reported for fiscal 2024, and
- 231,818 restricted shares to vest on March 31, 2027, if the Company's reported cash flow from operations in fiscal 2026 shall equal at least 110% of the Base Cash Flow, defined as the greater of the Company's cash flow from operations for fiscal year 2024 and fiscal year 2025.

On April 7, 2025, 94,737 restricted shares of the Company's Class B common stock were issued to members of the Company's Board of Directors which vested immediately upon grant.

Stock based compensation for stock options and restricted stock issued to employees and non-employees included in selling, general and administrative expenses was $378,000 and $263,000 during the three months ended April 30, 2025 and 2024, respectively, and $558,000 and $531,000 during the six months ended April 30, 2025 and 2024, respectively.

Note 5—Business Segment Information

The Company has the following reportable business segments: IDWP and IDWE.

The Company's reportable segments are distinguished by types of service, customers and methods used to provide their services. The operating results of these business segments are regularly reviewed by the Company's chief operating decision maker. The Company evaluates the performance of its business segments based primarily on operating income. The accounting policies of the segments are the same as the accounting policies of the Company as a whole.

The Company allocates its entire corporate overhead incurred by IDWMH to IDWP and IDWE with 95% of IDWMH costs allocated to IDWP and 5% allocated to IDWE.

Operating results and assets for the business segments of the Company are as follows:

(in thousands)	IDWP	IDWE[(a)]	Total
Three months ended April 30, 2025			
Revenues from external customers	$ 4,692	$ 91	**$ 4,783**
Direct cost of revenues	(2,722)	(18)	**(2,740)**
Selling, general and administrative	(2,185)	(17)	**(2,202)**
Stock based compensation	(359)	(19)	**(378)**
Depreciation and amortization	(73)	(1)	**(74)**
Income (loss) from operations	(647)	36	**(611)**
Interest income	78	-	**78**
Net income (loss)	(569)	36	**(533)**
Three months ended April 30, 2024			
Revenues from external customers	$ 5,603	$ 95	**$ 5,698**
Direct cost of revenues	(3,442)	(54)	**(3,496)**
Selling, general and administrative	(2,662)	(100)	**(2,762)**
Stock based compensation	(250)	(13)	**(263)**
Depreciation and amortization	(77)	(1)	**(78)**
Loss from operations	(828)	(73)	**(901)**
Interest income (expense)	15	(7)	**8**
Net loss	(813)	(80)	**(893)**

(in thousands)	IDWP	IDWE[(a)]	Total
Six months ended April 30, 2025			
Revenues from external customers	$ 9,640	$ 167	**$ 9,807**
Direct cost of revenues	(5,575)	(65)	**(5,640)**
Selling, general and administrative	(5,265)	(88)	**(5,353)**
Stock based compensation	(530)	(28)	**(558)**
Depreciation and amortization	(145)	(2)	**(147)**
Loss from operations	(1,875)	(16)	**(1,891)**
Interest income	153	-	**153**
Net loss	(1,722)	(16)	**(1,738)**
Six months ended April 30, 2024			
Revenues from external customers	$ 11,517	$ 122	**$ 11,639**
Recoupment (direct cost) of revenues	(6,747)	298	**(6,449)**
Selling, general and administrative	(5,433)	(207)	**(5,640)**
Stock based compensation	(506)	(26)	**(532)**
Depreciation and amortization	(152)	(3)	**(155)**
Income (loss) from operations	(1,321)	184	**(1,137)**
Interest income (expense)	16	(8)	**8**
Net income (loss)	(1,305)	176	**(1,129)**

(a) IDWE includes Thought Bubble LLC and Word Balloon LLC which consist of only television costs.

Total Assets

At April 30, 2025 total assets were $11,237,000 at IDWP, $1,439,000 at IDWE, and $9,141,000 at IDWMH.

At October 31, 2024 total assets were $14,669,000 at IDWP, $1,508,000 at IDWE, and $8,459,000 at IDWMH.

Note 6—Trade Accounts Receivable and Deferred Revenue

Trade accounts receivable consists of the following:

(in thousands)	April 30, 2025	October 31, 2024
Trade accounts receivable	$ 3,032	$ 6,456
Less allowance for sales returns	(120)	(187)
Trade accounts receivable, net	**$ 2,912**	**$ 6,269**

The decrease in trade accounts receivable is due primarily to decreased PRH sales related to the seasonal nature of our business, and collection of amounts that were owing from Scholastic Book Fairs. Additionally, the trade accounts receivable balance as of April 30, 2025 reflects an allowance for credit loss of $745,000 related to the Diamond Comic Distributors bankruptcy, as discussed in Note 1 above.

The allowance for sales returns for the periods ended April 30, 2025 and October 31, 2024 are as follows:

(in thousands)	Six Months Ended April 30, 2025	Year Ended October 31, 2024
Beginning Balance	$ (187)	$ (114)
Charged to costs and expenses	(687)	(1,657)
Deductions from allowance	754	1,584
Ending Balance	**$ (120)**	**$ (187)**

Changes in deferred revenue consist of the following:

(in thousands)	Six Months Ended April 30, 2025	Year Ended October 31, 2024
Beginning Balance	$ 14	$ 11
Performance obligations satisfied during the period that were included in the deferred revenue balance at the beginning of the year	(14)	(11)
Increases due to invoicing prior to satisfaction of performance obligations	26	14
Ending Balance	**$ 26**	**$ 14**

Contract liabilities are recorded as deferred revenue when customer payments are received in advance of the Company meeting all the revenue recognition criteria under ASC 606. Generally, the remaining performance obligations will be satisfied within twelve months after prepayment. During the six months ended April 30, 2025, significant changes in the deferred revenue balances were the result of net cash received for comic books prior to their on-sale date.

Note 7— Inventory

Inventory consists of the following:

(in thousands)	April 30, 2025	October 31, 2024
Work in progress	$ 751	$ 750
Finished goods	4,118	4,308
Total	**$ 4,869**	**$ 5,058**

Note 8—Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

(in thousands)	April 30, 2025	October 31, 2024
Royalties and deposits	$ 2,791	$ 2,724
Insurance	79	172
Tradeshows	59	7
Legal	23	23
Other prepaids	75	111
Total	**$ 3,027**	**$ 3,037**

Note 9—Property and Equipment

Property and equipment consist of the following:

(in thousands)	April 30, 2025	October 31, 2024
Equipment	$ 332	$ 328
Furniture and fixtures	157	157
Leasehold improvements	188	188
Total	677	673
Less accumulated depreciation	(399)	(346)
Property and equipment, net	**$ 278**	**$ 327**

Depreciation expense totaled $27,000 and $38,000 for the three months ended April 30, 2025 and 2024, respectively, and $53,000 and $78,000 for the six months ended April 30, 2025 and 2024, respectively. During the six months ended April 30, 2025, the Company did not dispose of any computers, furniture, or other equipment.

Note 10—Intangible Assets

Intangible assets consist of the following:

(in thousands)	Amortization Period	April 30, 2025	October 31, 2024
Licensing contracts	7 years	$ 893	$ 893
Software	5 years	662	662
Total amortized intangible assets		1,555	1,555
Less accumulated amortization		(1,345)	(1,250)
Intangible assets, net		**$ 210**	**$ 305**

Amortization expense totaled $47,000 and $39,000 for the three months ended April 30, 2025 and 2024, respectively, and $94,000 and $78,000 for the six months ended April 30, 2025 and 2024, respectively.

As of April 30, 2025, the estimated amortization expense for intangible assets for each of the succeeding three years is as follows (excludes in process intangible assets):

(in thousands)	
Fiscal years ending October 31:	
Remainder of 2025	$ 83
2026	111
2027	16
Total	**$ 210**

Note 11—Television Costs

Television costs consist of the following:

(in thousands)	April 30, 2025	October 31, 2024
In-production	$ -	$ -
In-development	1,343	1,346
Total	**$ 1,343**	**$ 1,346**

	Three Months Ended		Six Months Ended	
(in thousands)	April 30, 2025	April 30, 2024	April 30, 2025	April 30, 2024
Television cost (recoupment) amortization	$ -	$ (7)	-	(403)
Television cost impairments	-	6	15	6
Total	**$ -**	**$ (1)**	**16**	**(397)**

During the three and six months ended April 30, 2025, the Company recouped $0 of costs previously expensed. All prior costs were recouped as of October 31, 2024. For the three and six months ended April 30, 2025 and all future periods, receipts are recorded as revenue. During the three and six months ended April 30, 2024, the Company recouped $7,000 and $403,000, respectively, of costs previously expensed. Amortization expense for television costs is expected to be $0 over the remaining six months of fiscal 2025. As a result of management's period assessment of in development projects, $0 and $6,000 of write-offs were recorded during the three months ended April 30, 2025 and 2024, respectively, and $16,000 and $6,000 of write-offs were recorded during the six months ended April 30, 2025 and 2024, respectively.

Note 12—Accrued Expenses

Accrued expenses consist of the following:

(in thousands)	April 30, 2025	October 31, 2024
Royalties	$ 421	$ 627
Residuals	37	22
Payroll, bonus, accrued vacation and payroll taxes	437	666
Coop advertising	129	144
Other	73	248
Total	**$ 1,097**	**$ 1,707**

Note 13—Commitments

Lease Commitments

The Company has various lease agreements, primarily leases of office space and also including equipment leases, with remaining terms up to 2.25 years. Some leases include options to purchase, terminate or extend for one or more years. These extension options are included in the lease term when it is reasonably certain that the option will be exercised.

The assets and liabilities from operating leases are recognized at the commencement date based on the present value of remaining lease payments over the lease term using the Company's secured incremental borrowing rates or implicit rates, when readily determinable. Short-term leases, which have an initial term of 12 months or less, are not recorded on the balance sheet.

The Company's operating leases do not provide an implicit rate that can readily be determined. Therefore, the Company estimated its incremental borrowing rate to discount the lease payments based on information available at either the implementation date of Topic 842 or at lease commencement for leases entered thereafter.

On April 5, 2022, the Company entered into an operating lease for 3,334 square feet of general office space at 2355 Northside Drive, Suite 140, San Diego, CA pursuant to a 39-month lease that commenced on June 1, 2022. In August, 2024, the Company vacated the office with the intention of reducing costs compared to the remaining costs associated with the lease. On February 11, 2025, the Company entered into a settlement agreement for $60,000 with the Landlord and was released from all future liabilities.

On June 27, 2022, the Company entered into an operating lease for 4,734 square feet of general office space at 14144 Ventura Blvd, Suite 210, Sherman Oaks, CA pursuant to a 60-month lease that commenced on August 1, 2022. The Company pays rent of $184,000 annually, subject to annual escalations of 3%.

On July 16, 2024, the Company entered into an operating lease for 1,012 square feet of general office space at 2831 Camino Del Rio S, Suite 203, San Diego, CA pursuant to a 24-month lease that commenced on August 1, 2024. The Company pays rent of $28,000 annually, subject to annual escalations of 4%.

In addition, the Company is leasing various equipment under operating leases that expire through September 2025.

The Company's weighted-average remaining lease term relating to its operating leases is 2.13 years, with a weighted-average discount rate of 6.03% as of April 30, 2025.

The Company recognized lease expense for its operating leases of $59,000 and $84,000 for the three months ended April 30, 2025 and 2024, respectively, and $149,000 and $169,000 for the six months ended April 30, 2025 and 2024, respectively. The cash paid under operating leases was $59,000 and $84,000 for the three months ended April 30, 2025 and 2024, respectively, and $84,000 and $171,000 for the six months ended April 30, 2025 and 2024, respectively.

At April 30, 2025, the Company had a right-of-use-asset related to operating leases of $1,725,000 and accumulated amortization related to operating leases of $1,295,000, both of which are included as a component of operating lease right-of-use assets. At October 31, 2024, the Company had a right-of-use-asset related to operating leases of $2,079,000 and accumulated amortization related to operating leases of $1,449,000.

As of April 30, 2025, future minimum lease payments required under operating leases are as follows:

Maturity of Lease Liability (in thousands)	**Total**
Fiscal years ending October 31:	
Remainder of 2025	$ 118
2026	213
2027	145
Total minimum lease payments	476
Less: imputed interest	(30)
Present value of future minimum lease payments	**$ 446**
Current portion	**$ 207**
Long-term portion	**$ 239**

Note 14—Income Taxes

The Company recorded no income tax expense for the three and six months ended April 30, 2025 and 2024 because the estimated annual effective tax rate was zero. In determining the estimated annual effective income tax rate, the Company analyzes various factors, including projections of the Company's annual earnings and taxing jurisdictions in which the earnings will be generated, the impact of state and local income taxes, the ability to use tax credits and net operating loss carry forwards, and available tax planning alternatives.

As of April 30, 2025, and October 31, 2024, the Company provided a full valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that its deferred tax assets will not be realized.

Note 15—Related Party Transactions

On April 5, 2022, the Company entered into an employment agreement with Howard Jonas which provides, among other things, the following: (i) an annual base salary of $400,000 for a term of five years (the "Initial Term") that was paid through the issuance of 1,104,972 pre-split (11,050 post-split) restricted shares of Class B Common Stock with the value of the shares based upon the closing price of Class B Common Stock on the NYSE American on April 4, 2022, the trading day immediately preceding the issuance equal to $2 million representing Howard Jonas' base salary for the entire Initial Term; (ii) such shares shall vest, contingent on Howard Jonas' remaining in continuous service to the Company, in substantially equal amounts on April 5, 2023, April 5, 2024, April 5, 2025, April 5, 2026 and April 5, 2027; (iii) if Howard Jonas' employment is terminated without cause (as such term is defined the Employment Agreement), or if Howard Jonas resigns for good reason (as such term is defined the Employment Agreement) or upon Howard Jonas's death or disability (as such term is defined in the Employment Agreement) and upon other conditions set forth in the Employment Agreement, Howard Jonas will be entitled to (1) severance in the amount equal to twelve (12) months of any cash portion of his base salary; and (2) any restrictions with respect to any equity grants shall lapse, and any unvested equity grants in the Company or its subsidiaries shall vest. The Company and Howard Jonas also entered into a Restricted Stock Agreement on April 5, 2022 in connection with the issuance to him of such 1,104,972 pre-split (11,050 post-split) restricted shares of Class B Common Stock.

The Company receives consulting services from an affiliate of Howard Jonas and previously leased office space on a month-to-month basis, which ended April 30, 2024. The Company incurred $0 and $3,000 of expenses for these services in the three months ended April 30, 2025 and 2024, respectively, and $0 and $3,000 for the six months ended April 30, 2025 and 2024, respectively.

Note 16—Subsequent Events

The Company has evaluated subsequent events through June 12, 2025, the date on which the unaudited condensed consolidated financial statements were issued. There were no material subsequent events that require recognition or additional disclosures in these unaudited condensed consolidated financial statements.

Item 4 Management's Discussion and Analysis or Plan of Operation

The following information should be read in conjunction with accompanying unaudited condensed consolidated financial statements and the associated notes thereto of this report, and our Management's Discussion and Analysis of Financial Condition and Results of Operations which were filed with the OTC Markets Group with our Annual Report for the fiscal year ended October 31, 2024.

OVERVIEW

We were incorporated in the State of Delaware in May 2009.

In 2009, IDT Corporation, our former parent corporation, completed a tax-free spinoff of the Company through a pro rata distribution of our common stock to IDT's stockholders.

Our Class B common stock is quoted on the OTCQB Venture Market on the OTC Markets.

Our principal businesses include:

- IDW Publishing ("IDWP"), an award-winning publisher founded in 1999, creates comic books, graphic novels and digital content through its imprints IDW, Top Shelf Productions and Artist's Editions; and

- IDW Entertainment ("IDWE") is a production company and studio that develops, produces and distributes content based on IDWP's original, copyrighted intellectual property ("IP") for a variety of formats including film and television, and seeks other possible opportunities for franchise expansion including role-playing games (RPGs) and beverages.

Business Description

IDW Publishing

There are two primary sources of the content that IDWP develops, publishes, and exploits across a range of distribution channels:

- Content that has already been successfully exploited in other media by the owners/holders of the subject intellectual property, such as Paramount (*Teenage Mutant Ninja Turtles, Star Trek*), Hasbro (*My Little* Pony), Sega (*Sonic*), Toho (*Godzilla*), DC Comics and Marvel or which content is based on "celebrity" developed storylines such as *March* (story of the late Congressman Lewis's involvement in the civil rights March on Selma) and *They Called Us Enemy* (the story of George Takei's experience in internment camps in the US during WWII) ("Licensed Content").

- Content that marks its debut to the consuming public via IDWP's published products, inclusive of IDW imprints including IDW Dark and Top Shelf ("Controlled Content"). Controlled Content is developed from a diverse lineup of writers and illustrators creating content across all genres and for all age groups. The creators include top-tier talent such as *New York Times* bestselling writers like Scott Snyder on *Dark Spaces: Dungeon*, Stephen Graham Jones on *Earthdivers*, and G. Willow Wilson on *The Hunger and the Dusk*, in addition to up-and-coming talent with the goal of creating the bestsellers of tomorrow. Published in 2023, *Beneath The Trees Where Nobody See* garnered massive acclaim industry-wide, bringing new attention to IDWP's Controlled Content.

IDWP's largest product group is the publication of comic book and trade paperback products, both of which are primarily distributed through four channels: (i) to comic book specialty stores (the "direct market"); (ii) to traditional retail outlets, including bookstores and mass market stores, on a returnable basis (the "book market"); (iii) direct-to-consumer sales through the Company's website and app, and (iv) to e-book distributors ("digital publishers"). IDWP's publications are widely available digitally through popular distributors such as Amazon, Apple iBooks, Google Play, Hoopla, Overdrive, Zinio, and via IDWP's own webstore at idwpublishing.com and its own app. Through the direct market and book market, IDWP, including its imprints, sold over 4.3 million units in fiscal 2024 and is regularly recognized as one of the nation's largest publishers in the comics & graphic novels category.

IDWP is an award-winning publisher of comic books, graphic novels, and art books through its IDW and Top Shelf Productions imprint. Founded in 1999, it has a long tradition of supporting original, powerful creator-driven titles. In 2002, IDWP published *30 Days of Night* by Steve Niles and Ben Templesmith, followed by other horror titles that helped kickstart a resurgence in horror-comic publishing across the industry. Since then, IDWP has significantly diversified its publications. Joe Hill and Gabriel Rodríguez's *Locke & Key*, Jonathan Maberry's *V Wars*, Beau Smith's *Wynonna Earp*, Alan Robert's *The Beauty of Horror* adult coloring books, and Darwyn Cooke's graphic novel adaptations of Richard Stark's Parker novels are just a few of the thousands of award-winning titles published since its inception.

Top Shelf Productions is known for publishing graphic novels of literary significance including the #1 *New York Times* and *Washington Post* bestselling trilogy, *March*, by Congressman John Lewis, Andrew Aydin, and Nate Powell. *March* is the only graphic novel to have won the National Book Award and is one of the most taught graphic novels in schools. In July 2019, Top Shelf Productions released George Takei's graphic memoir, *They Called Us Enemy*, which debuted at #2 on the *New York Times* Paperback Nonfiction Best Sellers list and as a #1 bestseller on Amazon. Both titles are now perennial bestsellers and are considered two of the finest non-fiction graphic novels. Other iconic Top Shelf Productions titles include Kim Dwinell's *Surfside Girls*, Jeff Lemire's *Essex County* and *The Underwater Welder*, Hannah Templar's *Cosmoknights*, Lana Moore and Eddie Campbell's *From Hell*, and Alan and Steve Moore's *The Moon and Serpent Bumper Book of Magic.*

In addition to its core of creator-driven franchises, IDWP partners with the owners of major licensed brands to publish many successful licensed titles, including Viacom International Inc's *Teenage Mutant Ninja Turtles and Star Trek;* Sega's *Sonic The Hedgehog;* Toho's *Godzilla;* and Hasbro's *My Little Pony*. These licensed titles bring with them diverse built-in audiences and build cache and retailer support for IDWP. With licensed franchises, IDWP's strategy is to focus not only on licenses that have eager, built-in fan followings, but also ongoing licensor support through other channels, such as toys, animation, and film. This strategy enables IDWP to expand its audience reach and to pursue sub-license opportunities with foreign publishers. IDWP also collaborates with other comic book publishers to co-publish certain titles, including *Batman vs. Teenage Mutant Ninja Turtles and Locke & Key/The Sandman Universe: Hell & Gone* (with DC Comics), *Rick & Morty vs. Dungeons & Dragons* (with Oni Press, Inc.), *Teenage Mutant Ninja Turtles vs. Power Rangers* (with Boom Studios) and *Teenage Mutant Ninja Turtles vs. Master of the Universe* (with Dark Horse Comics, LLC).

IDW Originals, launched in July 2022, is a line of original comics and graphic novels from a diverse lineup of writers and artists creating content across all genres and for all age groups. IDW Originals works with top-tier talent including *New York Times* bestselling writers like Scott Snyder on *Dark Spaces: Wildfire*, Stephen Graham Jones on *Earthdivers*, and G. Willow Wilson on *The Hunger and the Dusk*, in addition to up-and-coming talent with the goal of creating the bestsellers of tomorrow. In 2023 IDW Originals launched *Beneath The Trees Where Nobody Sees*, garnering massive acclaim industry wide and bringing new attention to the IP line. IDW Originals is also focused on creating IP that can be exploited across multiple media platforms.

IDW Dark, launched in October 2024, is a line of creator-owned and licensed titles focusing on horror and suspense. Initial titles to be included are Paramount's *A Quiet Place*, *Smile*, *Twilight Zone*, *Sleepy Hollow*, and *Event Horizon*, a continuation of the popular *30 Days of Night* series, and the sequel to the breakout hit *Beneath The Trees Where Nobody Sees* with *Beneath The Trees Where Nobody Sees: Rite Of Spring* by Patrick Horvath.

IDWP is also home to Artist's Editions, which publishes oversized deluxe hardcovers featuring scans of original art printed at the same size they were drawn with the distinctive creative nuances that make original art unique. Some of the standout Artist's Editions titles include *Best of DC War*, John Byrne's *X-Men,* Jim Lee's *DC Legends*, Chris Samnee's *Black Widow,* and David Mazzucchelli's *Batman Year One*.

Many of IDWP's titles are available worldwide through foreign licensing agreements, with over 600 titles available in approximately 60 territories and 25 languages. Penguin Random House ("PRH") serves as the exclusive worldwide distributor for all IDWP products including newly published and backlist comic book periodicals, trade collections, and graphic novels to the direct market comic shops.

To further expand and build creator-owned properties beyond publishing, IDWP works with IDWE, as well as other outside partners, to bring Creator Content franchises to television and film through licensing arrangements.

To expand its business and compete with other industry participants, IDWP continues to focus on launching new Controlled Content and Licensed Content. IDWP is expanding the reach of existing and new products through the development of specialty, library, and education markets; increased direct-to-consumer initiatives; and broadening the reach of Creator Content series through licensing opportunities.

IDWP's revenues represented 98.1% and 98.3% of our consolidated revenues in the three months ended April 30, 2025 and 2024, respectively and 98.3% and 99.0% in the six months ended April 30, 2025 and 2024, respectively.

IDW Entertainment

IDWE develops, produces, and distributes content based on IDWP's Controlled Content for a variety of formats including film and television, and seeks other possible opportunities for franchise expansion including role-playing games (RPGs), plushies, and beverages.

IDWE was formed on September 20, 2013 to leverage Controlled Content into television series, features, and other forms of media by developing and producing original content. IDWE maintains a development slate of properties based on IDWP properties for the adult series/features marketplace and the kids, family, and animation spaces.

IDWE has developed and/or produced a number of series for television:

- *Locke & Key* premiered on Netflix on February 7, 2020. The show is based on the critically acclaimed graphic novels of the same name of Joe Hill and Gabriel Rodriguez published by IDWP. Season two premiered October 22, 2021, landing in the Top 10 on Netflix's global TV charts in over 81 countries, and season three premiered August 10, 2022 on Netflix.

- *Surfside Girls* is based on the Top Shelf graphic novel of the same name and premiered on August 19, 2022 on Apple TV+. All ten episodes of the live action kids' series premiered in over 80 countries worldwide on the Apple TV platform.

- *Wynonna Earp* aired four seasons on SyFy from 2016 to 2021, and a 90-minute scripted special in 2024 on streaming service Tubi. The show was created by Emily Andras and starred Melanie Scrofano and was based on the IDWP comics of Beau Smith of the same name. Cineflix Studios is the co-producer and global distributor for the series.

- *V Wars* debuted on Netflix on December 5, 2019. The 10-episode vampire thriller stars Ian Somerhalder and was produced by High Park Entertainment. The series was based upon Jonathan Maberry's IDWP comic book series of the same name. Some streaming rights reverted back to IDWE in 2022; as a result, we will be exploring opportunities to monetize the past season and potential opportunities to continue the story with a new partner.

- *October Faction* premiered on Netflix on January 23, 2020. The 10-episode show was based on the IDWP comics of Steve Niles and Damien Worm of the same name and was adapted by showrunner Damian Kindler and starred Tamara Taylor and J.C. MacKenzie. It was also produced by High Park Entertainment.

IDWE is in active discussion with major studios, streamers, and distributors to develop a number of properties as narrative television series, with the ultimate goal of securing a greenlight to production. These titles include *Kill Lock*, *Dungeon*, *The Delicacy*, *You Wish*, *Beneath The Trees Where Nobody Sees*, and *Exorcism at 1600 Penn*, *Mountainhead*, *Arca*, and *Dark Spaces*.

Business Model

While in the past, IDWE focused on television development and financing production opportunities, a broadening of our strategic goals has evolved to focus on lower risk investments as well as developing IP for feature film and podcast opportunities. As was the case with *Surfside Girls*, IDWE provided co-studio services which enabled us to utilize our studio partners' infrastructure to support the needs of productions while reducing our own risk. We have also diversified our position by acting as non-writing executive producers on current and future projects which allows us to secure fees for our services while minimizing costs.

The path to greenlighting a project can take many routes, but the two most common include internal development and partnering with established studios and streamers. For internal development, IDWE partners with established television and film talent to develop pitches based on our IP, then takes those pitches to buyers. Buyers who want to partner on IDWE's pitches will enter into a deal to commission a pilot script or feature screenplay, which will be the determining factor of a series or feature film being greenlit. In the second scenario, IDWE may option what's called clean IP (projects without any attachments or development with talent) to a buyer/production partner and develop/package a series or feature. While this scenario may require more work between IDWE and the buyer to develop a concept for adaptation, the advantage is that IDWE is doing this in tandem with the buyer or platform – guaranteeing that what is developed is strategically what they are looking for.

Due to the Writers Guild of America and Screen Actors Guild strikes in 2023, nearly all film & television production halted for the majority of 2023. Both strikes were some of the longest in the history of the media industry. Given the wide-ranging impacts of the work stoppages, many US media companies have cut budgets on scripted content. While the strikes had minimal impact in the current fiscal period, if media companies continue to cut budgets and reduce costs further as a response to the work stoppages, IDWE's ability to sell additional series and secure greenlights may be impacted. Both strikes ended on November 9, 2023.

IDWE's revenues represented 1.9% and 1.7% of our consolidated revenues in the three months ended April 30, 2025 and 2024, respectively and 1.7% and 1.0% in the six months ended April 30, 2025 and 2024, respectively.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses as well as the disclosure of contingent assets and liabilities. Critical accounting policies are those that require application of management's most subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. Our critical accounting policies include those related to the valuation of long-lived assets including intangible assets with finite useful lives and ultimate revenues for television costs. Management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. See Note 1 to the consolidated financial statements included with our Amended Annual Report filed on February 5, 2025 for a full description of our significant accounting policies.

Results of Operations

We evaluate the performance of our operating business segments based primarily on (loss) income from operations. Accordingly, the income and expense line items below loss from operations are only included in our discussion of the unaudited condensed consolidated results of operations.

IDWP

(in thousands)			Change	
Three months ended April 30,	**2025**	**2024**	**$**	**%**
Revenues	$ 4,692	$ 5,603	$ (911)	(16.3)%
Direct cost of revenues	(2,722)	(3,442)	720	20.9%
Selling, general and administrative	(2,544)	(2,912)	368	12.6%
Depreciation and amortization	(73)	(77)	4	5.2%
Loss from operations	**$ (647)**	**$ (828)**	**$ 181**	**21.9%**

(in thousands)			Change	
Six months ended April 30,	**2025**	**2024**	**$**	**%**
Revenues	$ 9,640	$ 11,517	$ (1,877)	(16.3)%
Direct cost of revenues	(5,575)	(6,747)	1,172	17.4%
Selling, general and administrative	(5,795)	(5,939)	144	2.4%
Depreciation and amortization	(145)	(152)	7	4.6%
Loss from operations	**$ (1,875)**	**$ (1,321)**	**$ (554)**	**(41.9)%**

Revenues. IDWP revenues decreased by $911,000 in the three months ended April 30, 2025, compared to the three months ended April 30, 2024, due to decreases in comic book market publishing revenue of $530,000 driven by prior year sales of *Teenage Mutant Ninja Turtles: Re-Evolution* and *Teenage Mutant Ninja Turtles #150*, licensing revenue of $187,000 due to prior year video game activity, direct billing revenue of $159,000 driven mostly by decreased retail incentive orders, direct-to-consumer sales of $140,000, and book market publishing revenue of $138,000, offset by a decrease in sales returns and discounts on book sales of $211,000, and increases in digital sales of $32,000 driven by an increase in Humble Bundle activity.

IDWP revenues decreased by $1,877,000 in the six months ended April 30, 2025, compared to the six months ended April 30, 2024, due to decreases in book market publishing revenue of $1,564,000 driven by prior year sales of *Teenage Mutant Ninja Turtles: The Last Ronin* and *Teenage Mutant Ninja Turtles: Lost Years*, direct-to-consumer sales of $242,000 driven by participation in fewer conventions, licensing and royalty revenues of $212,000 due to prior year video game activity, and direct billing revenue of $149,000 driven mostly by decreased Retail Exclusive orders, offset by a decrease in sales returns and discounts on book sales of $179,000, and increases in digital sales of $111,000 driven by an increase in Humble Bundle activity.

Direct cost of revenues. IDWP direct cost of revenues decreased by $720,000 in the three months ended April 30, 2025, compared to the three months ended April 30, 2024, due to decreases in publishing printing costs of $357,000 due to decreased print revenue and prior year write downs and write offs of slow-moving inventory, royalty costs of $218,000 due to decreased revenue, creative costs of $101,000 due primarily to decreased released comic titles, and licensing costs of $44,000. Royalty expense as a percentage of sales is dependent on product and title mix as different revenue streams and titles have different royalty rates.

IDWP direct cost of revenues decreased by $1,172,000 in the six months ended April 30, 2025, compared to the six months ended April 30, 2024, due to decreases in publishing printing costs of $729,000 due to decreased print revenue and prior year write downs and write offs of slow-moving inventory, royalty costs of $353,000 due to decreased revenue, licensing costs of $46,000, and creative costs of $44,000 due primarily to decreased released comic titles. Royalty expense as a percentage of sales is dependent on product and title mix as different revenue streams and titles have different royalty rates.

Gross Margin. IDWP gross margin increased to 42.0% for the three months ended April 30, 2025, compared to 38.6% for the three months ended April 30, 2024. Gross margin for the six months ended April 30, 2025 increased to 42.2% compared to 41.4% for the six months ended April 30, 2024. The changes are primarily due to the reasons set forth in the direct cost of revenues discussion above, specifically the decrease in printing costs.

Selling, General and Administrative. IDWP selling, general and administrative expenses decreased by $368,000 in the three months ended April 30, 2025, compared to the three months ended April 30, 2024, primarily due decreases in salaries and benefits of $281,000 related to reductions in force, marketing costs of $117,000 primarily due to decreased sales, rent and utilities of $42,000 due to the cancelation of the San Diego office location, and decreases in travel of $24,000, and other net charges of $8,000, offset by an increase in overhead allocation of $104,000.

IDWP selling, general and administrative expenses decreased by $144,000 in the six months ended April 30, 2025, compared to the six months ended April 30, 2024, primarily due to decreases salaries and benefits of $546,000 related to reductions in force, marketing costs of $139,000 primarily due to decreased sales, direct-to-consumer costs of $60,000 due to decreased sales, shipping costs of $50,000, rent and utilities of $47,000 due to the cancelation of the San Diego office location, IT costs of $46,000 due to reduction of licenses related to reductions in force, and decreases in travel of $36,000, offset by the increase in bad debt of $746,000 related to the bankruptcy of Diamond Comic Distributors, and legal and consulting fees of $34,000.

As a percentage of IDWP revenues, selling, general and administrative expenses were 54.2% in the three months ended April 30, 2025, compared to 52.0% in the three months ended April 30, 2024, and 60.1% in the six months ended April 30, 2025, compared to 51.6% in the six months ended April 30, 2024.

IDWE

(in thousands)			**Change**	
Three months ended April 30,	**2025**	**2024**	**$**	**%**
Revenues	$ 91	$ 95	$ (4)	(4.2)%
Direct cost of revenues	(18)	(54)	36	66.7%
Selling, general and administrative	(36)	(113)	77	68.1%
Depreciation and amortization	(1)	(1)	-	-
Income (loss) from operations	**$ 36**	**$ (73)**	**$ 109**	**149.3%**

(in thousands)			**Change**	
Six months ended April 30,	**2025**	**2024**	**$**	**%**
Revenues	$ 167	$ 122	$ 45	36.9%
(Direct cost) recoupment of cost of revenues	(65)	298	(363)	(121.8)%
Selling, general and administrative	(116)	(233)	117	50.2%
Depreciation and amortization	(2)	(3)	1	33.3%
Income (loss) from operations	**$ (16)**	**$ 184**	**$ (200)**	**108.7%**

Revenues. IDWE revenues decreased by $4,000 in the three months ended April 30, 2025, compared to the three months ended April 30, 2024. Revenues in three months ended April 30, 2025 and 2024 both consisted of television distribution revenue.

IDWE revenues increased by $45,000 in the six months ended April 30, 2025, compared to the six months ended April 30, 2024. Revenues in six months ended April 30, 2025 and 2024 both consisted of optioned project revenue and television distribution revenue.

(Direct cost) recoupment of costs of revenues. IDWE direct cost of revenues consists primarily of the amortization of production costs that were capitalized during the production of the television episodes and direct costs related to revenue recognized during related periods. Direct recoupment of costs consists of recoupment of expenses previously recorded as cost of revenue that could not be reasonably estimated in prior periods. All prior costs were recouped as of October 31, 2024. For the three and six months ended April 30, 2025 and all future periods, receipts are recorded as revenue.

IDWE direct cost of revenues decreased by $36,000 in the three months ended April 30, 2025, compared to the three months ended April 30, 2024. The amortized television costs for the three months ended April 30, 2025 included residuals of $18,000. The amortized television costs for the three months ended April 30, 2024, included residuals of $55,000 and television cost impairments of $6,000, offset by cost recoupment from *Wynonna* Earp of $7,000.

IDWE direct cost of revenues decreased by $363,000 in the six months ended April 30, 2025, compared to the six months ended April 30, 2024. The amortized television costs for the six months ended April 30, 2025, included residuals of $47,000, television cost impairments of $15,000, and commissions of $3,000. The amortized television costs for the six months ended April 30, 2024, included cost recoupment from *Wynonna* Earp of $403,000, offset by residuals of $99,000 and television cost impairments of $6,000.

Gross Margin. IDWE gross margin was 80.2% for the three months ended April 30, 2025, compared to 43.2% for the three months ended April 30, 2024, and 61.1% for the six months ended April 30, 2025, compared to 344.3% for the six months ended April 30, 2024. These gross margin figures are aligned with the explanations provided for revenues and direct cost of revenues.

Selling, General and Administrative. IDWE selling, general and administrative expenses decreased by $77,000 during the three months ended April 30, 2025, compared to the three months ended April 30, 2024 primarily due to decreases in salaries and benefits of $61,000 related to reductions in force and other net charges of $16,000.

IDWE selling, general and administrative expenses decreased by $117,000 during the six months ended April 30, 2025, compared to the six months ended April 30, 2024 primarily due to decreases in salaries and benefits of $92,000 related to reductions in force and other net charges of $25,000.

Consolidated IDW Media Holdings, Inc.

(in thousands) **Three months ended April 30,**	**2025**	**2024**	**Change $**	**Change %**
Loss from operations	$ (611)	$ (901)	$ 290	32.2%
Interest income, net	78	20	58	290%
Other expense, net	-	(12)	12	100.0%
Net loss	**$ (533)**	**$ (893)**	**$ 360**	**40.3%**

(in thousands) **Six months ended April 30,**	**2025**	**2024**	**Change $**	**Change %**
Loss from operations	$ (1,891)	$ (1,137)	$ (754)	(66.3)%
Interest income, net	153	20	133	665.0%
Other expense, net	-	(12)	12	100.0%
Net loss	**$ (1,738)**	**$ (1,129)**	**$ (609)**	**53.9%**

Loss from operations. Loss from operations decreased by $290,000 in the three months ended April 30, 2025 compared to the three months ended April 30, 2024, due to positive changes in operational performance from IDWP of $197,000 and IDWE of $93,000. These changes are described in the separate segment analyses above.

Loss from operations increased by $754,000 in the six months ended April 30, 2025 compared to the six months ended April 30, 2024, due to negative changes in operational performance from IDWP of $541,000 and IDWE of $213,000. These changes are described in the separate segment analyses above.

Interest income, net. Interest income was $78,000 in the three months ended April 30, 2025 due to interest earned on bank deposits, compared to $20,000 in the three months ended April 30, 2024.

Interest income was $153,000 in the six months ended April 30, 2025 due to interest earned on bank deposits, compared to $20,000 in the six months ended April 30, 2024

Other expense, net. Other expense was $0 in the three and six months ended April 30, 2025, and $12,000 in the three and six months ended April 30, 2024.

Liquidity and Capital Resources

General

We satisfy our cash requirements primarily through cash provided by the Company's operating activities, as well as net cash proceeds from issuance of Class B common stock in the year ended October 31, 2024.

	Six months ended April 30,	
(in thousands)	**2025**	**2024**
Cash flows provided by (used in):		
Operating activities	$ 1,087	$ (95)
Investing activities	(3)	(72)
Net increase (decrease) in cash	**$ 1,084**	**$ (167)**

At April 30, 2025, we had cash of $8,516,000 and working capital (current assets in excess of current liabilities) of $16,837,000.

We anticipate that our expected cash inflows from operations during the next twelve months together with our working capital, including the balance of cash and cash equivalents held as April 30, 2025 will be sufficient to sustain our operations for at least the twelve months following the date of this report. While the Company has experienced negative operating cash flow during certain prior periods, we saw positive operating cash flows in fiscal 2024, and we anticipate recent operating expense reductions, primarily as a result of reductions in force in April 2023, April 2024, and August 2024 will result in future positive operating cash flow.

Operating Activities

Cash flows provided by operating activities was $1,087,000 for the six months ended April 30, 2025, compared to cash used in operating activities of $95,000 in the six months ended April 30, 2024. For the six months ended April 30, 2025, the net increase in cash resulted from increases in overall cash inflow due primarily to timing of customer payments and decreases in cash outflow due primarily to decreases in IDWP and IDWE selling, general and administrative expenses. The net loss for the period of $1,738,000 was adjusted for non-cash items included in the determination of net loss, and $1,910,000 of cash inflow related to the effect of changes in operating assets and liabilities because of decreases to accounts receivables, inventory, accounts payable, and accrued expenses.

For the six months ended April 30, 2024, the net increase in cash was primarily a result of the net loss for the period of $1,129,000, adjusted for non-cash items included in the determination of net loss, and $264,000 of cash inflow related to the effect of changes in operating assets and liabilities. Cash flows generated at IDWE vary widely year to year due to timing of productions.

Investing Activities

Our capital expenditures were $3,000 and $72,000 in the six months ended April 30, 2025, and 2024, respectively.

Recent Accounting Pronouncements

For a description of recently issued accounting pronouncements, including the respective dates of adoption, and expected effects on our results of operations and financial condition, see Note 1 to the unaudited condensed consolidated financial statements included in this report.

Changes in Trade Accounts Receivables and Allowance for Credit Losses

Trade accounts receivable decreased to $2,912,000 at April 30, 2025, compared to $6,269,000 at October 31, 2024 principally due to decreased sales volume with PRH, bad debt reserve related to the Diamond Comic Distributor bankruptcy, and collection of prior outstanding customer balances. The allowance for credit losses as a percentage of gross trade accounts receivable was 20.4% at April 30, 2025 and 0% at October 31, 2024, reflecting the Company's collectible receivable experience.

Changes in Trade Accounts Payables and Accrued Expenses

Trade accounts payables decreased to $1,157,000 at April 30, 2025, compared to $1,985,000 at October 31, 2024 principally due to the payment of invoices related to royalties and printing. Accrued expenses decreased to $1,097,000 at April 30, 2025, compared to $1,707,000 at October 31, 2024 principally due to decreases in accrued royalties as a result of decreased revenue, accrued payroll as a result of bi-weekly payroll timing, accrued bonuses due to payout of year-end amounts, and accrued vacation due to the partial payout of prior balances.

Off- Balance Sheet Arrangements

We do not have any "off-balance sheet arrangements," as defined in relevant SEC regulations that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Other Sources and Uses of Resources

Where appropriate, we evaluate strategic investments and acquisitions to complement, expand, and/or enter into new businesses. In considering acquisitions and investments, we search for opportunities to profitably grow our existing businesses, to add qualitatively to the range of businesses in our portfolio, and to achieve operational synergies. At this time, we cannot guarantee that we will be presented with acquisition opportunities that meet our return-on-investment criteria, or that our efforts to make acquisitions that meet our criteria will be successful.

In the fourth quarter of fiscal 2020 we paid "pull down" costs pursuant to a previously announced, multi-year agreement with Cineflix related to international sales of Wynonna Earp. Specifically, under this agreement, IDWE purchased the distribution rights to seasons one and two of *Wynonna Earp* from the current licensor (Netflix) and had agreed to transfer those rights to Cineflix. Cineflix is now the international distributor of all four seasons of *Wynonna Earp*. Due to changes in competition as well as the COVID-19 pandemic, the Cineflix deal did not contribute revenue and operating cash flow in fiscal year 2021 at the levels originally anticipated at the inception of the deal, however we began recouping some of our cash outlays in the third quarter of 2022, which continued through the three and six months ended April 30, 2025.

Dividends

We have never declared or paid any cash dividends on our capital stock. The Company does not currently anticipate paying any cash dividends in the foreseeable future and is using cash flows to invest in the growth of the business.

Item 5 Legal Proceedings.

None

Item 6 Defaults upon senior securities.

None

Item 7 Other information.

None

Item 8 Exhibits.

None

Item 9 Certifications.

I, Davidi Jonas, certify that:

1. I have reviewed this quarterly disclosure statement of IDW Media Holdings, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: June 12, 2025

/s/ Davidi Jonas
Chief Executive Officer

I, Andrew DeBaker, certify that:

1. I have reviewed this quarterly disclosure statement of IDW Media Holdings, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: June 12, 2025

/s/ Andrew DeBaker
Chief Financial Officer