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: 07/31/2025 (the "Reporting Period")

As of 07/31/2025 the number of shares outstanding of our Common Stock[1] was:

- ☐ Class B Common Stock 280,838 shares (excluding 5,193 shares of Class B common stock held in treasury)
- ☐ Class C Common Stock 5,453 shares

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

- ☐ Class B Common Stock 264,052 shares (excluding 5,193 shares of Class B common stock held in treasury)
- ☐ Class C Common Stock 5,453 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: ☒

[1] On July 10, 2025, the Company effected a one-for-one hundred (1:100) reverse stock split of its Class B Common Stock, Class C Common Stock, and Preferred Stock. All share and per share data for prior periods presented in this report have been adjusted to reflect the reverse stock split.

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.[2]

Class B Common Stock (as of July 31, 2025)

Total shares authorized:	350,000
Total shares outstanding:	280,838 shares (excluding 5,193 shares in treasury)
Number of shares in the Public Float:	113,143
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:	350,000
Total shares outstanding:	264,052 shares (excluding 5,193 shares in treasury)
Number of shares in the Public Float:	117,590
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:	200,000
Total shares outstanding:	136,904 shares (excluding 5,193 shares in treasury)
Number of shares in the Public Float:	77,580
Number of beneficial shareholders owning at least 100 shares:	98
Total number of shareholders of record:	108

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

Total shares authorized:	25,000
Total shares outstanding:	5,453

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

Total shares authorized:	5,000
Total shares outstanding:	0

[2] Per updated OTC profile.

Item 3 Interim Financial Statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	July 31, 2025 (unaudited)	October 31, 2024
Assets		
Current assets:		
Cash	$ 5,737	$ 7,432
Trade accounts receivable, net	5,074	6,269
Inventory	5,982	5,058
Prepaid expenses and other current assets	3,228	3,037
Total current assets	20,021	21,796
Non-current assets		
Property and equipment, net	256	327
Operating lease right-of-use assets, net	377	630
Intangible assets, net	168	305
Goodwill	199	199
Television costs, net	1,290	1,346
Other assets	33	33
Total assets	**$ 22,344**	**$ 24,636**
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 1,072	$ 1,985
Accrued expenses	1,284	1,707
Deferred revenue	55	14
Operating lease obligations – current portion	205	318
Total current liabilities	2,616	4,024
Other liabilities		
Operating lease obligations – long term portion	190	341
Total liabilities	**2,806**	**4,365**
Stockholders' equity (see Note 3):		
Preferred stock, $0.01 par value; authorized shares – 5; no shares issued at July 31, 2025 and October 31, 2024	-	-
Class B common stock, $0.01 par value; authorized shares – 350; 286 and 269 shares issued and 281 and 264 shares outstanding at July 31, 2025 and October 31, 2024, respectively	3	3
Class C common stock, $0.01 par value; authorized shares – 25; 5 shares issued and outstanding at July 31, 2025 and October 31, 2024	*	*
Additional paid-in capital	109,962	109,238
Accumulated deficit	(89,231)	(87,774)
Treasury stock, at cost, consisting of 5 shares of Class B common stock at July 31, 2025 and October 31, 2024	(1,196)	(1,196)
Total stockholders' equity	**19,538**	**20,271**
Total liabilities and stockholders' equity	**$ 22,334**	**$ 24,636**

Share data has been adjusted for all periods presented to reflect the one-for-one hundred (1:100) reverse stock split effective July 10, 2025.

* Represents amount less than $0.5 thousand.

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		Nine Months Ended	
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Revenues	$ 6,739	$ 7,289	$ 16,545	$ 18,928
Costs and expenses:				
Direct cost of revenues	3,646	4,095	9,285	10,545
Selling, general and administrative	2,813	2,999	8,724	9,170
Depreciation and amortization	69	81	217	238
Total costs and expenses	6,528	7,175	18,226	19,953
Income (loss) from operations	211	114	(1,681)	(1,025)
Interest income, net	70	9	224	29
Other income (expense), net	-	1	-	(11)
Net income (loss)	**$ 281**	**$ 124**	**$ (1,457)**	**$ (1,007)**
Basic net earnings (loss) per share (see Note 2):				
Earnings (loss) per share	$ 1.11	$ 0.70	$ (5.88)	$ (6.71)
Weighted-average number of shares used in the calculation of basic earnings (loss) per share:	253	176	248	150
Diluted net earnings (loss) per share (see Note 2):				
Earnings (loss) per share	$ 1.02	$ 0.61	$ (5.88)	$ (6.71)
Weighted-average number of shares used in the calculation of diluted earnings (loss) per share:	275	203	248	150

Share and per share data have been adjusted for all periods presented to reflect the one-for-one hundred (1:100) reverse stock split effective July 10, 2025.

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended July 31, 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 April 30, 2025	286	$ 3	5	$ *	$ 109,796	$ (89,512)	5	$ (1,196)	$ 19,091
Stock based compensation	-	-	-	-	171	-	-	-	171
Payment for fractional shares from reverse stock split	-	-	-	-	(5)	-	-	-	(5)
Net income	-	-	-	-	-	281	-	-	281
Balance July 31, 2025	**286**	**$ 3**	**5**	**$ ***	**$ 109,962**	**$ (89,231)**	**5**	**$ (1,196)**	**$ 19,538**
Balance April 30, 2024	173	$ 2	5	$ *	$ 105,912	$ (87,509)	5	$ (1,196)	$ 17,209
Stock based compensation	-	-	-	-	165	-	-	-	165
Issuance of restricted stock	94	1	-	-	2,999	-	-	-	3,000
Net income	-	-	-	-	-	124	-	-	124
Balance July 31, 2024	**267**	**$ 3**	**5**	**$ ***	**$ 109,076**	**$ (87,385)**	**5**	**$ (1,196)**	**$ 20,498**

Share data has been adjusted for all periods presented to reflect the one-for-one hundred (1:100) reverse stock split effective July 10, 2025.
* Represents amount less than $0.5 thousand.

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended July 31, 2025 and 2024
(Unaudited)

(in thousands)	Class B Common Stock Number of Shares	Class B Common Stock Amount	Class C Common Stock Number of Shares	Class C Common Stock Amount	Additional Paid In Capital	Accumulated Deficit	Treasury Stock, at Cost Number of Shares	Treasury Stock, at Cost Amount	Total Stockholders' Equity
Balance October 31, 2024	269	$ 3	5	$ *	$ 109,238	$ (87,774)	5	$ (1,196)	$ 20,271
Stock based compensation	-	-	-	-	729	-	-	-	729
Issuance of restricted stock	17	*	-	-	*	-	-	-	*
Payment for fractional shares from reverse stock split	-	-	-	-	(5)	-	-	-	(5)
Net loss	-	-	-	-	-	(1,457)	-	-	(1,457)
Balance July 31, 2025	**286**	**$ 3**	**5**	**$ ***	**$ 109,962**	**$ (89,231)**	**5**	**$ (1,196)**	**$ 19,538**
Balance October 31, 2023	142	$ 2	5	$ *	$ 105,380	$ (86,378)	5	$ (1,196)	$ 17,808
Stock based compensation	-	-	-	-	697	-	-	-	697
Issuance of restricted stock	125	1	-	-	2,999	-	-	-	3,000
Net loss	-	-	-	-	-	(1,007)	-	-	(1,007)
Balance July 31, 2024	**267**	**$ 3**	**5**	**$ ***	**$ 109,076**	**$ (87,385)**	**5**	**$ (1,196)**	**$ 20,498**

Share data has been adjusted for all periods presented to reflect the one-for-one hundred (1:100) reverse stock split effective July 10, 2025.
* Represents amount less than $0.5 thousand.

See accompanying notes to condensed consolidated financial statements.

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

(in thousands)	Nine Months Ended July 31, 2025	Nine Months Ended July 31, 2024
Operating activities:		
Net loss	$ (1,457)	$ (1,007)
Adjustments to reconcile net loss to net cash used in operating activities:		
Recoupment of television costs	-	(654)
Impairment of television costs	69	28
Depreciation and amortization	217	237
Loss on disposal of property and equipment	-	12
Bad debt expense	759	2
Stock based compensation	729	697
Amortization of operating lease right-of-use assets	253	217
Changes in operating assets and liabilities:		
Trade accounts receivable	458	433
Allowance for sales returns	(22)	39
Inventory	(924)	259
Prepaid expenses and other current assets	(191)	(597)
Television costs	(13)	629
Operating lease liability	(264)	(220)
Trade accounts payable	(913)	(556)
Accrued expenses	(423)	(205)
Deferred revenue	41	84
Net cash used in operating activities	(1,681)	(602)
Investing activities:		
Capital expenditures	(9)	(79)
Net cash used in investing activities	(9)	(79)
Financing activities:		
Proceeds from issuance of Class B Common Stock	-	3,000
Payment for fractional shares from reverse stock split	(5)	-
Net cash provided by (used in) financing activities	(5)	3,000
Net increase (decrease) in cash	(1,695)	2,319
Cash at beginning of period	7,432	3,599
Cash at end of period	**$ 5,737**	**$ 5,918**

See accompanying notes to condensed consolidated financial statements.

IDW HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 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

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 the Company's products had been distributed through Diamond are now distributed directly through PRH, it is unclear if we will find a long-term solution for distribution to the segments of the comic retailer market that will not be served by PRH on a timely basis if at all.

Recent developments 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. We continue to operate using an interim solution while we develop a long-term process. 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, IDW Dark, 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 seek to 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 receivables 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 $379,000 and $0 as of July 31, 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. Intangible assets have useful lives between 3 and 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 nine months ended July 31, 2025 and 2024.

Goodwill

Goodwill, which represents the excess of purchase prices over the fair value of net 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 nine months ended July 31, 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 July 31, 2025 and 2024 were $0 and $251,000, respectively. Recoupment of television costs during the nine months ended July 31, 2025 and 2024 were $0 and $654,000, respectively. All prior costs were recouped as of October 31, 2024. For the three and nine months ended July 31, 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 July 31, 2025 and October 31, 2024, the Company's reserves for estimated returns were $165,000 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 $163,000 and $322,000 during the three months ended July 31, 2025, and 2024, respectively and $302,000 and $527,000 during the nine months ended July 31, 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 expense.

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 two significant customers, Penguin Random House ("PRH") and Scholastic Book Fairs ("Scholastic"), that pose a concentration risk.

Revenues from PRH, IDWP's book market and direct market distributor, represented 72.4% and 75.1% of IDW's total consolidated revenue for the three months ended July 31, 2025 and 2024, respectively, and 79.4% and 83.4% of IDW's total consolidated revenue for the nine months ended July 31, 2025 and 2024, respectively. The receivable balances from PRH represented 78.5% and 16.4% of IDW's consolidated receivables at July 31, 2025 and October 31, 2024, respectively.

Revenues from Scholastic, a leading distributor of children's books, represented 12.2% and 12.2% of IDW's total consolidated revenue for the three months ended July 31, 2025 and 2024, respectively, and 5.0% and 4.7% of IDW's total consolidated revenue for the nine months ended July 31, 2025 and 2024, respectively. The receivable balances from Scholastic represented 16.4% and 15.1% of IDW's consolidated receivables at July 31, 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 July 31, 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 July 31, 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. 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.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,* which provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606, including those assets acquired in a business combination. The practical expedient permits an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. The guidance becomes effective for the Company for fiscal years beginning after April 30, 2026, and interim periods within those fiscal years. Early adoption is permitted. An entity that elects the practical expedient should apply the guidance prospectively. The ASU is effective for the Company's interim period beginning November 1, 2026 and for the fiscal year ending October 31, 2027. 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—Earnings (Loss) Per Share

Basic earnings (loss) per common share is computed by dividing the net income (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. The following table summarizes the components of the earnings (loss) per common share calculation:

	Three Months Ended		Nine Months Ended	
(in thousands, except per share data)	**July 31, 2025**	**July 31, 2024**	**July 31, 2025**	**July 31, 2024**
Basic and diluted numerator				
Net income (loss) for the period	$ 281	$ 124	$ (1,457)	$ (1,007)
Basic denominator				
Weighted-average common stock outstanding	253	176	248	150
Diluted denominator				
Weighted-average common stock outstanding	253	176	248	150
Unvested restricted Class B common stock	22	27	-	-
Total diluted denominator	275	203	248	150
Per share amount – Basic	$ 1.11	$ 0.70	$ (5.88)	$ (6.71)
Per share amount – Diluted	$ 1.02	$ 0.61	$ (5.88)	$ (6.71)

For the nine months ended July 31, 2025 and 2024, the Company incurred net losses which cannot be diluted; therefore, basic and diluted loss per common share is the same. For the three months ended July 31, 2025 and 2024, the exercise prices of the stock options were greater than the average stock price for the period. As of July 31, 2025 and 2024, shares issuable which could potentially dilute future earnings were as follows:

	Three Months Ended		Nine Months Ended	
(in thousands)	**July 31, 2025**	**July 31, 2024**	**July 31, 2025**	**July 31, 2024**
Unvested Class B common stock	-	-	22	27
Stock Options	1	16	1	16
Total	1	16	23	43

Note 3—Equity

Voting Privileges and Protective Features

Shares of Class B common stock and Class C common stock are identical, except for voting and conversion 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 share of Class C common stock is convertible at the option of the holder into one share of Class B common stock at any time. 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 Reverse Stock Split became effective on July 10, 2025. In the Reverse Stock Split, every one hundred (100) shares of each class of stock were combined into one (1) share of the same class. Stockholders who would have been entitled to fractional shares as a result of the Reverse Stock Split received a cash payment in lieu of such fractional shares, calculated based on the fair market value of the shares 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 amended and restated 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 did not impact the total dollar value of stockholders' equity, though the par value per share remained unchanged at $0.01.

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 3,000 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 25,500 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 July 31, 2025, 3,101 shares remained available to be awarded under the 2019 Incentive Plan.

On January 7, 2024, the Company issued options to its CEO to acquire 15,455 shares of its Class B common stock at a price of $43.42 per share. The options were exercisable as follows: (a) 2,303 on each of January 8, 2024, January 2, 2025, January 2, 2026, January 2, 2027, January 2, 2028 and January 2, 2029 and (b) 1,636 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	29,073	$ 59.52
Granted	16,402	18.27
Vested	(23,593)	34.83
Canceled / Forfeited	(7)	(89.42)
Non-vested shares at July 31, 2025	**21,875**	**$ 54.87**

On January 6, 2025, 462 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 15,455 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:

- 10,818 restricted shares vested on March 31, 2025,
- 2,318 restricted shares will 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
- 2,318 restricted shares will 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, 947 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 expense was $171,000 and $165,000 during the three months ended July 31, 2025 and 2024, respectively, and $729,000 and $697,000 during the nine months ended July 31, 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 July 31, 2025			
Revenues from external customers	$ 6,731	$ 8	**$ 6,739**
Direct cost of revenues	(3,563)	(83)	**(3,646)**
Selling, general and administrative	(2,630)	(12)	**(2,642)**
Stock based compensation	(162)	(9)	**(171)**
Depreciation and amortization	(68)	(1)	**(69)**
Income (loss) from operations	308	(97)	**211**
Interest income	67	3	**70**
Net income (loss)	375	(94)	**281**
Three months ended July 31, 2024			
Revenues from external customers	$ 7,323	$ (34)	**$ 7,289**
Direct cost of revenues	(4,290)	195	**(4,095)**
Selling, general and administrative	(2,758)	(76)	**(2,834)**
Stock based compensation	(157)	(8)	**(165)**
Depreciation and amortization	(80)	(1)	**(81)**
Income from operations	38	76	**114**
Interest and other income	10	-	**10**
Net income	48	76	**124**

(in thousands)	IDWP	IDWE[(a)]	Total
Nine months ended July 31, 2025			
Revenues from external customers	$ 16,370	$ 175	**$ 16,545**
Direct cost of revenues	(9,137)	(148)	**(9,285)**
Selling, general and administrative	(7,895)	(100)	**(7,995)**
Stock based compensation	(692)	(37)	**(729)**
Depreciation and amortization	(213)	(4)	**(217)**
Loss from operations	(1,567)	(114)	**(1,681)**
Interest income	213	11	**224**
Net loss	(1,354)	(103)	**(1,457)**
Nine months ended July 31, 2024			
Revenues from external customers	$ 18,840	$ 88	**$ 18,928**
Recoupment (direct cost) of revenues	(11,037)	492	**(10,545)**
Selling, general and administrative	(8,190)	(283)	**(8,473)**
Stock based compensation	(662)	(35)	**(697)**
Depreciation and amortization	(232)	(6)	**(238)**
Income (loss) from operations	(1,281)	256	**(1,025)**
Interest and other income (expense)	23	(5)	**18**
Net income (loss)	(1,258)	251	**(1,007)**

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

Total Assets

At July 31, 2025 total assets were $14,665,000 at IDWP, $1,303,000 at IDWE, and $6,376,000 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)	July 31, 2025	October 31, 2024
Trade accounts receivable	$ 5,618	$ 6,456
Less allowance for credit loss	(379)	-
Less allowance for sales returns	(165)	(187)
Trade accounts receivable, net	**$ 5,074**	**$ 6,269**

The trade accounts receivable balance as of July 31, 2025 reflects an allowance for credit loss of $379,000 related to the Diamond Comic Distributors bankruptcy, as discussed in Note 1 above.

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

(in thousands)	Nine Months Ended July 31, 2025	Year Ended October 31, 2024
Beginning Balance	$ (187)	$ (114)
Charged to costs and expenses	(923)	(1,657)
Deductions from allowance	945	1,584
Ending Balance	**$ (165)**	**$ (187)**

Changes in deferred revenue consist of the following:

(in thousands)	Nine Months Ended July 31, 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	55	14
Ending Balance	**$ 55**	**$ 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 nine months ended July 31, 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)	July 31, 2025	October 31, 2024
Work in progress	$ 761	$ 750
Finished goods	5,221	4,308
Total	**$ 5,982**	**$ 5,058**

Note 8—Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

(in thousands)	July 31, 2025	October 31, 2024
Royalties and deposits	$ 3,021	$ 2,724
Insurance	32	172
Tradeshows	49	7
Legal	23	23
Other prepaids	103	111
Total	**$ 3,228**	**$ 3,037**

Note 9—Property and Equipment

Property and equipment consist of the following:

(in thousands)	July 31, 2025	October 31, 2024
Equipment	$ 337	$ 328
Furniture and fixtures	157	157
Leasehold improvements	188	188
Total	682	673
Less accumulated depreciation	(426)	(346)
Property and equipment, net	**$ 256**	**$ 327**

Depreciation expense totaled $26,000 and $36,000 for the three months ended July 31, 2025 and 2024, respectively, and $80,000 and $114,000 for the nine months ended July 31, 2025 and 2024, respectively. During the nine months ended July 31, 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	July 31, 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		(1,387)	(1,250)
Intangible assets, net		**$ 168**	**$ 305**

Amortization expense totaled $43,000 and $45,000 for the three months ended July 31, 2025 and 2024, respectively, and $137,000 and $123,000 for the nine months ended July 31, 2025 and 2024, respectively.

As of July 31, 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	$ 40
2026	111
2027	17
Total	**$ 168**

Note 11—Television Costs

Television costs consist of the following:

(in thousands)	July 31, 2025	October 31, 2024
In-production	$ -	$ -
In-development	1,290	1,346
Total	**$ 1,290**	**$ 1,346**

	Three Months Ended		Nine Months Ended	
(in thousands)	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Television cost (recoupment) amortization	$ -	$ (251)	-	(654)
Television cost impairments	54	21	69	28
Total	**$ 54**	**$ (230)**	**69**	**(626)**

During the three and nine months ended July 31, 2025, the Company recouped $0 of costs previously expensed. All prior costs were recouped as of October 31, 2024. For the three and nine months ended July 31, 2025 and all future periods, receipts are recorded as revenue. During the three and nine months ended July 31, 2024, the Company recouped $251,000 and $654,000, respectively, of costs previously expensed. Amortization expense for television costs is expected to be $0 over the remaining nine months of fiscal 2025. As a result of management's period assessment of in development projects, $54,000 and $21,000 of write-offs were recorded during the three months ended July 31, 2025 and 2024, respectively, and $69,000 and $28,000 of write-offs were recorded during the nine months ended July 31, 2025 and 2024, respectively.

Note 12—Accrued Expenses

Accrued expenses consist of the following:

(in thousands)	July 31, 2025	October 31, 2024
Royalties	$ 519	$ 627
Residuals	53	22
Payroll, bonus, accrued vacation and payroll taxes	434	666
Coop advertising	150	144
Other	128	248
Total	**$ 1,284**	**$ 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 2.0 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 under that lease.

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 $189,000 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 $29,000 annually, subject to annual escalations of 4%.

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

The Company's weighted-average remaining lease term relating to its operating leases is 1.91 years, with a weighted-average discount rate of 6.01% as of July 31, 2025.

The Company recognized lease expense for its operating leases of $59,000 and $84,000 for the three months ended July 31, 2025 and 2024, respectively, and $208,000 and $253,000 for the nine months ended July 31, 2025 and 2024, respectively. The cash paid under operating leases was $59,000 and $83,000 for the three months ended July 31, 2025 and 2024, respectively, and $143,000 and $254,000 for the nine months ended July 31, 2025 and 2024, respectively.

At July 31, 2025, the Company had a right-of-use-asset related to operating leases of $916,000 and accumulated amortization related to operating leases of $539,000, 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 July 31, 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	$ 59
2026	213
2027	146
Total minimum lease payments	418
Less: imputed interest	(23)
Present value of future minimum lease payments	**$ 395**
Current portion	**$ 205**
Long-term portion	**$ 190**

Note 14—Income Taxes

The Company recorded no income tax expense for the three and nine months ended July 31, 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 July 31, 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 11,050 restricted shares of Class B Common Stock based upon the value of the shares at that time, representing Howard Jonas' base salary for the entire Initial Term; (ii) such shares to 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 11,050 restricted shares of Class B Common Stock.

On February 17, 2025, the Company issued 15,455 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:

- 10,818 restricted shares vested on March 31, 2025,
- 2,318 restricted shares will 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
- 2,318 restricted shares will 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.

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 $1,000 of expenses for these services in the three months ended July 31, 2025 and 2024, respectively, and $0 and $4,000 for the nine months ended July 31, 2025 and 2024, respectively.

Note 16—Subsequent Events

The Company has evaluated subsequent events through September 11, 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, Event Horizon*), Sega (*Sonic*), Toho (*Godzilla*), Mattel (*Monster High, Street Sharks*), 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 movement), *They Called Us Enemy* (the story of George Takei's experience in internment camps in the US during WWII), and *It Rhymes With Takei* (the story of George Takei's experience living and coming out as a gay man) ("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 Sees* by Patrick Horvath, and its subsequent sequel *Beneath The Trees Where Nobody Sees: Rite of Spring,* garnered massive acclaim industry-wide, bringing new attention to IDWP's Controlled Content. Additionally, recent titles *Spoops: The Little Spirits of Halloween* by A.J. LoCascio, *You Wish* by Jeff Victor, and *The Exorcism at 1600 Penn* by Hannah Rose May have all enjoyed incredible success.

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, GlobalComix, Google Play, Webtoon Entertainment, 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, and in June 2025, Top Shelf Productions released George Takei's graphic memoir, *It Rhymes with Takei*. All three titles are now perennial bestsellers and are considered three 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*, Alan Moore and Eddie Campbell's *From Hell*, Alan and Steve Moore's *The Moon and Serpent Bumper Book of Magic* and A.J. LoCascio's *Spoops: The Little Spirits of Halloween.*

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, Star Trek,* and *Event Horizon;* Sega's *Sonic The Hedgehog;* Toho's *Godzilla;* Mattel's *Monster High* and *Street Sharks*; and Viz Media's *Naruto* as a crossover with *Teenage Mutant Ninja Turtles*. 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), *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: 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. 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 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 Neal Adams' *Classic DC*, 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 99.9% and 100% of our consolidated revenues in the three months ended July 31, 2025 and 2024, respectively and 98.9% and 99.5% in the nine months ended July 31, 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*, *The Delicacy*, *You Wish*, *Dark Spaces,* and original IDW horror stories from the IDW Dark imprint.

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.

IDWE's revenues represented 0.1% and 0% of our consolidated revenues in the three months ended July 31, 2025 and 2024, respectively and 1.1% and 0.5% in the nine months ended July 31, 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 July 31,	**2025**	**2024**	**$**	**%**
Revenues	$ 6,731	$ 7,323	$ (592)	(8.1)%
Direct cost of revenues	(3,563)	(4,290)	727	16.9%
Selling, general and administrative	(2,792)	(2,915)	123	4.2%
Depreciation and amortization	(68)	(80)	12	15.0%
Income from operations	**$ 308**	**$ 38**	**$ 270**	**710.5%**

(in thousands)			**Change**	
Nine months ended July 31,	**2025**	**2024**	**$**	**%**
Revenues	$ 16,370	$ 18,840	$ (2,470)	(13.1)%
Direct cost of revenues	(9,137)	(11,037)	1,900	17.2%
Selling, general and administrative	(8,587)	(8,852)	265	3.0%
Depreciation and amortization	(213)	(232)	19	8.2%
Loss from operations	**$ (1,567)**	**$ (1,281)**	**$ (286)**	**(22.3)%**

Revenues. IDWP revenues decreased by $592,000 in the three months ended July 31, 2025, compared to the three months ended July 31, 2024, due to decreases in (i) comic book market publishing revenue of $1,146,000 related to some of our licensed titles and the impact of Diamond Comic Distributors' bankruptcy, (ii) digital sales of $264,000 due to prior year Humble Bundle activity, and (iii) direct billing revenue of $181,000 driven by decreased orders from Scholastic Book Fairs and decreased retail exclusive orders, offset by increases in book market publishing revenue of $571,000 due primarily to a few perennial titles, direct-to-consumer sales of $188,000, licensing revenue of $91,000, and decreased sales returns and discounts on book sales of $149,000.

IDWP revenues decreased by $2,470,000 in the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024, due to decreases in (i) comic book market publishing revenue of $1,210,000 related to some of our licensed titles and the impact of Diamond Comic Distributors' bankruptcy, (ii) book market publishing revenue of $922,000 related to some of our licensed titles, (iii) direct billing revenue of $330,000 driven by decreased orders from Scholastic Book Fairs, and decreased retail exclusive orders, (iv) digital sales of $154,000 mostly due to decreased Humble Bundle activity, (v) licensing and royalty revenues of $127,000 due to prior year video game activity, and (vi) direct-to-consumer sales of $55,000 due mostly to participation in fewer conventions, offset by a decrease in sales returns and discounts on book sales of $328,000.

Direct cost of revenues. IDWP direct cost of revenues decreased by $727,000 in the three months ended July 31, 2025, compared to the three months ended July 31, 2024, due to (i) decreases in publishing printing costs of $362,000 related to decreased print revenue and prior year write downs and write offs of slow-moving inventory, (ii) creative costs of $183,000 due primarily from decreased released comic titles, (iii) royalty costs of $170,000 from decreased revenue, and (iv) licensing costs of $12,000. 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 $1,900,000 in the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024, due to (i) decreases in publishing printing costs of $1,092,000 related to decreased print revenue and prior year write downs and write offs of slow-moving inventory, (ii) royalty costs of $524,000 from decreased revenue, (iii) creative costs of $226,000 primarily from decreased released comic titles, and (iv) licensing costs of $58,000. Royalty expense as a percentage of sales is dependent on product and title mix as different revenue streams and titles have different royalty rates.

Gross Margin. IDWP gross margin increased to 47.1% for the three months ended July 31, 2025, compared to 41.4% for the three months ended July 31, 2024. Gross margin for the nine months ended July 31, 2025 increased to 44.2% compared to 41.4% for the nine months ended July 31, 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 expense decreased by $123,000 in the three months ended July 31, 2025, compared to the three months ended July 31, 2024, primarily due to decreases in salaries and benefits of $89,000 related to reductions in force, legal and consulting costs of $79,000, overhead allocation of $75,000, rent and utilities of $33,000 due to the elimination of the San Diego office location, and decreases in travel expenses of $31,000, offset by higher direct-to-consumer costs of $116,000 due to prior year third party invoice reversals and marketing costs of $68,000 primarily due to increased direct-to-consumer and digital advertising.

IDWP selling, general and administrative expenses decreased by $265,000 in the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024, primarily due to decreases in salaries and benefits of $634,000 related to reductions in force, overhead allocation of $94,000, shipping costs of $81,000 including excess inventory fees and supplies, rent and utilities of $80,000 due to the elimination of the San Diego office location, and marketing costs of $70,000 due primarily to decreased print advertising and marketing incentives, and other net charges of $52,000, offset by the increase in bad debt of $746,000 related to the bankruptcy of Diamond Comic Distributors.

As a percentage of IDWP revenues, selling, general and administrative expense was 41.5% in the three months ended July 31, 2025, compared to 39.8% in the three months ended July 31, 2024, and 52.5% in the nine months ended July 31, 2025, compared to 47.0% in the nine months ended July 31, 2024.

IDWE

(in thousands)			**Change**	
Three months ended July 31,	**2025**	**2024**	**$**	**%**
Revenues	$ 8	$ (34)	$ 42	123.5%
Direct cost of revenues	(83)	195	(278)	(142.6)%
Selling, general and administrative	(21)	(84)	63	75.0%
Depreciation and amortization	(1)	(1)	-	-
Income (loss) from operations	**$ (97)**	**$ 76**	**$ (173)**	**(227.6)%**

(in thousands) Nine months ended July 31,	2025	2024	Change $	Change %
Revenues	$ 175	$ 88	$ 87	36.9%
(Direct cost) recoupment of cost of revenues	(148)	492	(640)	(121.8)%
Selling, general and administrative	(137)	(318)	181	50.2%
Depreciation and amortization	(4)	(6)	2	33.3%
Income (loss) from operations	**$ (114)**	**$ 256**	**$ (370)**	**(144.5)%**

Revenues. IDWE revenues increased by $42,000 in the three months ended July 31, 2025, compared to the three months ended July 31, 2024. Revenues in three months ended July 31, 2025, consisted of optioned project revenue. Revenues in the three months ended July 31, 2024, consisted of a correction from a prior period.

IDWE revenues increased by $87,000 in the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024. Revenues in nine months ended July 31, 2025 and 2024 both consisted of optioned project revenue and television distribution revenue. Revenues in the nine months ended July 31, 2025 also include $138,000 received from the distribution of *Wynonna Earp*.

(Direct cost) recoupment of costs of revenues. IDWE direct cost of revenues consists primarily of impairment of television costs, residual costs, and recoupment of costs. 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 nine months ended July 31, 2025 and all future periods, receipts are recorded as revenue.

IDWE direct cost of revenues decreased by $278,000 in the three months ended July 31, 2025, compared to the three months ended July 31, 2024. The amortized television costs for the three months ended July 31, 2025 included impairment of costs related to titles whose media rights have lapsed of $54,000 and residuals of $29,000. The amortized television costs for the three months ended July 31, 2024 included cost recoupment from *Wynonna Earp* of $251,000, offset by residuals of $35,000, and television cost impairments of $21,000.

IDWE direct cost of revenues decreased by $640,000 in the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024. The amortized television costs for the nine months ended July 31, 2025 included residuals of $78,000 and impairment of costs related to titles whose media rights have lapsed of $70,000. The amortized television costs for the nine months ended July 31, 2024 included cost recoupment from *Wynonna Earp* of $654,000, offset by residuals of $134,000 and television cost impairments of $28,000.

Gross Margin. IDWE gross margin was (937.5%) for the three months ended July 31, 2025, compared to (473.5%) for the three months ended July 31, 2024, and 15.4% for the nine months ended July 31, 2025, compared to 659.1% for the nine months ended July 31, 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 expense decreased by $63,000 during the three months ended July 31, 2025, compared to the three months ended July 31, 2024 primarily due to decreases in salaries and benefits of $51,000 related to reductions in force and other net charges of $12,000.

IDWE selling, general and administrative expense decreased by $181,000 during the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024 primarily due to decreases in salaries and benefits of $145,000 related to reductions in force and other net charges of $36,000.

Consolidated IDW Media Holdings, Inc.

(in thousands)			Change	
Three months ended July 31,	**2025**	**2024**	**$**	**%**
Income from operations	$ 211	$ 114	$ 97	85.1%
Interest income, net	70	9	61	677.8%
Other income, net	-	1	(1)	100.0%
Net income	**$ 281**	**$ 124**	**$ 157**	**126.6%**

(in thousands)			Change	
Nine months ended July 31,	**2025**	**2024**	**$**	**%**
Loss from operations	$ (1,681)	$ (1,025)	$ (656)	(64.0)%
Interest income, net	224	29	195	672.4%
Other expense, net	-	(11)	11	100.0%
Net loss	**$ (1,457)**	**$ (1,007)**	**$ (450)**	**(44.7)%**

Income from operations. Income from operations increased by $97,000 in the three months ended July 31, 2025, compared to the three months ended July 31, 2024, due to positive changes in operational performance from IDWP of $270,000, offset by negatives changes in operational performance of IDWE of $173,000. These changes are described in the separate segment analyses above.

Loss from operations increased by $656,000 in the nine months ended July 31, 2025, compared to the nine months ended July 31, 2024, due to negative changes in operational performance from IDWP of $286,000 and IDWE of $370,000. These changes are described in the separate segment analyses above.

Interest income, net. Interest income was $70,000 in the three months ended July 31, 2025, due to interest earned on bank deposits, compared to $9,000 in the three months ended July 31, 2024.

Interest income was $224,000 in the nine months ended July 31, 2025, due to interest earned on bank deposits, compared to $29,000 in the nine months ended July 31, 2024

Other income, net. Other income was $0 in the three months ended July 31, 2025, and $1,000 in the three months ended July 31, 2024.

Other expense, net. Other expense was $0 in the nine months ended July 31, 2025, and $11,000 in the nine months ended July 31, 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.

	Nine months ended July 31,	
(in thousands)	**2025**	**2024**
Cash flows provided by (used in):		
Operating activities	$ (1,681)	$ (602)
Investing activities	(9)	(79)
Financing activities	(5)	3,000
Net increase (decrease) in cash	**$ (1,695)**	**$ 2,319**

At July 31, 2025, we had cash of $5,737,000 and working capital (current assets in excess of current liabilities) of $17,405,000.

We anticipate that our expected cash inflows from operations during the next twelve months together with our working capital, including the balance of cash held as July 31, 2025 will be sufficient to sustain our operations for at least the twelve months following the date of this report. While the Company experienced negative operating cash flow during the current period due primarily to increases in print inventory, we anticipate past operating expense reductions and a continued focus on profitable operations will result in future positive operating cash flow.

Operating Activities

Cash used by operating activities was $1,681,000 for the nine months ended July 31, 2025, compared to cash used in operating activities of $602,000 in the nine months ended July 31, 2024. For the nine months ended July 31, 2025, the net decrease in cash resulted primarily to timing of customer payments and increases in cash outflow due primarily to increases in inventory and decreases in accounts payable and accrued expenses. The net loss for the period of $1,457,000 was adjusted for non-cash items included in the determination of net loss, and $2,251,000 of cash outflow related to the effect of changes in operating assets and liabilities because of increases to inventory and decreases to accounts receivables, accounts payable, and accrued expenses.

For the nine months ended July 31, 2024, the net decrease in cash was primarily a result of the net loss for the period of $1,007,000, adjusted for non-cash items included in the determination of net loss, and $13,000 of cash inflow related to the effect of changes in operating assets and liabilities.

Investing Activities

Our capital expenditures were $9,000 and $79,000 in the nine months ended July 31, 2025, and 2024, respectively, and the reduction was primarily due to reduced needs for computer equipment following prior reductions in force. We anticipate capital expenditures increasing over the next twelve months as we replace aging computer equipment.

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 $5,074,000 at July 31, 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 6.5% at July 31, 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 $1,072,000 at July 31, 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 $1,284,000 at July 31, 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 fiscal 2024, after which cash received has been recorded as revenue. In fiscal 2025, $138,000 cash received is recorded as revenue.

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: September 11, 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: September 11, 2025

/s/ Andrew DeBaker
Chief Financial Officer