QUARTERLY REPORT OF IDW MEDIA HOLDINGS, INC.
FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2018 AND 2017

Item 5 Interim Financial Statements

IDW MEDIA HOLDINGS, INC.

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	July 31, 2018 (Unaudited)	October 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 11,778	$ 9,154
Trade accounts receivable, net	15,310	14,630
Inventory – print and production costs	43,227	29,354
Prepaid expenses	2,677	2,292
Total current assets	72,992	55,430
Property and equipment, net	3,119	3,479
Non-current assets		
Trade accounts receivable – non-current portion	1,398	3,078
Deferred taxes	7,385	10,391
Intangible assets, net	866	1,164
Goodwill	2,272	2,272
Other assets	353	416
Total non-current assets	12,274	17,321
Total assets	$ 88,385	$ 76,230
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	$ 2,145	$ 2,809
Accrued expenses	5,861	9,880
Deferred revenue	2,850	4,677
Bank loans payable – current portion	13,514	5,409
Contingent liability (see note10)	8,858	-
Income taxes payable	67	249
Capital lease obligations – current portion	354	397
Other current liabilities	384	162
Total current liabilities	34,033	23,583
Non-current liabilities		
Accrued liabilities – non-current	1,207	1,602
Capital lease obligations – long term portion	637	923
Bank loans payable – long term portion	7,930	649
Total non-current liabilities	9,774	3,174
Total liabilities	43,807	26,757
Commitments and contingencies (see note 11)	-	-
Stockholders' equity (see note 1):		
Preferred stock, $.01 par value; authorized shares – 500; no shares issued at July 31, 2018 and October 31, 2017	-	-
Class B common stock, $0.01 par value; authorized shares – 12,000; 6,127 shares and 6,085 shares and shares issued and outstanding at July 31, 2018 and October 31, 2017, respectively	61	61
Class C common stock, $0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at July 31, 2018 and October 31, 2017	5	5
Additional paid-in capital	68,985	66,694
Accumulated other comprehensive loss	(195)	(183)
Accumulated deficit	(23,082)	(15,908)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at July 31, 2018 and October 31, 2017	(1,196)	(1,196)
Total stockholders' equity	44,578	49,473
Total liabilities and stockholders' equity	$ 88,385	$ 76,230

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 July 31, 2018	Three Months Ended July 31, 2017	Nine Months Ended July 31, 2018	Nine Months Ended July 31, 2017
Revenues	**$ 14,246**	$ 16,705	**$ 38,607**	$ 40,378
Costs and expenses:				
Direct cost of revenues	**7,597**	8,989	**21,154**	21,415
Selling, general and administrative (i)	**6,872**	7,011	**20,100**	19,979
Depreciation and amortization	**403**	397	**1,204**	1,159
Bad debt expense	**(22)**	12	**32**	23
Total costs and expenses	**14,850**	16,409	**42,490**	42,576
Income (loss) from operations	**(604)**	296	**(3,883)**	(2,198)
Interest expense, net	**(70)**	(68)	**(309)**	(102)
Other income (expense), net	**11**	(2)	**19**	(1)
Income (loss) before income taxes	**(663)**	226	**(4,173)**	(2,301)
(Provision for) benefit from income taxes	**202**	(83)	**(3,001)**	760
Net income (loss)	**$ (461)**	$ 143	**$ (7,174)**	$ (1,541)
Basic and diluted income (loss) per share attributable to IDW Media Holdings, Inc. common stockholders (note 3):				
Net income (loss) per share	**$ (.08)**	$ .02	**$ (1.17)**	$ (.27)
Weighted-average number of shares used in the calculation of basic and diluted income per share:	**6,146**	5,795	**6,123**	5,750
Dividend declared per common share:	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Interest Expense	**$ 77**	$ 70	**$ 319**	$ 109
(i) Stock-based compensation included in selling, general and administrative expenses	**$ 702**	$ 771	**$ 2,291**	$ 2,166

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in thousands)	Three Months Ended July 31, 2018	Three Months Ended July 31, 2017	Nine Months Ended July 31, 2018	Nine Months Ended July 31, 2017
Net income (loss)	**$ (461)**	143	**$ (7,174)**	$ (1,541)
Foreign currency translation adjustments	**95**	107	**(12)**	71
Total comprehensive income (loss)	**$ (366)**	250	$ **(7,186)**	$ (1,470)

See accompanying notes to condensed consolidated financial statements

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months ended July 31, (in thousands)	2018	2017
Operating activities:		
Net income (loss)	**$ (7,174)**	$ (1,541)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**1,204**	1,159
Bad debt expense	**32**	23
Stock based compensation	**2,291**	2,166
Changes in assets and liabilities:		
Trade accounts receivable	**968**	1,222
Inventory, prepaid expenses and other current assets	**(14,195)**	(6,240)
Deferred taxes	**3,006**	(941)
Trade accounts payable, accrued expenses and other current liabilities	**3,808**	(1,073)
Deferred revenue	**(1,827)**	1,650
Net cash used in operating activities	**(11,887)**	(3,575)
Investing activities:		
Capital expenditures	**(546)**	(933)
Payments received from notes receivable on sale of assets	**-**	279
Net cash used in investing activities	**(546)**	(654)
Financing activities:		
Proceeds from issuance of common stock	**-**	10,544
Financing under capital leases	**-**	390
Repayments of capital lease obligations	**(329)**	(324)
Proceeds of bank loans	**24,519**	5,841
Repayments of bank loans	**(9,133)**	(1.233)
Net cash provided by financing activities	**15,057**	15,218
Net increase in cash and cash equivalents	**2,624**	10,989
Cash and cash equivalents at beginning of period	**9,154**	6,203
Cash and cash equivalents at end of period	**$ 11,778**	$ 17,192
Supplemental schedule of investing and financing activities		
Cash paid for interest	**$ 319**	**$** 109
Cash paid for income taxes	**$ 159**	**$** 470
Purchases of property and equipment through capital lease obligations	$ **-**	$ 390

The effect of exchange rate changes on cash and cash equivalents is not material.

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2018 AND 2017
(Unaudited)

Note 1—Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of IDW Media Holdings, Inc. and its subsidiaries (the "Company") 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. In the opinion of management, all adjustments (consisting principally of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended July 31, 2018 are not necessarily indicative of the results that may be expected for the full fiscal year ended October 31, 2018. The balance sheet at October 31, 2017 has been derived from the Company's audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. For further information, please refer to the Company's annual report for the fiscal year ended October 31, 2017 filed on January 29, 2018 with the OTC Markets Group: OTC Pink Tier: IDWM.

Each reference below to a fiscal year refers to the fiscal year ending in the calendar year indicated (e.g., fiscal 2018 refers to the fiscal year ending October 31, 2018).

The Company is a holding company consisting of the following principal businesses:

IDW, a publishing company that creates comic books, graphic novels, digital content and games through its imprints IDW Publishing, IDW Games and Top Shelf;

IDW Entertainment, a company that leverages properties, principally those of IDW, into television series developing, producing and distributing original content worldwide; and

CTM Media Group ("CTM"), the Company's brochure and digital distribution companies and other advertising-based product initiatives focused on small to medium sized businesses.

Variable Interest Entities
The Company through its subsidiary IDW Entertainment ("IDWE") has an arrangement with five special-purpose entities ("SPE"), formed for the sole purpose of providing production services in Canada for the production of a television pilot and series. The SPEs are independently owned companies effectively controlled by IDWE and are parties to a related bank production financing arrangement. The Company has determined that SPEs are variable interest entities and that the Company is the primary beneficiary of the SPEs activities and obligor on the SPEs' debt. All financial activity of the SPEs have been included IDWE's financial statements, which are a part of these condensed consolidated financial statements.

Note 2—Dividends

The Company's Board of Directors decided to temporarily suspend the Company's quarterly dividend to provide additional cash for the Company's acquisition initiatives and its production schedule commitments further discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's annual report to the OTC Markets Group for the fiscal year ended October 31, 2017.

The declaration of future dividends will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, business conditions and other factors, as well as a determination by the Board that dividends are in the best interest of our stockholders at that time, subject to confirmation by the Company's management that there is sufficient surplus as of the proposed future payment dates and other circumstances existing at the relevant times.

Note 3—Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to all classes of common stockholders by the weighted average number of shares of all classes of common stock outstanding during the applicable period. The number of shares outstanding has been increased to include unvested restricted Class B stock issued to the Company's founder and Chairman of the Board. Diluted earnings per share is computed in the same manner as basic earnings per share except that the number of shares is increased to include any potentially dilutive shares. During the three months and nine months ended July 31, 2018 and July 31, 2017, there were no shares that were potentially dilutive. As a result, basic earnings per share and diluted earnings per share were the same.

Note 4—Equity

Changes in the components of stockholders' equity were as follows:

(in thousands)	Nine Months Ended July 31, 2018
Balance, October 31, 2017	49,473
Stock based compensation	2,291
Comprehensive income (loss):	
Net (loss)	(7,174)
Other comprehensive (loss)	(12)
Total comprehensive income (loss)	(7,186)
Balance, July 31, 2018	$ 44,578

On July 19, 2017, the Company closed on the first of two rounds of the previously announced non-brokered private placement offering to certain existing stockholders at $29.50 per share. The Company issued 317,520 shares of Class B Common Stock for $9,366,840. On August 2, 2017, the Company closed on the second round of the non-brokered private placement offering. As a result of this second round of the offering there were an additional 40,154 shares of Class B Common Stock issued for $1,184,543, for a total of 357,674 shares of Class B Common Stock and proceeds totaling $10,551,383. The shares may be subject to restrictions on transfer under applicable securities laws. The proceeds from the offering were used by the Company to finance IDW Entertainment and for general working capital purposes.

Effective January 10, 2017, the Company granted 57,532 shares of its Class B Common Stock that are subject to forfeiture ("Restricted Stock") under a Restricted Stock Agreement pursuant to the Company's 2009 Stock Option and Incentive Plan, as amended and restated as of October 16, 2016 (the "Company's Stock Option and Incentive Plan"), to its former Chief Executive Officer. The shares under the grant vest as follows: 19,177 shares on each of March 31, 2018 and March 31, 2019, and 19,178 shares on March 31, 2020.

Effective November 7, 2016, the Company granted 116,458 shares of Restricted Stock under Restricted Stock Agreements pursuant to the Company's 2009 Stock Option and Incentive Plan to the Company's Chief Operating Officer, former Chief Financial Officer and selected management employees. During the 2018 fiscal year 8,549 were forfeited. The shares under the grants vest in three equal installments on each of June 20, 2017, June 20, 2018 and September 20, 2019.

Note 4—Equity (continued)

On October 31, 2013, the Company's Board of Directors granted its major stockholder, 38,796 (387,960 shares after the Stock Split) restricted shares of the Company's Class B common stock with a value of $2,327,760 on the date of grant in lieu of a bonus for fiscal 2013 and a cash base salary for the period October 14, 2014 to December 31, 2019. Total unrecognized compensation cost on the date of grant was $2,277,760. The unrecognized compensation is recognized over the vesting period. The restricted shares vest as follows:

Date	Number of shares	Number of shares (after giving effect to the 10 for 1 Stock Split)
10/31/13	833	8,330
9/30/15	5,834	58,340
9/30/16	6,417	64,170
9/30/17	7,058	70,580
9/30/18	7,764	77,640
9/30/19	8,541	85,410
12/31/19	2,349	23,490

On September 3, 2009, the Company's Compensation Committee ratified the Company's Stock Option and Incentive Plan, to provide incentives to executive officers, employees, directors and consultants of the Company and/or its subsidiaries. The maximum number of shares of the Company's Class B common stock reserved for the grant of awards under the Company's Stock Option and Incentive Plan is 285,860 shares, subject to adjustment. Incentives available under the Company's Stock Option and Incentive Plan may include stock options, stock appreciation rights, limited stock appreciation rights, restricted stock and deferred stock units. As of July 31, 2018, 113,519 shares were available to be issued.

Under the Company's Stock Option and Incentive Plan, the option price of each option award shall not be less than one hundred percent of the fair market value of the Company's Class B common stock on the date of grant. Each option agreement shall provide the exercise schedule for the option as determined by the Compensation Committee. The exercise period will be ten years from the date of the grant of the option unless otherwise determined by the Compensation Committee.

Note 5—Asset Purchases

During the fiscal year ended October 31, 2017, CTM acquired a brochure distribution company, expanding its distribution network in New England. The acquisition further expanded CTM's distribution network in its New England service area.

Note 6—Notes Payable and Lines of Credit

On June 21, 2018, IDW Entertainment through a Variable Interest Entity (the "VIE") (see Note 1) entered into a loan agreement with a bank that provides for a production financing commitment in the aggregate amount of $23,521,000. The loan is secured by the VIE's assets, rights in the related television production's episodes and distribution agreements for the production and is repayable from the assignment of proceeds of the related license agreements, including interest based on the prime rate. The loan matures on January 31, 2021. On July 31, 2018, $11,975,000 was outstanding under the commitment.

On November 1, 2017, IDW Entertainment through a 100% owned LLC (the "LLC2") entered into a loan agreement with a bank that provides for a production financing commitment in the amount of $4,103,000. The loan is secured by the LLC2's assets, rights in the related television production's episodes and distribution agreements for the production and is repayable from the assignment of proceeds of the related license agreements, including interest based on the prime rate. The loan matures on March 1, 2020. On July 31, 2018, $2,668,000 was outstanding under the commitment.

On October 16, 2017, IDW Entertainment through a 100% owned LLC (the "LLC1") entered into a loan agreement with a bank that provided a US dollar and a Canadian dollar production financing commitment aggregating $11,256,000. The loan is secured by the LLC1's assets, rights in the related television production's episodes and distribution agreements for the production and is repayable from the assignment of proceeds of the related license agreements, including interest based on USD Libor rate for the US dollar portion and the Canadian Prime Rate for the Canadian portion. The loan matures on February 28, 2019. On July 31, 2018, $2,937,000 was outstanding under the commitment.

On May 2, 2017, IDW Entertainment through a 100% owned LLC (the "LLC") entered into a loan agreement with a bank that provides for a production financing commitment in the amount of $3,178,000. The loan is secured by the LLC's assets, rights in the related television production's episodes and distribution agreements for the production and is repayable from the assignment of proceeds of the related license agreements, including interest based on the prime rate. The loan matures on April 26, 2019. On July 31, 2018, $438,000 was outstanding under the commitment.

On July 31, 2015, as amended May 25, 2018, IDW entered into a loan agreement with the Company's primary bank that provided for a $3,000,000 revolving line of credit, renewable annually, with interest payable monthly. IDW has pledged its fixed assets, inventory and receivables under the agreement, which also requires IDW to maintain certain financial ratios, among other provisions. On May 25, 2018, IDW renewed and extended the line of credit through July 31, 2019. At July 31, 2018, $3,000,000 was outstanding under this line of credit.

On July 28, 2012, as amended May 25, 2018, CTM entered into a loan agreement with the Company's primary bank that provided for a $1,000,000 revolving line of credit, renewable annually, with interest payable monthly. On May 25, 2018, CTM renewed and extended the line of credit to July 31, 2019. The Company has pledged its CTM Segment assets and CTM Segment subsidiaries have provided guarantees to the bank. The agreement requires the company to maintain certain financial ratios, among other provisions. At July 31, 2018, no balance was outstanding under this line of credit.

On March 4, 2015, CTM entered into a term loan agreement with the Company's primary bank for $500,000 payable in equal monthly installments including principal and interest, with the final payment due on February 28, 2019.

On October 3, 2014, CTM entered into a term loan agreement with the Company's primary bank for $1,500,000 payable in equal monthly installments plus interest, with the final balance of principal payable on August 31, 2018.

Under the agreements, the Company has pledged its CTM Segment assets and CTM Segment subsidiaries have provided guarantees to the bank. The agreement requires the company to maintain certain financial ratios, among other provisions. On July 31, 2018, $426,000 was outstanding under the CTM term loans.

Future maturities under the term loans are as follows:

Date	Amount
07/31/19	$ 13,514,000
07/31/20	7,930,000
Total	**$ 21,444,000**

Note 7—Business Segment Information

The Company has the following three reportable business segments: IDW, IDW Entertainment and CTM.

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 accounting policies of the segments are the same as the accounting policies of the Company as a whole. The Company evaluates the performance of its business segments based primarily on operating income. There are no other significant asymmetrical allocations to segments.

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

(in thousands) (unaudited)	IDW	IDW Entertainment	CTM	Total
Three months ended July 31, 2018				
Revenues	**$ 5,596**	**$ 2,442**	**$ 6,208**	**$ 14,246**
Income (loss) from operations	**$ (801)**	**$ (746)**	**$ 943**	**$ (604)**
Net income (loss)	**$ (557)**	**$ (575)**	**$ 671**	**$ (461)**
Total assets at July 31, 2018	**$ 12,468**	**$ 57,648**	**$ 18,269**	**$ 88,385**
Three months ended July 31, 2017				
Revenues	$ 5,421	$ 5,178	$ 6,107	$ 16,706
Income (loss) from operations	$ (1,100)	$ 341	$ 1,055	$ 296
Net income (loss)	$ (690)	$ 166	$ 667	$ 143
Total assets at July 31, 2017	$ 18,679	$ 24,320	$ 27,358	$ 70,357

(in thousands) (unaudited)	IDW	IDW Entertainment	CTM	Total
Nine months ended July 31, 2018				
Revenues	**$ 16,080**	**$ 8,371**	**$ 14,156**	**$ 38,807**
Loss from operations	**$ (2,532)**	**$ (401)**	**$ (950)**	**$ (3,883)**
Net loss	**$ (1,785)**	**$ (472)**	**$ (4,917)**	**$ (7,174)**
Total assets at July 31, 2018	**$ 12,468**	**$ 57,648**	**$ 18,269**	**$ 88,385**
Nine months ended July 31, 2017				
Revenues	$ 17,776	$ 8,516	$ 14,086	$ 40,378
Income (loss) from operations	$ (2,551)	$ 446	$ (93)	$ (2,198)
Net income (loss)	$ (1,602)	$ 224	$ (163)	$ (1,541)
Total assets at July 31, 2017	$ 18,679	$ 24,320	$ 27,358	$ 70,357

Note 8—Inventory

Inventory consists of the following:

(in thousands)	(Unaudited) July 31, 2018	October 31, 2017
Print	**$ 3,142**	$ 4,046
Production and pre-production costs	**40,085**	25,308
Total	**$ 43,227**	$ 29,354

Note 9—Income Taxes

Income tax benefit increased for the three months ended July 31, 2018 compared to the three months ended July 31, 2017 by approximately $285,000 which mainly reflects the changes in taxable income as well as the differences in rates in the jurisdictions in which the income was earned or losses incurred.

Income tax expense increased for the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017 by approximately $3,761,000 which mainly reflects the adjustment detailed below.

On December 22, 2017, the U.S. government enacted “An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018”, which is commonly referred to as “The Tax Cuts and Jobs Act” (the “Tax Act”). The Tax Act provides for comprehensive tax legislation that reduces the U.S. federal statutory corporate tax rate from 35.0% to 21.0% effective January 1, 2018, broadens the U.S. federal income tax base, requires companies to pay a one-time repatriation tax on earnings of certain foreign subsidiaries that were previously tax deferred (“transition tax”), and creates new taxes on certain foreign sourced earnings.

On December 22, 2017, the SEC issued Staff Accounting Bulletin No. 118 (“SAB 118”), expressing its views regarding the FASB’s Accounting Standards Codification 740, Income Taxes, in the reporting period that includes the enactment date of the Tax Act. SAB 118 recognizes that a registrant’s review of certain income tax effects of the Tax Act may be incomplete at the time financial statements are issued for the reporting period that includes the enactment date, including interim periods therein. Specifically, SAB 118 allows a company to report provisional estimates in the reporting period that includes the enactment date if the company does not have the necessary information available, prepared, or fully analyzed for certain income tax effects of the Tax Act. The provisional estimates would be adjusted during a measurement period not to exceed 12 months from the enactment date of the Tax Act, at which time the accounting for the income tax effects of the Tax Act is required to be completed.

The Company has not completed its accounting for the income tax effects of the enactment of the Tax Act; however, the Company has made a reasonable estimate of the effect on its existing deferred tax assets and book a reduction of $4.1 million. Because of the Company’s fiscal year, the rate reduction will be factored in and will use a blended rate of 23.2%

The transition tax is based on total post-1986 earnings and profits which were previously deferred from U.S. income taxes. At December 31, 2017, the Company did not have significant undistributed earnings of our foreign subsidiaries. As a result, any additional income or withholding will not be significant. The Company continues to review the anticipated impacts of the global intangible low taxed income (“GILTI”) and base erosion anti-abuse tax (“BEAT). The Company has not recorded any impact associated with either GILTI or BEAT.

The Company anticipates that its assumptions and estimates may change as a result of future guidance and interpretation from the Internal Revenue Service, the SEC, the FASB, and various other taxing jurisdictions. In particular, the Company anticipates that the U.S. state jurisdictions will continue to determine and announce their conformity or decoupling from the Tax Act, either in its entirety or with respect to specific provisions. Legislative and interpretive actions could result in adjustments to the Company’s provisional estimates when the accounting for the income tax effects of the Tax Act is completed. The Company will continue to evaluate the impact of the Tax Act on its financial statements and will record the effect of any reasonable changes in its estimates and adjustments.

Note 10—Contingent Liability

The Company, through a wholly owned subsidiary, is obligated under a licensing agreement with a customer for reimbursement of pilot license fees and other amounts received in the event the Company re-licenses rights to the pilot, as defined in the agreement. The contingent liability has been established based upon management's plans to re-license the produced pilot within the next twelve months.

Note 11—Commitments

Lease Commitments
The future minimum payments for capital and operating leases are shown below as of the Company's last fiscal year ended October 31, 2017:

(in thousands)	Operating Leases	Capital Leases
Fiscal years ending October 31:		
2018	$ 1,725	$ 426
2019	1,392	355
2020	1,287	270
2021	1,173	201
2022	486	70
Thereafter	42	-
Total payments	$ 6,105	1,322
Less amount representing interest		(2)
Less current portion principal		(397)
Capital lease obligations—long-term portion principal		$ 923

Other Commitments
The Company, through a subsidiary, has entered into an agreement to co-develop, co-produce, and co-finance a scripted television series and pilot based on IDW Publications properties. Net of the Company's contracted pre-sales pursuant to distribution agreements, the Company has a net financial obligation of approximately $7,500,000 related to the projects.

The Company is committed through a subsidiary to guaranteed minimum payments, but such payments are conditioned upon delivery and are net of the Company's contracted pre-sales pursuant to an agreement, which has been assigned by a vendor to a third-party bank. In accordance with the delivery schedule set forth in the agreement, all payments under the guarantee are scheduled to be made by January 26, 2019.

Note 12— Subsequent events

Management has evaluated subsequent events through September 14, 2018, the date on which the consolidated financial statements were available to be issued. There were no material subsequent events that require recognition or additional disclosures in these consolidated financial statements, except as follows:

On August 21, 2018, the Company executed a promissory note with the Company's Chairman of the Board providing for a loan of $5,000,000. The principal amount bears interest at the prime rate, as defined in the note, plus 1%. Payment of principal and interest are to be made from 70% of the "Free Cash Flow" of CTM, as defined in the note, and from and after, August 2019, interest shall be payable monthly regardless of Free Cash Flow. The note matures August 22, 2022. In conjunction with the note the Company issued to the lender a warrant to purchase up to 89,243 shares of the Company's Class B Common Stock at a price per share of $42.02. The warrant expires August 21, 2023.

Item 4. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the accompanying consolidated financial statements and the notes thereto contained in this Annual Report.

As used below, unless the context otherwise requires, the terms "the Company," "we," "us," and "our" refer to IDW Media Holdings, Inc., a Delaware corporation, and our subsidiaries.

Forward-Looking Statements

This Annual Report contains forward-looking statements. Statements that are not historical facts are forward-looking statements. Examples of forward-looking statements include:

- statements about the Company and its divisions' future performance;
- projections of the Company and its divisions' results of operations or financial condition; and
- statements regarding the Company plans, objectives or goals, including those relating to its strategies, initiatives, competition, acquisitions, dispositions and/or its products.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company's control. Such known and unknown risks, uncertainties and other factors may cause the Company's actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements.

The Company cautions that such factors are not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made and are statements of the Company's current expectations concerning future results, events and conditions and the Company is under no obligation to update any of the forward-looking statements, whether as a result of new information, future events or otherwise.

OVERVIEW

Our principal businesses consist of:

Idea and Design Works, LLC ("IDW"), a publishing company that creates comic books, graphic novels, digital content and games through its imprints IDW Publishing, IDW Games and Top Shelf;

IDW Entertainment, LLC ("IDW Entertainment"), television production company that leverage properties, principally those of IDW, into television series developing, producing and distributing original content worldwide; and

CTM Media Group, Inc. ("CTM"), our brochure and digital distribution company and other advertising-based product initiatives focused on small to medium sized businesses.

IDW

IDW's revenues represented 39.3% and 32.4% of our consolidated revenues in the three months ended July 31, 2018 and 2017, respectively and 41.7% and 44.0% in the nine months ended July 31, 2018 and 2017, respectively.

IDW Entertainment

IDW Entertainment was formed September 20, 2013 to leverage properties, principally those of IDW, into television series, developing, producing and distributing original content worldwide. IDW Entertainment is wholly owned by IDW and represented 17.1% and 31.0% of our consolidated revenues for the three months ended July 31, 2018 and 2017, respectively and 21.7% and 21.1% in the nine months ended July 31, 2018 and 2017, respectively.

CTM

CTM develops and distributes print and digital-based advertising and information in targeted tourist markets. CTM operates four integrated and complimentary business lines: Brochure Distribution, Publishing, VisitorFun Card (formerly RightCard), and Digital Distribution offering its customers a comprehensive media marketing approach through these business lines. CTM services more than 19,000 display stations and distribution locations in over 32 states and provinces in the United States and Canada. CTM, through Ettractions, Inc., its digital operating company, sells its Ettractions ExploreBoard touchscreen advertising and information delivery system, and services and maintains content on systems sold to third parties.

On October 9, 2017, CTM acquired the assets of an additional brochure distribution company in Cape Cod, Massachusetts which expanded CTM's network and provided CTM with additional exposure within the marketplace.

CTM's display stations and digital kiosks are located in travel, tourism and entertainment venues, including hotels and other lodgings, corporate and community venues, transportation terminals and hubs, tourist attractions and entertainment venues. CTM's revenues represented 43.6% and 36.6% of our consolidated revenues in the three months ended July 31, 2018 and 2017, respectively and 36.7% and 34.9% in the nine months ended July 31, 2018 and 2017, respectively.

REPORTABLE SEGMENTS

We have the following three reportable business segments: IDW, IDW Entertainment and CTM.

PRESENTATION OF FINANCIAL INFORMATION

Basis of presentation

The consolidated financial statements for the periods reflect our financial position, results of operations, and cash flows. The financial statements have been prepared using the historical basis for the assets and liabilities and results of operations.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States. Our significant accounting policies are described in Note 1 to the consolidated financial statements. 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 allowance for doubtful accounts and intangible assets with indefinite useful lives and valuation of long-lived assets including intangible assets with finite useful lives. 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.

On July 19, 2017, the Company closed on the first of two rounds of the previously announced non-brokered private placement offering to certain existing stockholders at $29.50 per share. The Company issued 317,520 shares of Class B Common Stock for $9,366,840. On August 2, 2017, the Company closed on the second round of the non-brokered private placement offering. As a result of this second round of the offering there were an additional 40,154 shares of Class B Common Stock issued for $1,184,543, for a total of 357,674 shares of Class B Common Stock and proceeds totaling $10,551,383. The shares may be subject to restrictions on transfer under applicable securities laws. The proceeds from the offering were used by the Company to finance IDW Entertainment and for general working capital purposes.

On October 31, 2013, the Company's Board of Directors granted the Company's Chairman of the Board of Directors/major stockholder, 38,796 restricted shares (387,960 restricted shares after giving effect to the ten for one Stock Split) of the Company's Class B common stock with a value of $2,327,760 on the date of grant in lieu of a bonus for fiscal 2013 and a cash base salary for the period October 14, 2014 through December 31, 2019. Total unrecognized compensation cost on the date of grant was $2,277,760. The unrecognized compensation is recognized over the vesting period. The stock-based compensation related to this grant was approximately $116,000 and $106,000 for the three months ended July 31, 2018 and July 31, 2017, and $349,000 and $318,000 for the nine months ended July 31, 2018 and July 31, 2017, respectively.

The restricted shares vest as follows:

Date	Number of shares	Number of shares (after giving effect to the 10 for 1 Stock Split)
10/31/13	833	8,330
9/30/15	5,834	58,340
9/30/16	6,417	64,170
9/30/17	7,058	70,580
9/30/18	7,764	77,640
9/30/19	8,541	85,410
12/31/19	2,349	23,490

IDW Media Holdings, Inc. EBITDA and Adjusted EBITDA

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the United States of America (GAAP) for interim financial information, the Company is also disclosing for the three and nine months ended July 31, 2018 and 2017, EBITDA and Adjusted EBITDA, which are non-GAAP measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP.

The Company's measure of EBITDA consists of net income before depreciation, amortization, provision for or benefit from income taxes, and net interest expense or interest income. Adjusted EBITDA makes further adjustments to EBITDA to reflect the elimination of certain income statement items including non-cash compensation, and expenses that we consider to be not indicative of ongoing operations.

These additions and subtractions are non-cash and/or non-routine items in the relevant three and nine months ended July 31, 2018 and July 31, 2017.

Management believes that the Company's EBITDA and Adjusted EBITDA measures provide useful information to both management and investors by excluding certain expenses and non-routine gains and losses that may not be indicative of the Company's core operating results. Management uses EBITDA and Adjusted EBITDA, among other measures, as a relevant indicator of core operational strengths in its financial and operational decision making. In addition, management uses EBITDA and Adjusted EBITDA to evaluate operating performance in relation to its competitors. Disclosure of these financial measures may be useful to investors in evaluating performance and allows for greater transparency to the underlying supplemental information used by management in its financial and operational decision-making. In addition, management believes such measures are commonly used by readers of financial information in assessing performance, therefore the inclusion of comparative numbers provides consistency in financial reporting at this time.

Management refers to EBITDA and Adjusted EBITDA to facilitate internal and external comparisons to historical operating results, in making operating decisions, for budget and planning purposes, and to form the basis upon which management is compensated for the Company's business segments.

While depreciation and amortization are considered operating costs under GAAP, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. The Company's operating results exclusive of depreciation and amortization charges are useful indicators of its current performance.

Interest is excluded from operating income to arrive at EBITDA as this expense reflects the cost of debt financing and its exclusion may provide users of the financial information with a useful indication of the Company's operations. Income taxes are excluded in arriving at EBITDA as they reflect costs based on taxable income where computations and rates vary by the jurisdictions in which the Company does business and provides a different measure to evaluate operations and may be useful in evaluating operational performance.

Non-cash compensation is also considered an operating expense under GAAP and represents expenses that do not utilize the Company's cash resources and are useful in evaluating the Company's current performance.

EBITDA and Adjusted EBITDA should be considered in addition to, not as a substitute for, or superior to, income (loss) from operations, cash flow from operating activities, net income, and other liquidity and financial performance prepared in accordance with GAAP. In addition, the Company's measurements of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Following are reconciliations of EBITDA and Adjusted EBITDA to Net Income (Loss), which is the most directly comparable GAAP measure.

Reconciliation of Consolidated Net Income (Loss) to
Consolidated EBITDA and Consolidated Adjusted EBITDA
(Unaudited)

	Three Months Ended July 31,		Nine Months Ended July 31,	
(in thousands)	**2018**	**2017**	**2018**	**2017**
Net income (loss)	**$ (461)**	$ 143	**$ (7,174)**	$ (1,541)
Depreciation and amortization	**403**	397	**1,204**	1,159
Provision for (benefit from) income taxes	**(202)**	83	**3,001**	(760)
Interest expense, net	**70**	68	**309**	102
EBITDA	**(190)**	691	**(2,660)**	(1,040)
Non-cash compensation	**702**	771	**2,291**	2,166
Adjusted EBITDA	**$ 512**	$ 1,462	**$ (369)**	$ 1,126

Adjusted EBITDA is defined as net income before interest expense, provision for income taxes and depreciation and amortization, with further adjustments to reflect the elimination of income statement items including non-cash charges, and expenses that we consider not indicative of ongoing operations.

Net income IDW Media Holdings, Inc.

(in thousands) (unaudited) **Three months ended July 31,**	**2018**	**2017**	**Change** **$**	 **%**
Income (loss) from operations	**$ (604)**	$ 296	$ (900)	(304.1%)
Interest income (expense), net	**(70)**	(68)	(2)	(2.9%)
Other income (expense), net	**11**	(2)	13	650.0%
(Provision for) benefit from income taxes	**202**	(83)	285	343.4%
Net income (loss)	**(461)**	143	(604)	(422.4%)

(in thousands) **Nine months ended July 31,**	**2018**	**2017**	**Change** **$**	 **%**
Income (loss) from operations	**$ (3,883)**	$ (2,198)	$ (1,685)	(76.7%)
Interest income (expense), net	**(309)**	(102)	(207)	(202.9%)
Other income (expense), net	**19**	(1)	20	2000.0%
(Provision for) benefit from income taxes	**(3,001)**	760	(3,761)	(494.9%)
Net income (loss)	**(7,174)**	(1,541)	(5,633)	(365.5%)

Income from operations. Income from operations decreased by ($900,000) for the three months ended July 31, 2018 compared to the three months ended July 31, 2017 due to changes in operating income from IDW, IDW Entertainment and CTM in the amounts of 299,000, ($1,087,000) and ($112,000), respectively. These changes were the result of higher gross profit and lower selling, general and administrative expenses in the IDW segment, lower gross profit in IDW Entertainment segment, and the effects of flat gross profit combined with an increase in selling, general and administrative expenses in the CTM segment, among other net changes. These changes are more fully described in the separate segment analyses below.

Income from operations decreased by ($1,685,000) for the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017 due to changes in operating income from IDW, IDW Entertainment and CTM in the amounts of $19,000, ($847,000) and ($857,000), respectively. These changes were the result of lower gross profit offset by lower selling, general and administrative expenses in the IDW segment, the offsetting effects of lower gross profit and lower selling general and administrative expense in IDW Entertainment segment, and the effects of a slight decrease in gross profit combined with an increase in selling, general and administrative expenses in the CTM segment, among other net changes. These changes are more fully described in the separate segment analyses below.

Interest expense, net. Interest expense increased by $2,000 and $207,000 in the three months and nine months ended July 31, 2018 compared to the three and nine months ended July 31, 2017, respectively, principally due to bank financing of operations in the IDW Entertainment segment.

Income Taxes. Income tax benefit is the result of a provision for the three months ended July 31, 2018 compared to the three months ended July 31, 2017 in the amount of approximately $285,000 which mainly reflects the changes in taxable income as well as the differences in rates in the jurisdictions in which the income was earned or losses incurred.

Income tax expense increased for the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017 by approximately $3,761,000, which mainly reflects the adjustment detailed below.

On December 22, 2017, the U.S. government enacted “An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018”, which is commonly referred to as “The Tax Cuts and Jobs Act” (the “Tax Act”). The Tax Act provides for comprehensive tax legislation that reduces the U.S. federal statutory corporate tax rate from 35.0% to 21.0% effective January 1, 2018, broadens the U.S. federal income tax base, requires companies to pay a one-time repatriation tax on earnings of certain foreign subsidiaries that were previously tax deferred (“transition tax”), and creates new taxes on certain foreign sourced earnings.

On December 22, 2017, the SEC issued Staff Accounting Bulletin No. 118 (“SAB 118”), expressing its views regarding the FASB’s Accounting Standards Codification 740, Income Taxes, in the reporting period that includes the enactment date of the Tax Act. SAB 118 recognizes that a registrant’s review of certain income tax effects of the Tax Act may be incomplete at the time financial statements are issued for the reporting period that includes the enactment date, including interim periods therein. Specifically, SAB 118 allows a company to report provisional estimates in the reporting period that includes the enactment date if the company does not have the necessary information available, prepared, or fully analyzed for certain income tax effects of the Tax Act. The provisional estimates would be adjusted during a measurement period not to exceed 12 months from the enactment date of the Tax Act, at which time the accounting for the income tax effects of the Tax Act is required to be completed. The Company has not completed its accounting for the income tax effects of the enactment of the Tax Act; however, the Company has made a reasonable estimate of the effect on its existing deferred tax assets and book a reduction of $4.1 million. Because of the Company’s fiscal year, the rate reduction will be factored in and will use a blended rate of 23.2%

The transition tax is based on total post-1986 earnings and profits which were previously deferred from U.S. income taxes. At December 31, 2017, the Company did not have significant undistributed earnings of our foreign subsidiaries. As a result, any additional income or withholding will not be significant. The Company continues to review the anticipated impacts of the global intangible low taxed income ("GILTI") and base erosion anti-abuse tax ("BEAT). The Company has not recorded any impact associated with either GILTI or BEAT.

The Company anticipates that its assumptions and estimates may change as a result of future guidance and interpretation from the Internal Revenue Service, the SEC, the FASB, and various other taxing jurisdictions. In particular, the Company anticipates that the U.S. state jurisdictions will continue to determine and announce their conformity or decoupling from the Tax Act, either in its entirety or with respect to specific provisions. Legislative and interpretive actions could result in adjustments to the Company's provisional estimates when the accounting for the income tax effects of the Tax Act is completed. The Company will continue to evaluate the impact of the Tax Act on its financial statements, and will record the effect of any reasonable changes in its estimates and adjustments.

IDW

(in thousands) (unaudited)						Change	
Three months ended July 31,		**2018**		**2017**		**$**	**%**
Revenues	**$**	**5,596**	$	5,421	**$**	175	3.2%
Direct cost of revenues		**3,476**		3,432		44	1.3%
Selling, general and administrative		**2,836**		3,004		(168)	(5.6%)
Depreciation and amortization		**85**		85		-	0.0%
Bad debt expense		**-**		-		-	0.0%
Income from operations	**$**	**(801)**	$	(1,100)	**$**	299	27.2%

(in thousands) (unaudited)						Change	
Nine months ended July 31,		**2018**		**2017**		**$**	**%**
Revenues	**$**	**16,080**	$	17,776	**$**	(1,696)	(9.5%)
Direct cost of revenues		**9,847**		10,733		(886)	(8.3%)
Selling, general and administrative		**8,510**		9,337		(827)	(8.9%)
Depreciation and amortization		**255**		255		-	0.0%
Bad debt expense		**-**		2		(2)	(100.0%)
Income from operations	**$**	**(2,532)**	$	(2,551)	**$**	19	(0.7%)

Revenues. IDW's revenues increased by $175,000 in the three months ended July 31, 2018 compared to the three months ended July 31, 2017. Publishing revenue decreased by $(173,000), principally due to continued industry cyclical downward pressure driven by market leaders, as well as the timing of significant major brand titles. IDW experienced a decrease in digital publishing of ($102,000) related to the timing of its digital revenue sources. These decreases were offset by an increase in IDW Games revenue of $166,000, principally due to the effect of the timing of new titles that were released in the current fiscal quarter, an increase in licensing revenue of $246,000 due to the timing of licensing of IDW's properties, other revenue increases of $38,000 based upon the timing of these other revenue sources.

IDW's revenues decreased by ($1,696,000) in the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017. Publishing revenue decreased by ($2,474,000), principally due to continued industry cyclical downward pressure driven by market leaders, as well as the timing of significant major brand titles that are expected to release in the fourth quarter of fiscal 2018. IDW changed its book channel distributor on April 1, 2017, a significant and strategic change for IDW. IDW expects sales to increase in the remainder of fiscal 2018 and in the long term, significantly increase the Company's presence in the book market.

IDW experienced an decrease in digital publishing of ($61,000) related to the timing of its digital revenue sources, an increase in IDW Games revenue of $452,000, principally due to the effect of the timing of new titles that were released in the second and third fiscal quarters of 2018, an increase in licensing revenue of $314,000 due to the timing of IDW's licensing arrangements, and other changes of $73,000 based upon the timing of other revenue sources.

Direct Cost of Revenues. Direct cost of revenues consists primarily of printing expenses and costs of artists and writers. Direct costs of revenues changed in the three and nine months ended July 31, 2018 compared to the three and nine months ended July 31, 2017 by $44,000 and ($886,000), respectively, principally as a result of the related changes in revenue levels in the respective periods.

IDW's gross margin for the three months and nine months ended July 31, 2018 changed to 37.9% and 38.8% from 36.7% and 39.6% for the three months and nine months ended July 31, 2017, respectively, principally due to IDW's changes in product mix during comparative periods.

Selling, General and Administrative. Selling, general and administrative expenses decreased by ($168,000) in the three months ended July 31, 2018, compared to the three months ended July 31, 2017 due primarily to decreases in marketing expenditures of ($59,000), compensation and benefit expenses of ($56,000), and other net changes of ($53,000).

Selling, general and administrative expenses decreased by ($827,000) in the nine months ended July 31, 2018, compared to the nine months ended July 31, 2017 due primarily to decreases in overhead allocations of ($199,000), salaries and benefits of ($76,000), driven by number of employees, selling and distribution of ($148,000) driven primarily by lower costs for shipping of IDW game sales, charitable contributions of ($166,000), advertising and marketing expenses of ($113,000), repairs and maintenance of ($59,000), net legal, accounting and consulting expenses of ($28,000), and other net changes of ($38,000).

As a percentage of IDW's revenues, selling, general and administrative expenses in the three months ended July 31, 2018 were 50.7% compared to 55.4% for the three months ended July 31, 2017, and 52.9% in the nine months ended July 31, 2018 compared to 52.5% in the nine months ended July 31, 2017.

IDW Entertainment

(in thousands) (unaudited)							
					Change		
Three months ended July 31,		**2018**		**2017**		**$**	**%**
Revenues	**$**	**2,442**	$	5,178	**$**	(2,736)	(52.8%)
Direct cost of revenues		**2245**		3,751		(1,506)	(40.1%)
Selling, general and administrative		**940**		1,086		(146)	(13.4%)
Depreciation and amortization		**3**		-		3	100.0%
Income from operations	**$**	**(746)**	$	341	**$**	(1,087)	(318.8%)

(in thousands) (unaudited)							
					Change		
Nine months ended July 31,		**2018**		**2017**		**$**	**%**
Revenues	**$**	**8,371**	$	8,516	**$**	(145)	(1.7%)
Direct cost of revenues		**6,295**		5,782		513	8.9%
Selling, general and administrative		**2,474**		2,288		186	8.1%
Depreciation and amortization		**3**		-		3	100.0%
Income from operations	**$**	**(401)**	$	446	**$**	(847)	(189.9%)

Revenues. Revenues decreased by ($2,736,000) in the three months ended July 31, 2018 compared to the three months ended July 31, 2017 due to lower foreign licensing revenue and the timing of revenue for delivered television episodes. During the quarter, IDW Entertainment's decrease in revenue consisted of domestic television licensing revenue of ($593,000) and foreign licensing revenue of ($2,143,000).

Revenues decreased by ($145,000) in the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017 principally due to the timing of revenue for IDW Entertainment delivered television episodes. During the nine months ended July 31, 2018 and July 31, 2017, IDW Entertainment's decrease in revenue consisted of the net result of higher domestic television licensing revenue of $1,844,000 and lower foreign licensing revenue of ($1,973,000), and other net changes of ($16,000).

IDW Entertainment is committed to additional productions during the remainder of fiscal 2018, including a recent production slated for delivery in 2018, and the completion of delivery of the third season of one of its popular television productions.

Direct Cost of Revenues. Direct cost of revenues consists primarily of the amortization of production costs that were capitalized during the production of the television episodes and direct costs related to revenue recognized during related periods.

Direct costs of revenues in the three months ended July 31, 2018 decreased by ($1,506,000) compared to the three months ended July 31, 2017 and increased by $513,000 in the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017. These increases are a direct result of revenue related participation costs and the amortization of capitalized production costs based on the delivery of completed television episodes during the periods and adjustments to production cost inventory.

IDW Entertainment's gross margin for the three months ended July 31, 2018 was 8.1% compared to 27.6% for the three months ended July 31, 2017. Gross margin for the nine months ended July 31, 2018 was 24.8% compared to 32.1% for the nine months ended July 31, 2017. These changes were directly related to the production and participation costs of episodes delivered during the corresponding periods as well as adjustments to production cost inventory.

Selling, General and Administrative. Selling, general and administrative expenses decreased by ($146,000) in the three months ended July 31, 2018 compared to the three months ended July 31, 2017. The decrease reflects lower overhead allocations of ($194,000), and other net changes of $48,000.

Selling, general and administrative expenses increased by $186,000 in the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017. The increase reflects increases in compensation and benefits of $242,000, insurance of $68,000 and legal, accounting and consulting of $40,000, offset by decreases in tradeshows and marketing expenses of ($146,000), and other net changes of ($18,000).

As a percentage of IDW Entertainment's revenues, selling, general and administrative expenses in the three months ended July 31, 2018 were 38.5% compared to 21.0% for the three months ended July 31, 2017, and 29.6% in the nine months ended July 31, 2018 compared to 26.9% in the nine months ended July 31, 2017.

CTM

(in thousands) (unaudited) **Three months ended July 31,**	**2018**	**2017**	**Change** **$**	**%**
Revenues	**$ 6,208**	$ 6,107	$ 101	1.7%
Direct cost of revenues	**1,875**	1,805	70	3.9%
Selling, general and administrative	**3,097**	2,922	175	6.0%
Depreciation and amortization	**315**	313	2	0.6%
Bad debt expense	**(22)**	12	(34)	(283.3%)
Income from operations	**$ 943**	$ 1,055	$ (112)	(10.6%)

(in thousands) (unaudited) **Nine months ended July 31,**	**2018**	**2017**	**Change** **$**	**%**
Revenues	**$ 14,156**	$ 14,086	$ 70	0.5%
Direct cost of revenues	**5,013**	4,900	113	2.3%
Selling, general and administrative	**9,115**	8,354	761	9.1%
Depreciation and amortization	**947**	904	43	4.8%
Bad debt expense	**31**	21	10	47.6%
Income from operations	**$ (950)**	$ (93)	$ (857)	(921.5%)

Revenues. CTM's revenues increased in the three months ended July 31, 2018 compared to the three months ended July 31, 2017 by $101,000 principally due to an increase in distribution revenue of $126,000 and publishing/print revenue of $41,000, driven by revenues in the Northeast, offset by decreases in digital revenues of ($20,000) and decreases in other revenue categories of ($46,000).

CTM's revenue remained relatively flat in the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017 with increases in distribution revenue of $101,000 and publishing of $60,000 offset by decreases in digital revenue ($62,000) and other revenue of ($29,000).

Historical and seasonal trends in travel and tourism marketing budgets that affect CTM's revenue and its client's buying patterns have shown to be cyclical period over period and year over year. As a result, downward revenue pressure decreased in the second and third quarters of the current fiscal year and is expected to continue for the remainder of fiscal 2018.

Direct Cost of Revenues. Direct cost of revenues consists of distribution and fulfillment payroll, warehouse and distribution vehicle expenses, distribution host partner costs, print and design expenses and the cost of ExploreBoard sales.

Direct cost of revenues for the three months ended July 31, 2018 increased by $70,000 compared to the three months ended July 31, 2017, principally due to an increase in salaries of $50,000, principally from the filling of open positions, vehicle fuel costs of $22,000, and other net changes of ($2,000).

Direct cost of revenues for the nine months ended July 31, 2018 increased by $113,000 compared to the nine months ended July 31, 2017, principally due to warehouse costs of $66,000, driven by rent escalations, new distribution host partner costs of $43,000, and other net changes of ($4,000).

CTM's gross margin for the three months ended July 31, 2018 was 69.8% compared to 70.4% for the three months ended July 31, 2017, and 64.6% for the nine months ended July 31, 2018 compared to 65.2% for the nine months ended July 31, 2017. The changes were due primarily to changes in product mix.

Selling, General and Administrative. Selling, general and administrative expenses consist primarily of payroll and related benefits, facilities costs and insurance. Selling, general and administrative expenses increased in the three months ended July 31, 2018 compared to the three months ended July 31, 2017 by $175,000. The increase was principally due to increases in parent company overhead allocations of $141,000, distribution location rent of $35,000, increases in salaries and benefits of $28,000, offset by a decrease in recruiting expenses of ($42,000) and other net changes of $13,000.

Selling, general and administrative expenses increased in the nine months ended July 31, 2018 compared to the nine months ended July 31, 2017 by $761,000. The increase was principally due to increases in parent company overhead allocations of $398,000, salaries and benefits of $210,000, primarily due to the filling of open positions, distribution location rent increases of $47,000, digital platform maintenance costs of $33,000, CTM rebranding costs of $31,000, and other net changes of $42,000.

As a percentage of CTM's revenues, selling, general and administrative expenses in the three months ended July 31, 2018 were 49.9% compared to 47.8% for the three months ended July 31, 2017, and 64.4% in the nine months ended July 31, 2018 compared to 59.3% for the nine months ended July 31, 2017, reflecting the changes in revenue and expense for the periods.

Bad Debt Expense. Bad debt expense for the three and nine months ended July 31, 2018 changed by ($34,000) and $10,000 compared to the three and nine months ended July 31, 2017, respectively, reflecting CTM's overall collection experience.

LIQUIDITY AND CAPITAL RESOURCES

We satisfied our cash requirements primarily through cash provided by the Company's financing activities.

(in thousands) (unaudited)	Nine months ended July 31, 2018	Nine months ended July 31, 2017
Cash flows provided by (used in):		
Operating activities	**$ (11,877)**	$ (3,575)
Investing activities	**(546)**	(654)
Financing activities	**15,057**	15,218
Net decrease in cash and cash equivalents	**$ 2,624**	$ 10,989)

Operating Activities. Our cash flow from operations varies from quarter to quarter and from year to year, depending on our operating results and the timing of operating cash receipts and payments, specifically trade accounts receivable and trade accounts payable. Cash flows were used in operating activities based on these factors amounting to approximately ($11,877,000) and ($2,069,000) for the nine months ended July 31, 2018 and 2017, respectively.

Investing Activities. Our capital expenditures were approximately $546,000 and $933,000 in the nine months ended July 31, 2018 and 2017, respectively. We currently anticipate that total capital expenditures for all of our segments in fiscal 2018 will be approximately $1,000,000. We expect to fund our capital expenditures with our cash and cash equivalents on hand.

Financing Activities. During the nine months ended July 31, 2018 and July 31, 2017 we repaid capital lease obligations in the amounts of $329,000 and $324,000, respectively, and repaid bank loans in the amounts of $9,133,000 and $1,233,000, respectively. We received funds from our lines of credit and bank loans in the amounts of $24,519,000 and $5,841,000 for the nine months ended July 31, 2018 and 2017, respectively.

CHANGES IN TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable decreased to approximately $16,708,000 at July 31, 2018 compared to $17,708,000 at October 31, 2017 principally due to changes in the collection of IDW Entertainment revenue, as well as the timing of receipts of payments of other receivable balances. The allowance for doubtful accounts as a percentage of gross trade accounts receivable was 0.39% at July 31, 2018 compared to 0.26% at October 31, 2017, reflecting the decrease in receivable balances and our collectible receivable experience, principally related to CTM segment receivables.

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. Historically, such acquisitions have not exceeded $500,000, however, in the fiscal year ended October 31, 2014, CTM purchased its Southeast distribution network, and in the fiscal year ended October 31, 2015, IDW purchased Top Shelf Productions. In the fiscal year ended October 31, 2016 CTM purchased additions to its New England distribution network. Subsequent to CTM's transactions, CTM secured bank term loans of $2,000,000, which replaced a portion of the cash used for its purchases. If we were to pursue additional acquisitions in excess of $500,000, we would likely need to secure financing arrangements. 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.

With the exception of IDW Entertainment's shows currently in production, we expect that our fiscal 2018 operations, the balance of cash and cash equivalents that we held as of July 31, 2018, a $3,000,000 IDW line of credit and a $1,000,000 CTM line of credit with our primary bank, will be sufficient to meet our currently anticipated working capital and capital expenditure requirements, pay capital lease obligations, make limited acquisitions and investments, and fund any potential operating cash flow deficits within any of our segments for at least the next twelve months.

IDW Entertainment.

On August 21, 2018, the Company executed a promissory note with the Company's Chairman of the Board providing for a loan of $5,000,000. The principal amount bears interest at the prime rate, as defined in the note, plus 1%. Payment of principal and interest are to be made from 70% of the "Free Cash Flow" of CTM, as defined in the note, and from and after, August 2019, interest shall be payable monthly regardless of Free Cash Flow. The note matures August 22, 2022. The funds from this loan were used as bridge funding for part of IDW Entertainment's slate of current productions, in advance of expected other usual sources of financing for these productions.

During the fiscal years ended October 31, 2017 and 2016, proceeds of the issuance of Class B Common Stock in the amounts of $10,551,000 and $4,075,000, in connection with the Company's private placements, provided a portion of the funding for IDW Entertainment's operations, in addition to the Company's other working capital needs. In addition, we secured bank loan commitments to fund new production in the third quarter of fiscal 2018 and the third and fourth quarters of fiscal 2017. We believe that additional sources of financing could be needed to assist IDW Entertainment in achieving its long-term strategic plan.

While our expected cash balances, as well as cash flows from our operations, will be sufficient to meet our long-term operational liquidity needs, additional sources of financing, as mentioned above, could be needed to meet the production plans of IDW Entertainment. The foregoing is based on a number of assumptions, including that we will collect on our receivables, effectively manage our working capital requirements, and maintain our revenue levels and liquidity. Predicting these matters is particularly difficult in the current worldwide and national economic situations. Failure to generate sufficient revenues and operating income could have a material adverse effect on our results of operations, financial condition and cash flows.

Dividends. Beginning in the second quarter of fiscal 2016, and in light of the current growth initiatives of the Company, particularly the television property development of IDW Entertainment, the Board of Directors determined to suspend the payment of cash dividends. Projects that have already been approved and commenced are placing demands on the Company's resources, and management and the Board determined that it was in the best interests of the stockholders to utilize available cash resources for investment in these promising and exciting growth opportunities. This position may continue depending on the timing of projects, the cash generation of the Company's operations and any financing that the Company may consummate. Decisions as to the payment of dividends in future periods will depend on the financial position, results of operations, prospects and current and projected competing demands for cash resources at the relevant time. The Company continues its position of prudent and conservative cash management and is committed to using all of its resources to maximize shareholder value, balancing short, medium and long-term interests.

FOREIGN CURRENCY RISK

Revenues from our international operations located in Canada represented 3.01% and 3.00% of our consolidated revenues for the nine months ended July 31, 2018 and July 31, 2017, respectively. Our Canadian dollar foreign currency exchange risk is somewhat mitigated by our ability to offset the majority of Canadian Dollar-denominated revenues with operating expenses that are paid in the same currency. In addition, we have foreign currency exchange risk from receivables from sales denominated in GBP (Great Britain Pound) and have contracts for future sales denominated in GBP. While the impact from fluctuations in foreign exchange rates affects our revenues and expenses denominated in the foreign currency, the net amount of our exposure to foreign currency exchange rate changes at the end of each reporting period is generally not material.

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.

Item 10 Certifications.

I, Kerry McCluggage, 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 14, 2018

/s/ Kerry McCluggage

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Chief Executive Officer

I, Ezra Rosensaft, 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 14, 2018

/s/ Ezra Rosensaft

Chief Financial Officer