



## IDW Media Reports Second Quarter Fiscal Year 2019 Results

**STAMFORD, CT / ACCESSWIRE / June 13, 2019** / IDW Media Holdings, Inc. (OTC: IDWM), an integrated media company, today reported a net loss per share of (\$0.61) on revenue of \$7.8 million for the second quarter of its 2019 fiscal year, the three months ended April 30, 2019.

### Highlights

- Following quarter close, IDW Media successfully completed an offering raising \$23 million in new capital and reduced long-term debt from \$21 million to \$9 million. The remaining debt is due to IDW Media's Chairman and CEO;
- IDW Entertainment (IDWE) has three series scheduled for delivery to Netflix within the next twelve months. During 2Q19, IDWE:
  - Completed principal photography on *October Faction* and *V-Wars*. Both shows are currently in post-production with deliveries scheduled for Q4 CY2019;
  - Began principal photography of *Locke & Key*, which is scheduled to complete post-production in Q1 CY2020;
- IDWE has prioritized fifteen projects for early stage development based on IP developed at IDW Publishing (IDWP);
- During 2Q19, IDWP added twenty titles to its IP portfolio of over 400 creator-owned or IDWP-owned originals;
- Media veteran Allan Grafman, who previously held senior positions at Archie Comics, and Hallmark Entertainment, among others, has joined IDW Media's Board of Directors;
- Management is reviewing strategic alternatives with the assistance of advisor, JP Morgan.

### IDW Media Management Comments - Chairman and CEO, Howard Jonas

"The successful completion of our private placement has put IDW Media on a strong financial footing. We are working together to restore the company to profitability in fiscal 2020 and to realize the full potential of IDW Publishing's extensive IP portfolio.

"IDW Entertainment's *October Faction* and *V-Wars* are both in post-production and scheduled for delivery to Netflix in the fourth quarter of this year. With the initial seasons of those series concluded, we will pivot to production models that require less capital and minimize downside risk. *Locke & Key*, which is now in principal photography for delivery to Netflix early in fiscal

2020, is being developed under a production services agreement, for which IDW will receive a percentage of the production budget with limited risk.

“IDW Entertainment has also identified a robust pipeline of fifteen potential projects from IDW Publishing’s portfolio and is developing pitches and scripts for streaming and traditional broadcast TV networks as well as for feature film platforms. The pipeline represents a targeted array of genres. Looking further ahead, we intend to develop at least two new projects or feature films from our pipeline per year.”

### **Consolidated P&L Highlights**

<i>(in thousands, unaudited)</i>	<b><u>2Q19</u></b>	<b><u>1Q19</u></b>	<b><u>2Q18</u></b>
Revenue	\$7,809	\$9,349	\$8,720
Direct cost of revenue	\$4,075	\$5,103	\$4,678
SG&A	\$6,977	\$7,280	\$6,597
Depreciation & amortization	\$365	\$403	\$398
Loss from operations	(\$3,633)	(\$3,993)	(\$2,983)
Net loss	(\$3,747)	(\$4,093)	(\$2,226)
Loss per share	(\$0.61)	(\$0.67)	(\$0.36)

### **Segment P&L Highlights**

<i>(in thousands, unaudited)</i>	<b><u>2Q19</u></b>	<b><u>1Q19</u></b>	<b><u>2Q18</u></b>
<b>Revenue</b>			
IDW Publishing	\$3,740	\$5,212	\$4,409
IDW Entertainment	\$43	\$87	\$353
CTM Media	\$4,025	\$4,050	\$3,958
<b>Loss from operations</b>			
IDW Publishing	(\$1,631)	(\$1,470)	(\$1,394)
IDW Entertainment	(\$744)	(\$1,229)	(\$622)
CTM Media	(\$1,258)	(\$1,294)	(\$967)

### **Key Financial & Operational Take-Aways**

- IDWP expects to counter soft secular comic and graphic book demand with release of strong titles in 2H 2019;
- In 4Q19, IDWE expects to deliver *October Faction* and *V-Wars* to Netflix;
- In 1H 2020, IDWE expects to generate approximately \$2.5 million in income from operations upon delivery of *Locke & Key* to Netflix Worldwide;

- CTM's brochure and tourism-driven sales were seasonally soft during winter months. Revenue and profitability are expected to rebound during 2H 2019;
- IDW Media's cash balance at April 30<sup>th</sup> was \$9 million.

### **Earnings Conference Call**

IDW Media's management will host an earnings conference call beginning at 5:00 PM Eastern today to present results, outlook and strategy followed by Q&A with investors.

To listen to the call and participate in the Q&A, dial toll-free 1-877-705-6003 (toll free - U.S.) or 1-201-493-6725 (toll - international) and request the 'IDW Media call'.

A replay of the conference call can be accessed approximately three hours after the call concludes through June 20, 2019 by dialing 1-844-512-2921 (toll free - U.S.) or 1-412-317-6671 (toll - international) and providing this replay number: 13690994. A replay will also be available via streaming audio through the IDW Media investor relations website.

### **About IDW Media Holdings**

IDW Media Holdings, Inc. (OTC: IDWM) is an integrated media company. IDWM's businesses include IDW Publishing - a leading American publisher of comic books and graphic novels, IDW Games, IDW Entertainment – a producer and distributor of franchise content through television and other animated media, Top Shelf Productions, the San Diego Comic Art Gallery, and CTM Media Group Inc, one of North America's largest distributors of information for tourists and travelers.

### **Investor Contact**

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**IDW MEDIA HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share data) (unaudited)	April 30, 2019 (unaudited)	October 31, 2018
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 9,109	\$ 13,445
Trade accounts receivable, net	6,623	15,998
Shareholder receivable	4,000	-
Inventory – print and production costs	58,173	41,525
Prepaid expenses	2,429	1,757
<b>Total current assets</b>	<b>80,334</b>	<b>72,725</b>
Property and equipment, net	2,973	3,167
Non-current assets		
Trade accounts receivable – non-current portion	-	408
Taxes receivable – non-current	513	513
Intangible assets, net	595	766
Goodwill	2,309	2,297
Other assets	359	463
<b>Total non-current assets</b>	<b>3,776</b>	<b>4,447</b>
<b>Total assets</b>	<b>\$ 87,083</b>	<b>\$ 80,339</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Trade accounts payable	\$ 1,626	\$ 2,150
Accrued expenses	3,959	10,116
Deferred revenue	2,973	1,540
Bank loans payable – current portion	19,432	19,238
Related party loans payable – current portion	500	14,500
Income taxes payable	77	79
Capital lease obligations – current portion	366	402
Other current liabilities	38	95
<b>Total current liabilities</b>	<b>28,971</b>	<b>48,120</b>
Non-current liabilities		
Capital lease obligations – long term portion	565	727
Bank loans payable – long term portion	19,538	10,500
Related party loans payable – long term portion	8,500	4,500
<b>Total non-current liabilities</b>	<b>28,603</b>	<b>15,727</b>
<b>Total liabilities</b>	<b>57,574</b>	<b>63,847</b>
Commitments and contingencies (see note 10)	-	-
Stockholders' equity (see note 4):		
Preferred stock, \$0.01 par value; authorized shares – 500; no shares issued at April 30, 2019 and October 31, 2018	-	-
Class B common stock, \$0.01 par value; authorized shares – 12,000; 7,199 and 6,072 shares issued and 6,679 and 5,553 shares outstanding at April 30, 2019 and October 31, 2018, respectively	72	61
Class C common stock, \$0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at April 30, 2019 and October 31, 2018	5	5
Stock subscriptions receivable	(118)	-
Additional paid-in capital	90,624	69,780
Accumulated other comprehensive loss	(109)	(228)
Accumulated deficit	(59,769)	(51,930)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at April 30, 2019 and October 31, 2018	(1,196)	(1,196)
<b>Total stockholders' equity</b>	<b>29,509</b>	<b>16,492</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 87,083</b>	<b>\$ 80,339</b>

**IDW MEDIA HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

(in thousands, except per share data)	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
<b>Revenues</b>	<b>\$ 7,809</b>	<b>\$ 8,720</b>	<b>\$ 17,158</b>	<b>\$ 24,361</b>
<b>Costs and expenses:</b>				
Direct cost of revenues	4,075	4,678	8,934	13,557
Selling, general and administrative (i)	6,977	6,597	15,040	13,227
Depreciation and amortization	365	398	768	801
Bad debt expense	25	30	41	54
<b>Total costs and expenses</b>	<b>11,442</b>	<b>11,703</b>	<b>24,783</b>	<b>27,639</b>
(Loss) Income from operations	(3,633)	(2,983)	(7,625)	(3,278)
Interest expense, net	(78)	(95)	(183)	(235)
Other income (expense), net	(18)	-	(13)	4
Loss before income taxes	(3,729)	(3,078)	(7,821)	(3,509)
(Provision for) benefit from income taxes	(18)	852	(18)	(3,204)
<b>Net (loss) income</b>	<b>\$ (3,747)</b>	<b>\$ (2,226)</b>	<b>\$ (7,839)</b>	<b>\$ (6,713)</b>

**Basic and diluted loss per share:**

Net loss per share	\$ (0.61)	\$ (0.36)	\$ (1.28)	\$ (1.10)
Weighted-average number of shares used in the calculation of basic and diluted loss per share:	6,172	6,110	6,135	6,110
Dividend declared per common share:	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense	\$ 92	\$ 100	\$ 207	\$ 242
(i) Stock-based compensation included in selling, general and administrative expenses	\$ 734	\$ 808	\$ 1,732	\$ 1,589

**IDW MEDIA HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

**Six months ended April 30,**  
**(in thousands)**

	<b>2019</b>	<b>2018</b>
<b>Operating activities:</b>		
Net loss	\$ (7,839)	(6,713)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	768	801
Bad debt expense	41	54
Stock based compensation	1,732	1,589
Changes in assets and liabilities:		
Trade accounts receivable	9,742	2,943
Related party receivable	(4,000)	-
Inventory	(16,648)	(3,502)
Prepaid expenses	(568)	(84)
Deferred taxes	-	3,237
Trade accounts payable, accrued expenses and other current liabilities	(6,740)	(18)
Deferred revenue	1,433	(1,972)
Net cash used in operating activities	<u>(22,079)</u>	<u>(3,665)</u>
<b>Investing activities:</b>		
Business acquisitions	(12)	
Capital expenditures	(403)	(380)
Net cash used in investing activities	<u>(415)</u>	<u>(380)</u>
<b>Financing activities:</b>		
Proceeds from issuance of common stock	19,005	-
Financing under capital leases	8	-
Repayments of capital lease obligations	(206)	(210)
Proceeds of related party loans	9,000	-
Proceeds of bank loans	17,463	9,451
Repayments of related party loans	(19,000)	-
Repayments of bank loans	(8,231)	(7,094)
Net cash provided by financing activities	<u>18,039</u>	<u>2,147</u>
Effect of exchange rate changes	119	(107)
Net decrease in cash and cash equivalents	<u>(4,336)</u>	<u>(2,005)</u>
Cash and cash equivalents at beginning of period	<u>13,445</u>	<u>9,154</u>
Cash and cash equivalents at end of period	<u>\$ 9,109</u>	<u>7,149</u>
<b>Supplemental schedule of investing and financing activities</b>		
Cash paid for interest	\$ 207	242
Cash paid for income taxes	\$ 18	26

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