



## IDW Media Reports Third Quarter Fiscal Year 2019 Results

**NEWARK, NJ / September 12, 2019:** IDW Media Holdings, Inc. (OTC: IDWM), an integrated media company, today reported a net loss per share of (\$0.20) on revenue of \$11.5 million for the third quarter of its 2019 fiscal year, the three months ended July 31, 2019.

### Operational Highlights

- George Takei’s powerful graphic memoir, *They Called Us Enemy*, was published by IDW Publishing’s (IDWP) Top Shelf Productions imprint and climbed to #2 on the *New York Times* bestseller list for paperback nonfiction.
- At IDW Entertainment (IDWE):
  - Season one of *October Faction* and *V-Wars* are in post-production and are scheduled for delivery to Netflix in Q4 CY2019;
  - *Locke & Key* has completed principal photography of season one and is scheduled for delivery to Netflix in Q1 CY2020;
  - *Wynonna Earp* has been greenlit for a fourth season.
- IDW Media announced a new joint book publishing venture, Clover Press, led by IDWP’s co-founders -- Ted Adams and Robbie Robbins. Clover Press will focus on the book market and direct-to-consumer prestige format publications as a new, progressive, eclectic, boutique publisher.

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

“We are driving fundamental change throughout IDW Media, bringing strategic focus and financial discipline to systematically enhance shareholder value and realize the full potential of our extensive IP library and creative capabilities.

“At IDW Publishing, the extraordinary success of George Takei’s *They Called Us Enemy* reflects our focus on identifying and developing unique, powerful, creator-owned content that can reach new audiences. We are including with this release a picture from a standing-room-only book signing in Los Angeles that says more about the power of this book than words can convey.



“At IDW Entertainment, we are making good progress toward the delivery of *October Faction* and *V-Wars* in the fourth quarter of this calendar year and of *Locke and Key* in the first quarter of next year. Financing arrangements for *Locke and Key* represent our pivot to production finance models that limit our downside exposure while retaining upside potential.”

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

<i>(in thousands, unaudited)</i>	<b><u>3Q19</u></b>	<b><u>2Q19</u></b>	<b><u>3Q18</u></b>
Revenue	\$11,539	\$7,809	\$14,246
Direct cost of revenue	(\$5,249)	(\$4,075)	(\$7,597)
Gross Profit	\$6,290	\$3,734	\$6,649
SG&A	(\$7,387)	(\$6,977)	(\$6,872)
Depreciation & amortization	(\$374)	(\$365)	(\$403)
Loss from operations	(\$1,512)	(\$3,633)	(\$604)
Net loss	(\$1,512)	(\$3,747)	(\$461)
Net loss per share	(\$0.20)	(\$0.61)	(\$0.08)

## Segment P&L Highlights

<i>(in thousands, unaudited)</i>	<u>3Q19</u>	<u>2Q19</u>	<u>3Q18</u>
<b>Revenue</b>			
IDW Publishing*	\$5,342	\$3,740	\$5,596
IDW Entertainment	\$31	\$43	\$2,442
CTM Media	\$6,166	\$4,025	\$6,208
<b>Loss from operations</b>			
IDW Publishing*	(\$1,232)	(\$1,125)	(\$801)
IDW Entertainment	(\$765)	(\$738)	(\$746)
CTM Media	\$485	(\$697)	\$943

\* Includes revenue of \$29,000 and SG&A expense of \$171,000 generated by Clover Press, which operates independently of IDW Publishing

## Financial Take-Aways

- Revenue increased to \$11.5 million from \$7.8 million in 2Q19 and decreased from \$14.2 million in 3Q18. The sequential increase reflects sales of *They Called Us Enemy* at IDWP, and seasonally strong sales at CTM Media. The year-over-year decrease reflects licensing revenue at IDWE from season three of *Wynonna Earp* recognized in 3Q18 and, at IDWP, revenue from *Zombies vs Robots* recognized in 3Q18 as well as industry-wide softness in the direct market channel.
- Loss per share decreased to (\$0.20) from (\$0.61) in 2Q19 and increased from (\$0.08) in 3Q18. The sequential improvement was driven primarily by seasonally stronger tourism-derived revenue at CTM and sales of *They Called Us Enemy* at IDWP. The year-over-year increase was driven primarily by the revenue decreases mentioned above and IDW Media Holdings' initial investment in Clover Press.
- IDWE expects to recognize revenue and expenses from the productions of *October Faction* and *V-Wars* upon delivery to Netflix in Q4 CY2019.
- IDW Media's cash balance at July 31<sup>st</sup> was \$13.7 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 will be available approximately three hours after the call concludes through September 19, 2019 by dialing 1-844-512-2921 (toll free - U.S.) or 1-412-317-6671 (toll - international) and providing this replay number: 13693345.

## **About IDW Media Holdings**

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

## **Investor Contact**

IDW Media Holdings  
Ezra Rosensaft, Chief Financial Officer  
ezra@idwmh.com

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

(in thousands, except per share data) (unaudited)	<b>July 31, 2019</b> <b>(unaudited)</b>	<b>October 31,</b> <b>2018</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 13,685	\$ 13,445
Trade accounts receivable, net	7,129	15,998
Inventory – print and production costs	60,226	41,525
Prepaid expenses and other assets	2,344	1,757
<b>Total current assets</b>	<b>83,384</b>	<b>72,725</b>
Property and equipment, net	2,873	3,167
Non-current assets		
Trade accounts receivable – non-current portion	-	408
Taxes receivable – non-current	513	513
Intangible assets, net	523	766
Goodwill	2,309	2,297
Other assets	523	463
<b>Total non-current assets</b>	<b>3,868</b>	<b>4,447</b>
<b>Total assets</b>	<b>\$ 90,125</b>	<b>\$ 80,339</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Trade accounts payable	\$ 2,056	\$ 2,150
Accrued expenses	3,496	10,116
Deferred revenue	3,213	1,540
Bank loans payable – current portion	29,616	19,238
Related party loans payable – current portion	500	14,500
Income taxes payable	73	79
Capital lease obligations – current portion	345	402
Other current liabilities	103	95
<b>Total current liabilities</b>	<b>39,402</b>	<b>48,120</b>
Non-current liabilities		
Capital lease obligations – long term portion	486	727
Bank loans payable – long term portion	9,182	10,500
Related party loans payable – long term portion	8,500	4,500
<b>Total non-current liabilities</b>	<b>18,168</b>	<b>15,727</b>
<b>Total liabilities</b>	<b>57,570</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 July 31, 2019 and October 31, 2018	-	-
Class B common stock, \$0.01 par value; authorized shares – 12,000; 7,417 and 6,072 shares issued and 6,897 and 5,553 shares outstanding at July 31, 2019 and October 31, 2018, respectively	74	61
Class C common stock, \$0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at July 31, 2019 and October 31, 2018	5	5
Stock subscriptions receivable	(1,000)	-
Additional paid-in capital	96,036	69,780
Accumulated other comprehensive loss	(83)	(228)
Accumulated deficit	(61,253)	(51,930)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at July 31, 2019 and October 31, 2018	(1,196)	(1,196)
<b>Total IDW Media Holdings, Inc. stockholders' equity</b>	<b>32,583</b>	<b>16,492</b>
Non-controlling interests	(28)	-
<b>Total stockholders' equity</b>	<b>32,555</b>	<b>16,492</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 90,125</b>	<b>\$ 80,339</b>

**IDW MEDIA HOLDINGS, INC.**

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

(in thousands, except per share data)	Three Months Ended July 31,		Nine Months Ended July 31,	
	2019	2018	2019	2018
<b>Revenues</b>	<b>\$ 11,539</b>	<b>\$ 14,246</b>	<b>\$ 28,697</b>	<b>\$ 38,607</b>
<b>Costs and expenses:</b>				
Direct cost of revenues	5,249	7,597	14,184	21,154
Selling, general and administrative (i)	7,387	6,872	22,428	20,100
Depreciation and amortization	374	403	1,141	1,204
Bad debt expense	41	(22)	82	32
<b>Total costs and expenses</b>	<b>13,051</b>	<b>14,850</b>	<b>37,835</b>	<b>42,490</b>
(Loss) Income from operations	(1,512)	(604)	(9,138)	(3,883)
Interest expense, net	(11)	(70)	(191)	(309)
Other income (expense)	12	11	(4)	19
Loss before income taxes	(1,511)	(663)	(9,333)	(4,173)
(Provision for) benefit from income taxes	(1)	202	(18)	(3,001)
<b>Net (loss) income</b>	<b>(1,512)</b>	<b>(461)</b>	<b>(9,351)</b>	<b>(7,174)</b>
Net loss attributable to non-controlling interests	28	-	28	-
<b>Net (loss) income attributable to IDW Media Holdings, Inc.</b>	<b>\$ (1,484)</b>	<b>\$ (461)</b>	<b>\$ (9,323)</b>	<b>\$ (7,174)</b>
<b>Basic and diluted loss per share (note 3):</b>				
Net loss per share	\$ (0.20)	\$ (0.08)	\$ (1.43)	\$ (1.17)
Weighted-average number of shares used in the calculation of basic and diluted loss per share:	7,339	6,146	6,541	6,123
Dividend declared per common share:	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Interest Expense	\$ 10	\$ 77	\$ 216	\$ 319
(i) Stock-based compensation included in selling, general and administrative expenses	\$ 787	\$ 702	\$ 2,518	\$ 2,291

**IDW MEDIA HOLDINGS, INC.**

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

**Nine months ended July 31,**  
**(in thousands)**

	<u>2019</u>	<u>2018</u>
<b>Operating activities:</b>		
Net loss	\$ (9,351)	(7,174)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,141	1,204
Bad debt expense	82	32
Stock based compensation	2,518	2,291
Changes in assets and liabilities:		
Trade accounts receivable	9,195	968
Inventory	(18,701)	(14,517)
Prepaid expenses and other assets	(647)	322
Deferred taxes	-	3,006
Trade accounts payable, accrued expenses and other current liabilities	(6,712)	3,820
Deferred revenue	1,673	(1,827)
Net cash used in operating activities	<u>(20,802)</u>	<u>(11,875)</u>
<b>Investing activities:</b>		
Business acquisitions	(12)	-
Capital expenditures	(604)	(546)
Net cash used in investing activities	<u>(616)</u>	<u>(546)</u>
<b>Financing activities:</b>		
Proceeds from issuance of common stock	22,751	-
Financing under capital leases	6	-
Repayments of capital lease obligations	(304)	(329)
Proceeds of related party loans	9,000	-
Proceeds of bank loans	18,438	24,519
Repayments of related party loans	(19,000)	-
Repayments of bank loans	(9,378)	(9,133)
Net cash provided by financing activities	<u>21,513</u>	<u>15,057</u>
Effect of exchange rate changes on cash and cash equivalents	<u>145</u>	<u>(12)</u>
Net increase in cash and cash equivalents	240	2,624
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>\$ 13,685</u>	<u>11,778</u>
<b>Supplemental schedule of investing and financing activities</b>		
Cash paid for interest	\$ 216	319
Cash paid for income taxes	\$ 18	159

# # #