



## IDW Reports Third Quarter Fiscal Year 2020 Results

*Publishing Overcomes COVID-19 Challenges to Deliver Solid Operational and Financial Results*

*First Half of Wynonna Earp's Season 4 Airs on SYFY - Drives Year Over Year Revenue Increase*

**NEWARK, NJ and LOS ANGELES, CA / September 14, 2020** / IDW Media Holdings, Inc. (OTC PINK: IDWM), an integrated media company, today reported a third quarter net loss per share of \$(0.47) on revenue of \$8.5 million for the three months ended July 31, 2020.

### **Operational Highlights**

- SYFY has aired the first half of season four of IDW's live-action series *Wynonna Earp*. The balance of production – episodes 7-12 – resumed after a COVID-19 driven delay.
- IDW and its Top Shelf imprint were again honored with multiple Will Eisner Comic Industry Awards in 2020. 'They Called Us Enemy' by George Takei, Justin Eisinger, Steven Scott, and Harmony Becker was named the "Best Reality-Based Work." Stan Sakai was named "Best Letterer" for his work on the monthly full-color Usagi Yojimbo comic book series published by IDW. Sakai's 'Usagi Yojimbo: Grasscutter Artist Select,' a hardcover collection edited by IDW's Scott Dunbier, was named "Best Archival Collection/Project — Comic Books."
- IDW and Top Shelf were nominated for three Ignatz Awards, which recognizes exceptional works that challenge popular notions of what comics can achieve.
- IDW's publishing operations welcomed the resumption of direct market distribution early in the third quarter. Subsequent sales have gradually strengthened, augmented by robust sales through the library, digital comic, and book markets as well as web store and foreign sales.
- The sale of CTM, IDW's tourism-focused brochure distribution and marketing company, is pending lender and SBA approval related to its PPP loans.

### **Comments of Ezra Rosensaft, Chief Executive Officer**

"First and foremost, a big thank you to my IDW colleagues across the Company for their extraordinary work and dedication. Thanks to them, IDW overcame the challenges of the COVID-19 pandemic to put together a solid quarter with minimal disruption to our customers and partners.

"In the third quarter, IDW's publishing operations continued to be impacted by the closure of many comic shops and our direct market distributor, Diamond, in the spring. On May 20th, Diamond resumed operations on a limited basis. However, direct market volumes have not yet recovered to pre-pandemic levels.

"Our publishing team, to its great credit, pivoted quickly... aggressively and successfully pursuing sales through the indirect market and direct-to-consumer channels. Sales of popular backlisted titles – including the late Congressman John Lewis' 'March' trilogy, Alan Roberts' 'Beauty of Horror' coloring books, 'Teenage Mutant Ninja Turtles' titles and Joe Hill's and Gabriel Rodriguez's 'Locke & Key' titles – were particularly strong. The latter have benefitted enormously from the success of season one of the eponymous Netflix series.

"We expect further improvement in the coming quarters as we secure better economics from our licensing deals while building our IP library to align with our entertainment division's development priorities. And I am very excited about the management team we have put in place to execute on those priorities.

“At IDW Entertainment, the first six episodes of Wynonna Earp season 4 have now aired on SYFY. Production of the second half of the season – delayed by COVID-19 – has resumed. The start of production of Locke & Key’s season 2, which was ordered by Netflix this spring following the success of season one, is planned for later this month.

“At the corporate level, we continue to move forward toward re-registration with the SEC and will then seek a national exchange listing to increase IDW’s visibility and liquidity in the capital markets.

Wrapping up, I want to thank Howard Jonas and IDW’s Board of Directors for entrusting me with the CEO position. It’s a great honor to lead our talented team and I look forward to working with them to fulfill IDW’s promise and potential.”

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

*(Numbers may not foot due to rounding)*

<i>(in millions, except net loss per share, unaudited)</i>	<b>3Q20</b>	<b>2Q20</b>	<b>3Q19</b>
Revenue	\$8.5	\$9.3	\$5.4
Direct cost of revenue	\$8.1	\$3.3	\$3.3
SG&A including non-cash compensation	\$3.7	\$4.6	\$4.0
Non-cash compensation	\$0.5	\$0.2	\$0.6
Depreciation & amortization	\$0.1	\$0.1	\$0.1
(Loss) income from continuing operations	\$(3.4)	\$1.3	\$(2.0)
(Loss) income from discontinued operations	\$(1.1)	\$(1.6)	\$0.5
Net loss	\$(4.5)	\$(0.4)	\$(1.5)
Net loss per share	\$(0.47)	\$(0.04)	\$(0.20)

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

*(Does not include corporate overhead.)*

<i>(in millions, unaudited)</i>	<b>3Q20</b>	<b>2Q20</b>	<b>3Q19</b>
<b>Revenue</b>			
IDW Publishing	\$5.2	\$4.7	\$5.3
IDW Entertainment	\$3.3	\$4.6	-
CTM*	NA	NA	NA
<b>Income (loss) from operations*</b>			
IDW Publishing	-	\$(0.6)	\$(1.2)
IDW Entertainment	\$(3.2)	\$2.2	\$(0.8)
CTM – ((Loss) income from discontinued operations)*	\$(1.1)	\$(1.6)	\$0.5

\*CTM’s results are reported as ‘Net (loss) income from discontinued operations’ in the third quarter fiscal 2020 and all prior periods presented.

## **Financial Take-Aways**

- **Revenue:** The year over year increase in consolidated revenue reflected delivery of the first five episodes of Wynonna Earp’s season four (S4) and an increase in accruals for certain tax credits.
- **Loss from Operations:** IDW Publishing generated year over year improvement for the second consecutive quarter despite the challenges related to COVID-19. The year over year increase in IDW’s consolidated loss from operations resulted from production expenses realized upon delivery of the first five Wynonna Earp S4 episodes and reversal of certain accruals partially offset by the improved results from IDW Publishing.
- **Balance Sheet Highlights:** At July 31<sup>st</sup>, IDW’s cash balance decreased to \$12.5 million from \$14.7 million at April 30<sup>th</sup>. Working capital (current assets less current liabilities) decreased to \$15.1 million from \$18.7 million over the same period.
- **CTM Media:** Results from CTM Media were reported as a net loss from discontinued operations of \$1.1 million in 3Q20 compared to net income from discontinued operations of \$474 thousand in 3Q19.

## **Earnings Conference Call**

IDW’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 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 beginning approximately three hours after the call concludes through September 21, 2020 by dialing 1-844-512-2921 (toll free - U.S.) or 1-412-317-6671 (toll - international) and providing this replay PIN number: 13708399. A replay will also be available via streaming audio through the IDW investor relations website.

## **About IDW**

IDW Media Holdings, Inc. (OTC PINK: IDWM) is an integrated media company. IDW’s businesses include IDW Publishing – a leading publisher of comic books and graphic novels, IDW Entertainment – a producer and distributor of franchise content through television and other media, and CTM Media Group – 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**

<b>(in thousands, except per share data) (unaudited)</b>	<b>July 31, 2020</b>	<b>October 31, 2019</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 12,488	\$ 7,543
Trade accounts receivable, net	28,354	43,462
Taxes receivable	513	-
Inventory	3,724	3,313
Prepaid expenses	1,449	1,319
Current assets held for sale from discontinued operations	12,635	5,186
<b>Total current assets</b>	<b>59,163</b>	<b>60,823</b>
Property and equipment, net	434	562
Right-of-use assets, net	884	-
<b>Non-current assets</b>		
Taxes receivable	-	513
Investments	25	-
Intangible assets, net	63	115
Goodwill	199	199
Television costs	3,300	9,388
Other assets	633	372
Non-current assets held for sale from discontinued operations	-	5,165
<b>Total assets</b>	<b>\$ 64,701</b>	<b>\$ 77,137</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Trade accounts payable	\$ 786	\$ 2,145
Accrued expenses	5,452	3,036
Deferred revenue	1,915	1,058
Bank loans payable – current portion	21,037	29,242
Related party loans payable – current portion	-	4,550
Government loans- current portion	592	-
Operating lease obligations – current portion	541	-
Other current liabilities	33	2,007
Current liabilities held for sale from discontinued operations	9,526	3,344
<b>Total current liabilities</b>	<b>39,882</b>	<b>45,382</b>
<b>Non-current liabilities</b>		
Operating lease obligations – long term portion	520	-
Bank loans payable – long term portion	-	10,500
Government loans – long term portion	603	-
Related party loans payable – long term portion	3,750	4,500
Non-current liabilities held for sale from discontinued operations	-	683
<b>Total non-current liabilities</b>	<b>4,873</b>	<b>15,683</b>
<b>Total liabilities</b>	<b>\$ 44,755</b>	<b>\$ 61,065</b>
<b>Stockholders' equity (see note 3):</b>		
Preferred stock, \$.01 par value; authorized shares – 500; no shares issued at July 31, 2020 and October 31, 2019	-	-
Class B common stock, \$.01 par value; authorized shares – 12,000; 9,927 and 7,419 shares issued and 9,407 and 6,899 shares outstanding at July 31, 2020 and October 31, 2019, respectively	93	74
Class C common stock, \$.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at July 31, 2020 and October 31, 2019	5	5
Stock subscription receivable	-	(1,000)
Additional paid-in capital	111,145	96,671
Accumulated other comprehensive loss	(129)	(60)
Accumulated deficit	(89,972)	(78,457)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at July 31, 2020 and October 31, 2019	(1,196)	(1,196)
<b>Total IDW Media Holdings Inc. stockholders' equity</b>	<b>19,946</b>	<b>16,037</b>
Non-controlling interest	-	35
<b>Total stockholders' equity</b>	<b>19,946</b>	<b>16,072</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 64,701</b>	<b>\$ 77,137</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,	
	2020	2019	2020	2019
<b>Revenues</b>	\$ 8,487	\$ 5,373	\$ 28,093	\$ 14,456
<b>Costs and expenses:</b>				
Direct cost of revenues	8,093	3,299	23,004	8,998
Selling, general and administrative	3,742	3,999	12,761	12,280
Depreciation and amortization	61	72	190	217
Bad debt expense	-	-	-	33
<b>Total costs and expenses</b>	<b>11,896</b>	<b>7,370</b>	<b>35,955</b>	<b>21,528</b>
Loss from operations	<u>(3,409)</u>	<u>(1,997)</u>	<u>(7,862)</u>	<u>(7,072)</u>
Interest expense, net	(13)	(1)	(33)	(160)
Other income (expense), net	-	12	(61)	1
Loss before income taxes	<u>(3,422)</u>	<u>(1,986)</u>	<u>(7,956)</u>	<u>(7,231)</u>
(Provision for) benefit from income taxes	-	-	-	-
Net loss from continuing operations	<u>(3,422)</u>	<u>(1,986)</u>	<u>(7,956)</u>	<u>(7,231)</u>
(Loss) income from discontinued operations, net	(1,126)	474	(3,818)	(2,120)
Net loss	<u>(4,548)</u>	<u>(1,512)</u>	<u>(11,774)</u>	<u>(9,351)</u>
Net income attributable to non-controlling interests	-	28	-	28
Net loss attributable to IDW Media Holdings, Inc	<u>\$ (4,548)</u>	<u>\$ (1,484)</u>	<u>\$ (11,774)</u>	<u>\$ (9,323)</u>
<b>Basic and diluted income (loss) per share (note 3):</b>				
Continuing operations	\$ (.35)	\$ (.27)	\$ (.44)	\$ (1.11)
Discontinued operations, net	<u>(.12)</u>	<u>.07</u>	<u>(.92)</u>	<u>(.32)</u>
Net loss	<u>\$ (.47)</u>	<u>\$ (.20)</u>	<u>\$ (1.36)</u>	<u>\$ (1.43)</u>
Weighted-average number of shares used in the calculation of basic and diluted loss per share:	9,641	7,339	8,646	6,541
Dividend declared per common share:	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**IDW MEDIA HOLDINGS, INC.**

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

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

	2020	2019
<b>Operating activities:</b>		
Net loss	\$ (11,774)	\$ (9,351)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	794	1,141
Amortization of finance leases	315	-
Bad debt expense	576	82
Stock based compensation	567	2,518
Stock options	365	-
Amortization of right-of-use asset	1,210	-
Loss on deconsolidation of subsidiary	35	-
Changes in assets and liabilities:		
Trade accounts receivable	15,136	9,195
Inventory	(410)	75
Prepaid expenses and other assets	(33)	(647)
Television costs	6,088	(18,776)
Operating lease liability	(1,243)	-
Trade accounts payable, accrued expenses and other current liabilities	(767)	(6,712)
Deferred revenue	649	1,673
Deconsolidation of subsidiary	304	-
Net cash provided by (used in) operating activities	<u>11,812</u>	<u>(20,802)</u>
<b>Investing activities:</b>		
Disposition of subsidiary, net of cash received	(115)	
Capital expenditures	(372)	(604)
Business acquisitions	-	(12)
Net cash used in investing activities	<u>(487)</u>	<u>(616)</u>
<b>Financing activities:</b>		
Proceeds from issuance of common stock	14,561	22,751
Repayments of finance lease obligations	(308)	6
Repayments of capital lease obligations	-	(304)
Proceeds of related party loans	-	9,000
Proceeds of government loans	2,975	-
Proceeds of bank loans	1,021	18,438
Repayments of related party loans	(5,300)	(19,000)
Repayments of bank loans	(19,726)	(9,378)
Net cash provided by (used in) financing activities	<u>(6,777)</u>	<u>21,513</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(69)</u>	<u>145</u>
Net increase in cash and cash equivalents	<u>4,479</u>	<u>240</u>
Cash and cash equivalents at beginning of period	<u>10,165</u>	<u>13,445</u>
Cash and cash equivalents at end of period	<u>\$ 14,644</u>	<u>\$ 13,685</u>
<b>Supplemental schedule of investing and financing activities</b>		
Cash paid for interest	\$ 27	\$ 216
Cash paid for income taxes	\$ -	\$ 18

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