



## IDW Reports Fourth Quarter and Full Fiscal Year 2020 Results

*IDW Publishing Achieves Operating Profitability in Fourth Quarter*

*Locke & Key Renewed for Third Season*

**NEWARK, NJ and LOS ANGELES, CA / January 25, 2021** / IDW Media Holdings, Inc. (OTC PINK: IDWM), an integrated media company, today reported a fourth quarter net loss per share of \$0.20 on revenue of \$10.1 million for the three months ended October 31, 2020. For the full fiscal year 2020, the net loss per share totaled \$1.54 on revenue of \$38.2 million.

### **Fourth Quarter FY 2020 (4Q20) Highlights**

- IDW’s publishing business (IDWP) increased revenue to \$7.7 million in 4Q20 from \$5.8 million in 4Q19 led by strong sales of the late Congressman John Lewis’s *March* graphic novels.
- IDWP generated positive income from operations of \$491 thousand in 4Q20 compared to a loss from operations of \$843 thousand in 4Q19.
- Netflix has renewed *Locke & Key* for a third season. Production of S3 is scheduled to follow immediately after completion of production of S2.
- On a consolidated basis, IDW narrowed its loss from continuing operations to \$1.7 million in 4Q20 from \$18.0 million in 4Q19.
- The closing of the sale of CTM, IDW’s tourism-focused brochure distribution and marketing company, has been delayed due to conditions pertaining to CTM’s PPP loans.
- CTM’s results were reported as discontinued operations for all periods presented.
- IDW’s net loss per share narrowed to \$0.20 in 4Q20 from a loss per share of \$2.29 in 4Q19.

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

“IDW generated significantly improved financial results in the fourth quarter. IDW Publishing had an outstanding quarter increasing revenue to its highest level in four years and generating positive income from operations. IDW Entertainment’s results continue to improve as we work through the impacts of legacy production financing deals.

“Netflix announced that it will renew *Locke & Key* for a third season. The first season’s compelling storyline, cast and production values established an outstanding foundation for the continued success of the show. Congratulations to comic book creators Joe Hill and Gabe Rodríguez and Co-Showrunners Meredith Averill and (Executive Producer) Carlton Cuse.

“Looking ahead, IDW is positioned for a strong fiscal 2021. As we deepen our relationships with leading creators, further integrate our operations and holistically develop our IP, we expect further improvements in our operational and financial results.

“We are in the process of re-registering IDW’s Class B common stock with the Securities and Exchange Commission and are working to get that done in the first half of this calendar year, and then will work to get the stock listed on a national exchange.”

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

<i>(In millions, except net loss per share, unaudited) (Numbers may not foot due to rounding)</i>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>	<b>FY 2020</b>	<b>FY 2019</b>
Revenue	\$10.1	\$8.5	\$28.4	\$38.2	\$42.8
Direct cost of revenue	\$6.5	\$8.1	\$40.2	\$29.5	\$49.2
SG&A including non-cash compensation	\$4.5	\$3.7	\$6.1	\$17.3	\$18.4
Non-cash compensation included in SG&A	\$0.2	\$0.5	\$0.0	\$1.1	\$2.5
Depreciation & amortization	\$0.1	\$0.1	\$0.1	\$0.3	\$0.3
Bad debt reserve	\$0.4	\$0.0	\$0.0	\$0.4	\$0.0
Interest and other expense, net	\$0.3	\$0.0	\$0.0	\$0.4	\$0.2
Loss from continuing operations	\$(1.7)	\$(3.4)	\$(18.0)	\$(9.7)	\$(25.2)
(Loss) income from discontinued operations	\$(0.3)	\$(1.1)	\$0.8	\$(4.1)	\$(1.3)
Net loss attributable to IDW Media	\$(2.2)	\$(4.5)	\$(17.1)	\$(13.8)	\$(26.4)
Net loss per share	\$(0.20)	\$(0.47)	\$(2.29)	\$(1.54)	\$(3.90)

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

*(Does not include corporate overhead.)*

<i>(in millions, unaudited)</i>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>Revenue</b>					
IDW Publishing	\$7.7	\$5.2	\$5.8	\$23.9	\$20.1
IDW Entertainment	\$2.4	\$3.3	\$22.6	\$14.3	\$22.7
CTM*	NA	NA	NA	NA	NA
<b>Income (loss) from operations*</b>					
IDW Publishing	\$0.5	\$0.0	\$(0.8)	\$(0.1)	\$(5.2)
IDW Entertainment	\$(2.0)	\$(3.2)	\$(17.2)	\$(8.6)	\$(19.8)
CTM – ((Loss) income from discontinued operations)*	\$(0.3)	\$(1.1)	\$0.8	\$(4.1)	\$(1.3)

\*CTM’s bottom line results are reported as ‘Net (loss) income from discontinued operations’ in all prior periods presented.

### **Financial Take-Aways**

- **Revenue:**
  - IDWP reported robust increases in quarterly revenue year over year attributable in part to robust sales of the late Congressman John Lewis’s *March* trilogy and George Takei’s

*They Called Us Enemy*. Book market revenue increased substantially augmented by sales of digital comic offerings and license and royalty revenues.

- IDW Entertainment (IDWE) revenue in 4Q20 was generated primarily by the delivery of certain episodes of *Wynonna Earp*, Season 4. Revenue decreased significantly from the year ago quarter when IDWE delivered *V Wars* and certain *October Faction* episodes.
- **Income (loss) from Operations:**
  - IDWP generated positive income from operations in 4Q20 despite the challenges of the COVID-19 environment. The improvement reflected the impact of increased revenue including sales of higher margin backlist titles.
  - IDWE substantially narrowed its loss from operations in 4Q20. The loss reflected *Wynonna Earp* related expenses and the write down of a Dirk Gently related asset. The loss in the year ago quarter reflected the delivery of *V Wars* and *October Faction* episodes and an earlier asset write-down.
- **CTM Media:** CTM Media's results were reported as discontinued operations reflecting the pending sale of the business. Pandemic related market changes also drove the quarterly and full year increases in the loss from operations.
- **Balance Sheet Highlights:** At October 31, 2020, IDW's cash balance increased to \$10.5 million from \$7.5 million at October 31, 2019. Working capital (current assets less current liabilities) increased to \$17.8 million from \$15.4 million over the same period.

## **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 approximately three hours after the call concludes through February 1, 2021 by dialing 1-844-512-2921 (toll free - U.S.) or 1-412-317-6671 (toll - international) and providing this replay PIN number: 13715320. A replay will also be available via streaming audio through the IDW investor relations website.

## **About IDW**

IDW (OTCPINK: IDWM) is an integrated media company providing compelling stories and characters for global audiences. Our IDW Publishing and IDW Entertainment businesses acquire IP for holistic franchise development across comics and graphic novels, television, games, merchandise and other entertainment platforms and leverage established stories from our creative partners.

## **Investor Contact**

IDW Media Investor Relations  
[investor.relations@idwmh.com](mailto:investor.relations@idwmh.com)

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

<b>(in thousands, except per share data)</b>	<b>October 31, 2020</b>	<b>October 31, 2019</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,541	\$ 7,543
Trade accounts receivable, net	22,921	43,462
Inventory	3,754	3,313
Prepaid expenses	1,361	1,319
Current assets held for sale from discontinued operations	11,171	5,186
Total current assets	49,748	60,823
Property and equipment, net	410	562
Right-of-use assets, net	771	-
Non-current assets		
Taxes receivable	-	513
Investments	25	-
Intangible assets, net	52	115
Goodwill	199	199
Television costs, net	2,926	9,388
Other assets	527	372
Non-current assets held for sale from discontinued operations	-	5,165
Total assets	\$ 54,658	\$ 77,137
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Trade accounts payable	\$ 1,406	\$ 2,145
Accrued expenses	3,953	3,036
Deferred revenue	2,385	1,058
Bank loans payable – current portion	14,204	29,242
Related party loans payable – current portion	-	4,550
Government loans- current portion	793	-
Operating lease obligations – current portion	562	-
Other current liabilities	69	2,007
Current liabilities held for sale from discontinued operations	8,540	3,344
Total current liabilities	31,912	45,382
Non-current liabilities		
Operating lease obligations – long term portion	368	-
Bank loans payable – long term portion	-	10,500
Government loans – long term portion	403	-
Related party loans payable – long term portion	3,750	4,500
Non-current liabilities held for sale from discontinued operations	-	683
Total non-current liabilities	4,521	15,683
Total liabilities	\$ 36,433	\$ 61,065
Stockholders' equity (see note 4):		
Preferred stock, \$.01 par value; authorized shares – 500; no shares issued at October 31, 2020 and October 31, 2019	-	-
Class B common stock, \$.01 par value; authorized shares – 12,000; 9,987 and 7,419 shares issued and 9,467 and 6,899 shares outstanding at October 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 October 31, 2020 and October 31, 2019	5	5
Stock subscription receivable	-	(1,000)
Additional paid-in capital	111,379	96,671
Accumulated other comprehensive loss	(60)	(60)
Accumulated deficit	(91,996)	(78,457)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at October 31, 2020 and October 31, 2019	(1,196)	(1,196)
Total IDW Media Holdings Inc. stockholders' equity	18,225	16,037
Non-controlling interest	-	35
Total stockholders' equity	18,225	16,072
Total liabilities and stockholders' equity	\$ 54,658	\$ 77,137

**IDW MEDIA HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share data)	<b>Fiscal Years Ended October 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues</b>	<b>\$ 38,162</b>	<b>\$ 42,835</b>
<b>Costs and expenses:</b>		
Direct cost of revenues	29,530	49,153
Selling, general and administrative	17,270	18,415
Depreciation and amortization	252	286
Bad debt expense	434	33
<b>Total costs and expenses</b>	<b>47,486</b>	<b>67,887</b>
Loss from operations	<b>(9,324)</b>	<b>(25,052)</b>
Interest expense, net	(46)	(173)
Other income (expense), net	(318)	(15)
Loss before income taxes	(9,688)	(25,240)
(Provision for) benefit from income taxes	-	42
Net loss from continuing operations	<b>(9,688)</b>	<b>(25,198)</b>
(Loss) income from discontinued operations, net	(4,110)	(1,294)
Net loss	<b>(13,798)</b>	<b>(26,492)</b>
Net income attributable to non-controlling interests	-	63
Net loss attributable to IDW Media Holdings, Inc	<b>\$ (13,798)</b>	<b>\$ (26,429)</b>
<b>Basic and diluted income (loss) per share (note 3):</b>		
Continuing operations	\$ (1.08)	\$ (3.71)
Discontinued operations, net	(.46)	(0.19)
Net loss	<b>\$ (1.54)</b>	<b>\$ (3.90)</b>
Weighted-average number of shares used in the calculation of basic and diluted loss per share:	8,982	6,768
Dividend declared per common share:	\$ 0.00	\$ 0.00

**IDW MEDIA HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Fiscal years ended October 31,  
(in thousands)**

	2020	2019
<b>Operating activities:</b>		
Net loss	\$ (13,798)	\$ (26,492)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,017	1,513
Amortization of finance leases	411	-
Bad debt expense	680	113
Stock based compensation	722	3,123
Stock options	409	-
Warrants issued	-	118
Amortization of right-of-use asset	1,557	-
Loss on deconsolidation of subsidiary	35	-
Changes in assets and liabilities:		
Trade accounts receivable	20,807	(28,960)
Inventory	(442)	297
Prepaid expenses and other assets	760	(443)
Investment	(25)	-
Television costs	6,462	28,527
Operating lease liability	(1,597)	-
Trade accounts payable, accrued expenses and other liabilities	(2,108)	(3,501)
Deferred revenue	795	715
Deconsolidation of subsidiary	304	-
Net cash provided by (used in) operating activities	<b>15,989</b>	<b>(24,990)</b>
<b>Investing activities:</b>		
Business acquisitions	-	(12)
Proceeds on disposition of long lived assets	185	-
Disposition of subsidiary, net of cash received	(115)	-
Capital expenditures	(420)	(1,113)
Net cash used in investing activities	<b>(350)</b>	<b>(1,125)</b>
<b>Financing activities:</b>		
Proceeds from issuance of common stock	14,596	22,663
Financing under capital leases	-	360
Repayments of capital lease obligations	-	(410)
Repayments of finance lease obligation	(404)	-
Proceeds of related party loans	-	9,050
Proceeds of government loans	3,004	-
Proceeds of bank loans	1,021	19,382
Repayments of related party loans	(5,300)	(19,000)
Repayments of bank loans	(26,559)	(9,378)
Net cash (used in) provided by financing activities	<b>(13,642)</b>	<b>22,667</b>
Effect of exchange rate changes on cash and cash equivalents	-	168
Net increase (decrease) in cash and cash equivalents	<b>\$ 1,997</b>	<b>\$ (3,280)</b>
Cash and cash equivalents at beginning of period	<b>10,165</b>	13,445
Cash and cash equivalents at end of period	<b>\$ 12,162</b>	<b>\$ 10,165</b>
<b>Supplemental schedule of investing and financing activities</b>		
Cash paid for interest	\$ 200	\$ 228
Cash paid for income taxes	\$ 98	\$ 25
Purchases of property and equipment through capital lease obligations	\$ -	\$ 360
Received from sale of long lived assets	\$ 154	\$ -

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