ANNUAL REPORT OF IDW MEDIA HOLDINGS, INC.
FOR THE FISCAL YEARS ENDED OCTOBER 31, 2020 AND 2019

Item 4 Annual Financial Statements

IDW MEDIA HOLDINGS, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholder
IDW Media Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of IDW Media Holdings, Inc. and its Subsidiaries (the “Company”) as of October 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive loss, stockholders’ equity and cash flows for each of the two years in the period ended October 31, 2020 and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended October 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the entity’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. the Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

ZWICK & BANYAI, PLLC

We have served as the Company's auditor since 2010.

Southfield, Michigan
January 25, 2021

IDW MEDIA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	October 31, 2020	October 31, 2019
Assets		
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
Liabilities and stockholders' equity		
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, $0.01 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, $0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at October 31, 2020 and October 31, 2019	**5**	5
Stock subscription receivable	**-**	(1,000)
Additional paid-in capital	**111,379**	96,671
Accumulated other comprehensive loss	**(60)**	(60)
Accumulated deficit	**(91,996)**	(78,457)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at October 31, 2020 and October 31, 2019	**(1,196)**	(1,196)
Total IDW Media Holdings Inc. stockholders' equity	**18,225**	16,037
Non-controlling interest	**-**	35
Total stockholders' equity	**18,225**	16,072
Total liabilities and stockholders' equity	**$ 54,658**	$ 77,137

IDW MEDIA HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Fiscal Years Ended October 31, 2020	2019
Revenues	**$ 38,162**	$ 42,835
Costs and expenses:		
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
Total costs and expenses	**47,486**	67,887
Loss from operations	**(9,324)**	(25,052)
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	**(9,688)**	(25,198)
(Loss) income from discontinued operations, net	**(4,110)**	(1,294)
Net loss	**(13,798)**	(26,492)
Net income attributable to non-controlling interests	**-**	63
Net loss attributable to IDW Media Holdings, Inc	**$ (13,798)**	$ (26,429)
Basic and diluted income (loss) per share (note 3):		
Continuing operations	**$ (1.08)**	$ (3.71)
Discontinued operations, net	**(0.46)**	(0.19)
Net loss	**$ (1.54)**	$ (3.90)
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

See accompanying notes to consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)	Fiscal Years Ended October 31, 2020	2019
Net loss	**$ (13,798)**	$ (26,492)
Foreign currency translation adjustments	**-**	168
Comprehensive loss	**(13,798)**	(26,324)
Comprehensive loss attributable to non-controlling interest	**-**	63
Total comprehensive loss	**$ (13,798)**	$ (26,261)

See accompanying notes to consolidated financial statements

IDW Media Holdings, Inc.
Consolidated Stockholders' Equity
Fiscal Years Ended October 31, 2020 and 2019
(in thousands)

	Class B Common Stock		Class C Common Stock							Treasury Stock, at Cost		
	Number of Shares	Amount	Number of Shares	Amount	Stock Subscriptions Receivable	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Non-Controlling Interest ("NCI")	Number of Shares	Amount	Total Shareholders' Equity
Balance October 31, 2019	7,419	74	545	5	(1,000)	96,671	(60)	(78,457)	35	519	(1,196)	16,072
Stock based compensation						722						722
Issuance of common stock	2,568	19				13,566						13,585
Subscriptions receivable					1,000	11						1,011
Issuance of stock options						409						409
NCI divestment in subsidiary								259	(35)			224
Comprehensive loss												-
Net Loss								(13,798)				(13,798)
Other comprehensive income							-					-
Total comprehensive loss							-	(13,798)	-			(13,798)
Balance October 31, 2020	9,987	93	545	5	-	111,379	(60)	(91,996)	-	519	(1,196)	18,225
Balance October 31, 2018	6,072	61	545	5	-	69,780	(228)	(51,930)		519	(1,196)	16,492
Stock based compensation						3,123						3,123
Issuance of common stock	1,347	13				23,592						23,605
Subscriptions receivable					(1,000)							(1,000)
Issuance of warrants						118						118
Issuance of stock options						58						58
Acquisition of subsidiary								(98)	98			-
Comprehensive loss												
Net Loss								(26,429)	(63)			(26,492)
Other comprehensive income							168					168
Total comprehensive loss	-	-	-	-	-	-	168	(26,429)		-	-	(26,261)
Balance October 31, 2019	7,419	74	545	5	(1,000)	96,671	(60)	(78,457)	35	519	(1,196)	16,072

See accompanying notes to consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal years ended October 31, (in thousands)	2020	2019
Operating activities:		
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	15,989	(24,990)
Investing activities:		
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	(350)	(1,125)
Financing activities:		
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	(13,642)	22,667
Effect of exchange rate changes on cash and cash equivalents	-	168
Net increase (decrease) in cash and cash equivalents	$ 1,997	$ (3,280)
Cash and cash equivalents at beginning of period	10,165	13,445
Cash and cash equivalents at end of period	$ 12,162	$ 10,165
Supplemental schedule of investing and financing activities		
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	$ -

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

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED OCTOBER 31, 2020 AND 2019

Note 1—Basis of Presentation

The accompanying 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"). In the opinion of management, all adjustments (consisting principally of normal recurring accruals) considered necessary for a fair presentation have been included. Any reference to quarterly information is unaudited.

The Company's fiscal year ends on October 31st. Each reference below to a fiscal year refers to the fiscal year ending in the calendar year indicated (e.g., fiscal 2020 refers to the fiscal year ended October 31, 2020).

Description of Business and Segment Information
IDW Media Holdings, Inc. together with its subsidiaries is a diversified media company with operations in publishing, television entertainment and media distribution.

The terms "Company," "we," "us," and "our" are used in this report to refer collectively to the parent company and the subsidiaries through which various businesses are conducted. The term IDWMH is used to refer to the parent company.

The following are our principal businesses and segments:

Publishing ("IDWP"), a publishing company that creates comic books, graphic novels, digital content and games through its imprints IDW, IDW Games, Top Shelf Productions, Artist's Editions, The Library of American Comics, Yoe! Books, Sunday Press, and EuroComics; and Clover Press, a boutique publishing company that focuses on the book trade and direct market. Effective April 1, 2020, our interest in Clover Press decreased to 19.9% and IDWMH no longer consolidates the operations of Clover Press, but rather values the investment at cost.

IDW Entertainment ("IDWE"), is a production company and studio that develops and produces content and formats for global platforms and services. IDWE generates exclusively from IDWP's diverse library of comic books and graphic novels.

CTM Media Group ("CTM"), a Company that develops and distributes print and digital-based advertising and information advertising for tourist destinations in targeted tourist markets in 32 states / provinces in the US and Canada. On July 14, 2020, the Company and Howard Jonas, our Chairman of the Board of Directors, executed a share purchase agreement pursuant to which we agreed to sell all of the stock of CTM to Mr. Jonas or his assignee (the "CTM Sale") for (i) the cancelation of $3.75 million of indebtedness owed to Mr. Jonas by us, (ii) a contingent payment of up to $3.25 million based upon a recovery of quarterly revenues of CTM to 90% of its fiscal 2019 levels during the 18-month period following the closing of the CTM Sale, and (iii) a contingent payment if CTM is sold within 36 months for more than $4.5 million. We expect to close the sale of CTM in the first calendar quarter of 2021.

Variable Interest Entities
The Company, through its subsidiary IDWE has arrangements with seven special-purpose entities ("SPEs"), some formed for the sole purpose of providing production services in Canada for the production of a television pilot and television series, others for production and writing purposes. The SPEs are independently owned companies that are effectively controlled by IDWE, that are parties to the related bank production financing arrangements. 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 part of these consolidated financial statements. IDWE does not need to provide any support to the VIE's and therefore no foreseen potential losses associated. They have finished all of the productions and these shows have been delivered. The outstanding loans will be paid off by the tax credits in the receivable balances. The carrying amounts and classification of the VIE's assets and liabilities are presented below:

Fiscal year October 31 (in thousands)	2020	2019
Cash and cash equivalents	$ **732**	$ 231
Accounts receivable	**12,420**	16,103
Bank loans payable	**14,204**	39,743
Total	$ **27,356**	$ 56,077

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1—Basis of Presentation (continued)

Revenue Recognition
IDWP's primary revenue is recognized, net of an allowance for estimated sales returns, at the time of shipment of its graphic novels and comic books by IDWP's distributor to its customers. IDWE's revenue is recognized when evidence of a sale or licensing arrangement exists, the product is complete, has been delivered or is available for immediate and unconditional delivery, the license period has begun, the fee is fixed or determinable, and collection is reasonably assured. IDWE's production activities included those provided by Canadian SPEs, and some of those productions qualify for tax credits in Canada. These credits are recorded as reductions in production cost when the SPE becomes entitled to the Canadian tax credits. These tax credits have been estimated and are currently being audited by the Canada Revenue Agency and are subject to change. IDWE and IDWP revenues are product revenues and since CTM is disclosed as a discontinued operation there are no service revenues.

Revenue Recognition When Right of Return Exists
Sales returns allowances represent a reserve for IDWP products that may be returned due to dating, competition or other marketing matters, or certain destruction in the field. Sales returns are generally estimated and recorded based on historical sales and returns experience and current trends that are expected to continue. Licensing revenues are recognized upon execution of the agreement for such rights, and other creative revenues are recognized upon completion of services rendered on a contractual basis.

Deferred Revenue
The Company records deferred revenue upon invoicing for contracted commitments for products and services. Revenue is recognized on the date such product or service is provided or delivered in accordance with the contract.

Direct Cost of Revenues
Direct cost of revenues excludes depreciation and amortization expense. Direct cost of revenues for IDWP consists primarily of printing expenses and costs of artist and writers. Direct cost of revenues for IDWE consists primarily of the amortization of production costs that were capitalized during the production of the television episodes, accrued third party participation, and distribution fees directly related to revenue.

Cash and Cash Equivalents
The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Inventory
Inventory consists of IDWP's graphic novels and comic books (print), and costs related to IDWE productions (production costs). Inventory is stated at the lower of cost or market determined by the first in, first out method for print.

IDWE Television Costs - We expense television production, participation and residual costs over the applicable product life cycle based upon the ratio of the current period's revenues to the estimated remaining total revenues (Ultimate Revenues) for each production. If our estimate of Ultimate Revenues decreases, amortization of film and television costs may be accelerated. Conversely, if our estimate of Ultimate Revenues increases, film and television cost amortization may be slowed. For television series, Ultimate Revenues include revenues that are expected to be earned within ten years from delivery of the first episode, or if still in production, five years from delivery of the most recent episode, if later.

With respect to television series or other television productions intended for broadcast, the most sensitive factors affecting estimates of Ultimate Revenues are program ratings and the strength of the advertising market. Program ratings, which are an indication of market acceptance, directly affect the Company's ability to generate advertising revenues during the airing of the program. Television development costs for projects that have been abandoned or have not been set for production within three years are generally written off in the relevant period.

Note 1—Basis of Presentation (continued)

Property and Equipment
Equipment, furniture and fixtures, and computer software are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives, which range as follows: equipment - 5 & 7 years; furniture & fixtures- 5 years;; and computer software and digital display equipment - 2, 3 & 5 years. Leasehold improvements are recorded at cost and are depreciated on a straight-line basis over the term of the lease or their estimated useful lives, whichever is shorter.

Intangible Assets
Licensing contracts are recorded at cost and are amortized on a straight-line basis over their contractual or estimated useful lives, whichever is shorter from 5 - 7 years.

Goodwill
Goodwill is not amortized but is instead tested for impairment if events or changes in circumstances indicate that an impairment loss may have occurred. In the impairment test, the carrying amount of the reporting unit, including goodwill, is compared to its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed.

Long-Lived Assets
In accordance with 'ASC 360' - *Accounting for the Impairment or Disposal of Long-Lived Assets*-, the Company tests the recoverability of its long-lived assets with finite useful lives whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company tests for impairment based on the projected undiscounted cash flows to be derived from such asset. If the projected undiscounted future cash flows are less than the carrying value of the asset, the Company will record an impairment loss based on the difference between the estimated fair value and the carrying value of the asset. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows from such asset using an appropriate discount rate. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairments in future periods and such impairments could be material.

Advertising Expense
Non-direct response advertising is expensed as incurred. In fiscal 2020 and fiscal 2019, advertising expenses were approximately $274,000 and $127,000, respectively.

Repairs and Maintenance
The Company charges the cost of repairs and maintenance, including the cost of replacing minor items not constituting substantial betterment, to selling, general and administrative expenses as these costs are incurred.

Foreign Currency Translation
Assets and liabilities of foreign subsidiaries denominated in foreign currencies are translated to U.S. Dollars at end-of-period rates of exchange, and their monthly results of operations are translated to U.S. Dollars at the average rates of exchange for that month.

Income Taxes
The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the period in which related temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in its assessment of a valuation allowance. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of such change.

Note 1—Basis of Presentation (continued)

The Company uses a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return. The Company determines whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the Company presumes that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. Tax positions that meet the more-likely-than-not recognition threshold are measured to determine the amount of tax benefit to recognize in the financial statements or the amount of allowance against any previously recognized benefit. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following: an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability.

Commitments and Contingencies
The Company accrues for loss contingencies when both (a) information available prior to issuance of the financial statements indicates that it is probable that a liability had been incurred at the date of the financial statements and (b) the amount of loss can reasonably be estimated. When the Company accrues for loss contingencies and the reasonable estimate of the loss is within a range, the Company records its best estimate within the range. When no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount in the range. The Company discloses an estimated possible loss or a range of loss when it is at least reasonably possible that a loss may have been incurred.

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. 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 restricted stock still subject to risk of forfeiture (non-vested) using the treasury stock method, unless the effect of such increase is anti-dilutive.

The weighted-average number of shares used in the calculation of basic and diluted earnings per share attributable to the Company’s common stockholder’s consists of the following:

Fiscal Year ended October 31 (in thousands)	2020	2019
Basic weighted-average number of shares	**8,982**	6,768
Effect of dilutive securities:		
Non-vested restricted common stock	**-**	-
Diluted weighted-average number of shares	**8,982**	6,768

Stock-Based Compensation
The Company accounted for stock-based compensation granted to its employees in accordance with the fair value recognition provisions of ‘ASC’ 718 *Share-Based Payment*. Under ‘ASC’ 718, compensation costs are recognized based on the grant-date fair value. Stock-based compensation is included in selling, general and administrative expense.

Vulnerability Due to Certain Concentrations
Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, cash equivalents, short term investment and trade accounts receivable. The Company holds cash and cash equivalents at several major financial institutions, which often exceed FDIC insurance limits. Historically, the Company has not experienced any losses due to such concentration of credit risk. The Company’s temporary cash investments policy is to limit the dollar amount of investments with any one financial institution and monitor the credit ratings of those institutions. While the Company may be exposed to credit losses due to the nonperformance of its counterparties, the Company does not expect the settlement of these transactions to have a material effect on its results of operations, cash flows or financial condition.

Note 1—Basis of Presentation (continued)

IDWP has two significant customers Diamond Comic Distributors, Inc. ("Diamond") and Penguin Random House ("PRH"), that pose a concentration risk.

Revenues from Diamond, IDWP's direct market distributor, represented 18.5 % and 19.1% of the total consolidated revenues for the fiscal years ended October 31, 2020 and 2019, respectively. The receivable balances from this customer represented approximately 4.7% and 2.3% of consolidated trade accounts receivable at October 31, 2020 and 2019, respectively.

Revenues from PRH amounted to 38.4% and 6.8% of consolidated revenue in the fiscal years ended October 31, 2020 and 2019, respectively. The receivable balances represented 10.5% and 2.7% of consolidated receivables at October 31, 2020 and 2019, respectively.

Diamond and PRH in turn sell to their book market customers with right of return. No other single customer accounted for more than 10% of consolidated revenues in the fiscal year ended October 31, 2020 or 2019. This concentration of customers increases the Company's risk associated with non-payment by those customers.

IDWE has three significant customers Netflix, NBC Universal/SyFy and Cineflix that pose a concentration risk.

IDWE recognizes its revenue based on the completed episodes it delivers. Netflix, a leading streaming video subscription service, that represented 10.6% and 53.3% of consolidated revenue in the fiscal years ended October 31, 2020 and 2019, respectively. The receivable balances from this customer represented 15.3% and 52.6% of consolidated trade receivables at October 31, 2020 and 2019, respectively.

NBC Universal/SyFy, a major television network, which accounted for 4.9% and 0% of consolidated revenue for the fiscal years ended October 31, 2020 and 2019, respectively. The accounts receivable accounted for 0% and 0% of consolidated receivables at October 31, 2020 and 2019, respectively.

Cineflix, an interntional distributor accounted for 21.5% and 0% of consolidated revenue for the fiscal years ended October 31, 2020 and 2019, respectively. The accounts receivable accounted for 6.8% and 0% of consolidated receivables at October 31, 2020 and 2019, respectively.

Collaborative Agreements
IDWE regularly enters into agreements for the production of its television shows. The agreements provide for the rights and obligations related to the agreement including timing, delivery and payments. IDWE capitalizes the resulting production costs under the agreements in production cost inventory as payments are made or when the products or services are delivered. Amortization of television costs during the fiscal years ended October 31, 2020 and 2019 were $16,808,000 and $36,310,000, respectively.

Discontinued Operations
CTM has met the criteria for discontinued operations and has been presented as such in the financial statements. In accordance with ASU 2014-08, "Reporting of Discontinued Operations and Disclosures of Disposals of Components of an Entity," a disposal is categorized as a discontinued operation if the disposal group is a component of an entity or group of components that meets the held for sale criteria, is disposed of by sale, or is disposed of other than by sale, and represents a strategic shift that has or will have a major effect on an entity's operations and financial results.

As the discontinued operation is classified as held for sale, the pre-tax net income or loss, income tax or benefit, and gain or loss on the disposal of assets held for sale are reclassified as a separate line item in the income statement. Assets and liabilities are also separately reclassified in the balance sheet for all periods presented. Cash flows from a discontinued operation and the continuing business are presented together without separate identification within cash flows from operating, investing and financing activities. However total operating and investing cash flows for discontinued operations are disclosed separately for all periods presented.

Note 1—Basis of Presentation (continued)

Sales Returns and Allowances

IDWP offers its book market distributors, a right of return with no expiration date in accordance with general industry practices. These distributors then offer this same right of return to their book market retail customers. IDWP records an estimate for sales return reserves from such retailers based on historical sales and return experience and current trends that are expected to continue. In fiscal 2020 and 2019 actual returns exceeded estimated returns by approximately $264,000 and $8,000, respectively.

The change in the allowance for sales returns is as follows:

Fiscal Year ended October 31 (in thousands)	Balance at beginning of year	Additions charged to revenues	Actual returns	Balance at end of year
2020				
Reserves deducted from accounts receivable:				
Allowance for sales returns	$ 152	$ 2,493	$ (2,349)	$ 296
2019				
Reserves deducted from accounts receivable:				
Allowance for sales returns	$ 160	$ 2,077	$ (2,085)	$ 152

Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the accounts receivable balance. The allowance is determined based on known troubled accounts, historical experience and other currently available evidence.

The change in the allowance for doubtful accounts is as follows:

Fiscal Year ended October 31 (in thousands)	Balance at beginning of year	Additions charged to costs and expenses	Deductions (1)	Balance at end of year
2020				
Reserves deducted from accounts receivable:				
Allowance for doubtful accounts	$ 29	$ -	$ -	$ 29
2019				
Reserves deducted from accounts receivable:				
Allowance for doubtful accounts	$ 27	$ 2	$ -	$ 29

(1) Uncollectible accounts written off, net of recoveries.

Fair Value of Financial Instruments

The estimated fair value of financial instruments has been determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting this data to develop estimates of fair value. Consequently, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange.

Note 1—Basis of Presentation (continued)

At October 31, 2020 and 2019, the carrying value of the Company's current assets of trade accounts receivable, inventory, prepaid expenses, trade accounts payable, accrued expenses, deferred revenue, bank loans payable, related party loans payable, government loans, operating lease obligations, and other current liabilities approximated fair value because of the short period of time to maturity. At October 31, 2020 and 2019, the carrying value of the long-term portion of the Company's operating lease obligations, related party loans, government loans and bank loans approximate fair value as their contractual interest rates approximate market yields for similar debt instruments.

Principles of Consolidation
All significant intercompany accounts and transactions have been eliminated in consolidation. All amounts in these Consolidated Financial Statements and notes to the Consolidated Financial Statements are reflected on a consolidated basis for all periods presented.

Joint Venture
As of April 1, 2020 Clover Press,LLC ("Clover Press") was no longer a joint venture as the Company only owns a 19.9% ownership. However, prior to this IDWMH consolidated Clover Press into the IDWP reporting segment.

As at the fiscal year ending October 31, 2019 Clover Press was joint venture of which the Company held an 80.5% ownership stake and consolidated into its operations. The minority owners included former Company executives and IDWP founders, Ted Adams and Robbie Robbins. The Company acquired its interest effective June 1, 2019 in exchange for funding commitments and other obligations. Clover Press focuses on progressive projects, creator-owned endeavors, and celebration of classic works from authors and artists. Clover Press will target the book market and direct-to-consumer prestige format publications as a progressive, eclectic, boutique publisher.

Recently Issued Accounting Pronouncements Adopted Subsequent to 2019 Fiscal Year End
In February 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, Leases (Topic 842), which requires lessees to recognize most leases on their balance sheets as a right-of-use asset with a corresponding lease liability. Lessor accounting under the standard is substantially unchanged. Additional qualitative and quantitative disclosures are also required. The Company adopted the standard effective November 1, 2019 using the modified retrospective adjustment transition method, which applies the provisions of the standard at the effective date without adjusting the comparative periods presented. The Company adopted the following practical expedients and elected the following accounting policies related to this standard update:

- The option to not reassess prior conclusions related to the identification, classification and accounting for initial direct costs for leases that commenced prior to November 1, 2019;

- Short-term lease accounting policy election allowing lessees to not recognize right-of-use assets and liabilities for leases with a term of 12 months or less;

- The option to not separate lease and non-lease components for certain equipment lease asset categories such as freight car, vehicles and work equipment; and

- The package of practical expedients applied to all of its leases, including (i) not reassessing whether any expired or existing contracts are or contain leases, (ii) not reassessing the lease classification for any expired or existing leases, and (iii) not reassessing initial direct costs for any existing leases.

Adoption of this standard resulted in the recognition of operating lease right-of-use assets of $6,746,149 and lease liabilities of $6,980,233 on the consolidated balance sheet as of November 1, 2019. The Company's accounting for finance leases remained substantially unchanged. The standard did not materially impact operating results or liquidity. Disclosures related to the amount, timing and uncertainty of cash flows arising from leases are included in Note 10, Commitments.

On November 1, 2019 we adopted the FASB ASU 2018-07 to provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. Pursuant to this ASU, an entity should account for the effects of a modification unless all the following are met: (1) the fair value (or calculated value or intrinsic value, if such an alternative measurement method is used) of the modified award is the same as the fair value (or calculated value or intrinsic value, if such an alternative measurement method is used) of the original award immediately before the original award is modified (if the modification does not affect any of the inputs to the valuation technique that the entity uses to value the award, the entity is not required to estimate the value immediately before and after the modification); (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified. The company has adopted this guideline for the fiscal year beginning November 1, 2019. The Company has evaluated this guidance and determined there is no material effect on the financial statements.

Note 1—Basis of Presentation (continued)

Recently Issued Accounting Standard Not Yet Adopted

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350), which simplifies the measurement of goodwill by eliminating the Step 2 impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The new guidance requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The new guidance becomes effective for goodwill impairment tests in fiscal years beginning after December 15, 2019, though early adoption is permitted. The company will adopt this guideline prospectively for fiscal year November 1, 2020. The Company does not believe that the adoption of this new accounting guidance will have any material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, that changes the impairment model for most financial assets and certain other instruments. For receivables, loans and other instruments, entities will be required to use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowance for losses. For available-for-sale debt securities with unrealized losses, entities will measure credit losses in a manner similar to current practice, except the losses will be recognized as allowances instead of reductions in the amortized cost of the securities. In addition, an entity will have to disclose significantly more information about allowances, credit quality indicators and past due securities. The new provisions will be applied as a cumulative-effect adjustment to retained earnings. The new guidance becomes effective in fiscal years beginning after December 15, 2019. We will adopt the new standard on November 1, 2020. We are evaluating the impact that the new standard will have on our consolidated financial statements.

In March 2019, the FASB issued ASU No. 2019-02, Improvements to Accounting for Costs of Films and License Agreements for Program Materials. ASU 2019-02 aligns the accounting for production costs of episodic television series with the accounting for production costs of films. It also requires an entity to test a film or license agreement within the scope of Subtopic 920-350 for impairment at the film group level, when the film or license agreement is predominantly monetized with other films and/or license agreements. The new guidance becomes effective in fiscal years beginning after December 15, 2019. The changes in this standard are effective for the fiscal year beginning November 1, 2020, with early adoption permitted. The Company is currently evaluating the impact the adoption of the prospective disclosure requirements will have on its consolidated financial statements.

Note 2—Dividends

The Company does not pay a regular dividend. The declaration of 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. 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 restricted stock still subject to risk of forfeiture (non-vested) using the treasury stock method, unless the effect of such increase would be anti-dilutive. The Company excluded 38,000 shares of unvested restricted stock from the calculation of diluted earnings per share as the effect would have been anti-dilutive.

Note 4—Equity

Non-cash compensation included in selling, general and administrative expenses is $1,131,000 and $2,523,000 in the fiscal years ended October 31, 2020 and 2019, respectively.

On September 30, 2020, the Company issued 9,710 shares of its Class B common stock ("Class B Common Stock")to Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, for payment of certain interest payable on a loan made by Mr. Jonas to the Company.

On September 10, 2020, the Company granted to its Chief Accounting Officer options to purchase 5,000 shares of its Class B Common Stock, with a 10-year term and an exercise price of $3.35, under the Company's 2019 Stock Option and Incentive Plan, as amended and restated (the "2019 Incentive Plan"), with such options scheduled to vest in substantially equal one-third installments on September 10, 2021, September 10, 2022, and September 10, 2023.

On each of May 12, 2020 and August 31, 2020, the Company cancelled 400 shares of unvested restricted shares of Class B Common Stock ("Restricted Stock") that were previously issued under the Company's 2009 Stock Option and Incentive Plan, as amended and restated (the "2009 Incentive Plan"), because of the applicable former employee then leaving the employ of the Company.

On August 19, 2020, the Company granted to an employee of the Company options to purchase 5,000 shares of Class B Common Stock, with a 10-year term and an exercise price of $3.49, under the 2019 Incentive Plan, with such options scheduled to vest in substantially equal one-third installments on August 19, 2021, August 19, 2022, and August 19, 2023.

On August 4, 2020, the Company granted to a former employee of the Company 21,879 shares of Restricted Stock under the 2019 Incentive Plan, with such shares vesting in full upon grant.

On July 16, 2020 IDWMH settled its intercompany payable to CTM totaling $6,982,305 and subsequently received a distribution of $6,800,000 from CTM. This transaction was booked into additional paid in capital with CTM and IDWMH to have a nil impact and did not trigger any tax impacts.

On July 14, 2020, the Company granted to its Chief Executive Officer and former Chief Financial Officer options to purchase 120,000 shares of Class B Common Stock, with a 10-year term and an exercise price of $3.98, under the 2019 Incentive Plan, with such options scheduled to vest in equal one-third installments on July 14, 2021, July 14, 2022, and July 14, 2023.

On July 13, 2020, the Company issued 314,070 shares of Class B Common Stock to Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, pursuant to a Loan Modification Agreement in which Mr. Jonas and the Company agreed to convert $1.25 million of indebtedness owed by the Company to Mr. Jonas to such 314,070 shares.

Note 4—Equity (continued)

On July 3, 2020, the Company granted options to purchase an aggregate of 25,000 shares of Class B Common Stock, each with a 10-year term and an exercise price of $4.00, under the 2019 Incentive Plan, to three employees of the Company with 20,000 of such options scheduled to vest in approximately equal one-third installments on June 25, 2021, June 25, 2022, and June 25, 2023 and 5,000 of such options scheduled to vest in approximately equal one-third installments on July 1, 2021, July 1, 2022, and July 1, 2023. On November 5, 2020, an option to purchase 10,000 of these shares of Class B Common Stock was cancelled because one of the employees left the Company.

On June 30, 2020, the Company issued 10,335 shares of Class B Common Stock to Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, for payment of certain interest payable on a loan made by Mr. Jonas to the Company.

On June 8, 2020, the Company granted 3,000 restricted shares of Class B Common Stock ("Restricted Stock") under the 2019 Incentive Plan to a consultant of the Company with such shares of Restricted Stock scheduled to vest in equal one-third installments on March 15, 2021, March 15, 2022, and March 15, 2023.

On March 31, 2020, the Company issued 14,816 shares of Class B Common Stock to Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, for payment of certain interest payable on loans made by Mr. Jonas to the Company.

On March 10, 2020, the Company granted options to purchase 5,000 shares of Class B Common Stock, with a 10-year term and an exercise price of $6.40, and 2,500 shares of Restricted Stock, each under the 2019 Incentive Plan, to each of two non-executive officers of the Company, with such options and shares of Restricted Stock scheduled to vest in approximately equal one-third installments on March 15, 2021, March 15, 2022, and March 15, 2023.

On March 10, 2020, the Company granted an aggregate of 25,000 shares of Restricted Stock under the 2019 Incentive Plan to five individuals who provide legal services to the Company, with such shares scheduled to vest in approximately equal one-third installments on March 15, 2021, March 15, 2022, and March 15, 2023.

On March 9, 2020, the Company granted to an employee of the Company 13,699 shares of Restricted Stock under the 2019 Incentive Plan, with such shares originally scheduled to vest in full on March 9, 2021. On June 2, 2020, pursuant to a Separation Agreement with the employee, the Company agreed to change the scheduled vesting of these 13,699 shares of Restricted Stock to October 31, 2020. On July 13, 2020, pursuant to Amendment No. 1 to the Separation Agreement, the scheduled vesting of these 13,699 shares of Restricted Stock vested on August 4, 2020.

On March 9, 2020, the Company closed a private placement of shares of Class B Common Stock at $6.00 per share, pursuant to which the Company issued 2,051,002 shares of Class B Common Stock for gross proceeds of approximately $12,300,000 inclusive of $4.0 million debt-to-equity conversion by the Company's Chairman of the Board of Directors and former Chief Executive Officer, Howard S. Jonas. The shares issued were subject to a contractual restriction on transfer for six months following the closing of the placement and are subject to other restrictions under applicable law. The proceeds from the issuance of common stock have been netted with $415,000 of costs related to the private placement.

On February 4, 2020, the Company granted options to purchase 10,000 shares of Class B Common Stock, with a 10-year term and an exercise price of $9.99, under the 2019 Incentive Plan to an employee with the options vesting: 1,667 upon grant, 834 on March 1, 2020, 833 on April 1, 2020, 833 on May 1, 2020, 834 on June 1, 2020, 833 on July 1, 2020, 833 on August 1, 2020, 834 on September 1, 2020, 833 on October 1, 2020, 833 on November 1, 2020 and 833 on December 1, 2020.

On January 23, 2020, the Company granted to its then Chief Financial Officer and current Chief Executive Officer options to purchase 25,000 shares of Class B Common Stock, with a 10-year term and an exercise price of $10.50, pursuant to the 2019 Incentive Plan. Options with respect to 10,000 shares vested on grant and the remainder are scheduled to vest as to 5,000 shares on each of January 23, 2021, January 23, 2022 and January 23, 2023.

On January 23, 2020, the Company granted to its former Chief Strategy Officer options to purchase 42,735 shares of Class B Common Stock, with a 10-year term and an exercise price of $10.50, pursuant to the 2019 Incentive Plan with such options vesting in full upon grant.

On January 9, 2020, the Company issued 36,586 shares of Class B Common Stock to Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, for payment of certain interest payable on loans made by Mr. Jonas to the Company.

On April 24, 2019, the Company closed the initial round of a private placement of shares of Class B Common Stock to certain existing stockholders at $18.00 per share. In connection with this initial round, on April 24, 2019, the Company issued 767,630 shares of Class B Common Stock for gross proceeds of $13,817,337.

Note 4—Equity (continued)

On May 7, 2019, the Company closed the follow-on round of the placement and issued 345,792 shares of Class B Common Stock for gross proceeds of $5,186,885. The follow-on round involved participants in the initial round of the placement who elected to participate in the purchase of unsubscribed shares of Class B Common Stock at $15.00 per share. In the offering, the Company issued a total of 1,113,422 shares of Class B Common Stock and received total gross proceeds of $19,004,229. The shares issued in the offering were subject to a contractual restriction on transfer for six months following the closing of the offering as well as other restrictions under applicable law.

In connection with a private placement offering, on June 15, 2019, the Company issued 269,478 shares of Class B Common Stock at a price of $17.07 per share for aggregate proceeds of approximately $4,600,000.

On April 17, 2019, the Company agreed to grant to a consultant 5,000 shares of Restricted Stock under the 2019 Incentive Plan on or about each of May 1, 2019, January 2, 2020 and January 2, 2021. On May 1, 2019, 5,000 shares of Restricted Stock were issued to the consultant, with such shares having vested on January 1, 2020. On January 2, 2020, 5,000 shares of Restricted Stock were issued to the consultant, with such shares scheduled to vest on January 2, 2021.

On March 14, 2019, the Company's Board of Directors adopted the 2019 Incentive Plan to provide incentives to executive officers, employees, directors and consultants of the Company and/or its subsidiaries. The Company reserved 300,000 shares of Class B Common Stock for the grant of awards under the 2019 Incentive Plan, subject to adjustment. Incentives available under the 2019 Incentive Plan may include stock options, stock appreciation rights, limited stock appreciation rights, restricted stock and deferred stock units. On July 13, 2020, the Board of Directors of the Company increased by 150,000, to 450,000, the number of shares of Class B Common Stock reserved for the grant of awards under the 2019 Incentive Plan, subject to adjustment. As of October 31, 2020, 126,487 shares remained available to be awarded under the 2019 Incentive Plan.

On December 24, 2018, an employee was granted 1,370 shares of Class B Common Stock. In addition, in fiscal 2018, the Company agreed to grant this employee 15,000 shares of Restricted Stock pursuant to the 2009 Incentive Plan, with such shares scheduled vest in equal monthly installments over the 12-month period beginning on October 15, 2018. This employee left the employ of the Company on February 13, 2019 and therefore only 5,000 shares of Restricted Stock vested on January 24, 2019, and the remaining 10,000 shares of unvested Restricted Stock were cancelled due to the executive no longer being an employee of the Company.

On November 26, 2018, the Company agreed to issue to an employee 3,030 shares of Restricted Stock under the 2009 Incentive Plan, which vested in equal monthly installments ending on December 10, 2019. In addition, 758 shares of fully vested Restricted Stock were granted to this same employee on March 14, 2019.

In fiscal 2018, the Company granted to an employee 1,000 shares of Restricted Stock under the 2009 Incentive Plan, with 666 of such shares vesting on June 20, 2018 and the remaining 334 shares originally scheduled to vest on September 20, 2019 and which are now scheduled to vest on September 30, 2020. On March 20, 2019, the Company issue options to purchase 10,000 shares of Class B Common Stock, with a 10-year term and an exercise price of $31.00, under the 2009 Incentive Plan to this employee with the options being fully vested as of December 1, 2019.

In fiscal 2018, the Company agreed to grant to a consultant 750 fully vested shares of Restricted Stock per month during the term of his consulting agreement. Accordingly, on March 14, 2019, the consultant was granted under the 2009 Incentive Plan 3,000 fully vested shares of Restricted Stock, for service provided in December 2018, January 2019, February 2019 and March 2019, and 750 fully vested shares of Restricted Stock on each of April 15, 2019 and May 15, 2019 for service provided in the applicable month. On each of June 15, 2019, July 15, 2019, August 15, 2019 and September 15, 2019, the Company granted to the consultant under the 2019 Incentive Plan 750 fully vested shares of Restricted Stock for service provided in the applicable month.

Note 5—Notes Payable

Related party loans

On August 21, 2018, the Company entered into a loan agreement with the Company's Chairman of the Board of Directors (who, at the time was also the Company's Chief Executive Officer and majority stockholder) (the "Chairman") for $5,000,000. Interest accrues at prime rate plus 1% and the loan matures August 20, 2022. Payment of principal and interest are payable from 70% of the Free Cash Flow, as defined in the loan agreement, of the Company's CTM Media Group Inc. subsidiary. All outstanding shares of CTM Media Group Inc. stock are pledged as security under the agreement. On December 1, 2019, the Company amended the agreement providing that up to 60% of the interest due may, at the option of the Company, be paid in shares of Class B common stock (and the remaining amount in cash) with such shares valued based on the average closing prices for the Class B common stock on the ten trading days immediately prior to the applicable interest due date. As at October 31, 2020 the shares issued in connection with the loan interest was 56,545. The interest is to be paid quarterly on the loan. In conjunction with the loan, the Company issued the Chairman 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. On July 13, 2020 $1,250,000 was converted into 314,070 shares of Class B Common Stock (Note 4- Equity). The outstanding amount at October 31, 2020 was $3,750,000.

On September 21, 2018, the Company entered into a bridge loan facility agreement with its Chairman for up to $26,000,000. The balance due under the facility was $0 at October 31, 2020. The proceeds from the private placement offering on March 9, 2020 were used to pay off the remaining $4,000,000 of the loan facility (Note 4- Equity). $8,000,000 of the loan facility was paid off in connection with the 2019 offering. As at October 31, 2020 the shares of Class B common stock issued by the Company was 14,902. In conjunction with the amendment to the loan, the Company issued the Chairman a warrant to purchase up to 98,336 shares of the Company's Class B Common Stock at a price per share of $26.44. The warrant expires March 30, 2022.

For the fiscal year ended October 31, 2020 interest on the above loans amounted to $406,000 and for the fiscal year October 31, 2019 interest amounted to $1,204,403, which was charged to production cost.

The maturities under the loan agreement are anticipated to be as follows:

Date	Amount
2021	$ -
2022	**3,750,000**
Total	$ **3,750,000**

Bank loans

On November 21, 2018, a Variable Interest Entity (the "VIE") (see Note 1) controlled by IDWE entered into a loan agreement with a bank that provides for a production financing commitment in the aggregate amount up to CAD 27,700,000. 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 and tax credits, including interest based on the prime rate. The loan matures on January 31, 2021. On October 31, 2020, $8,149,000 was outstanding under the commitment.

On June 21, 2018, a VIE controlled by IDWE entered into a loan agreement with a bank that provides for a production financing commitment in the aggregate amount up to CAD 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 October 31, 2020 $6,055,000 was outstanding under the commitment.

Future maturities under the VIE bank loans are as follows:

Date	Amount
2021	$ **14,204,000**
Total	**$ 14,204,000**

Government loans

On April 27, 2020, the Company (inclusive of IDWP and IDWE) received loan proceeds of $1,195,679 (the "IDWMH PPP Loan") from Bank of America, N.A. pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The IDWMH PPP Loan, which was in the form of a Note dated April 15, 2020 issued by the Company, matures on April 15, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 24, 2020. The Note may be prepaid by the Company at any time prior to maturity with no prepayment penalties, and under the terms of the loan, payments can be deferred for six months. Funds from the IDWMH PPP Loan may be used primarily for payroll costs and costs used to continue group health care benefits, and, up to a limited extent, on mortgage payments, rent, utilities, interest and other expenses as described in the CARES Act. Under the terms of the PPP, certain amounts of the IDWMH PPP Loans may be forgiven if they are used for those qualifying expenses. The Company used the entire IDWMH PPP Loan amount for those qualifying expenses.

Note 6—Business Segment Information

The Company has the following three reportable business segments: IDWP, IDWE 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 decision making officers.

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)	IDWP(a)	IDWE	CTM (discontinued operations)	IDWMH (unallocated overhead)	Total
Fiscal year ended October 31, 2020					
Revenues	**$ 23,850**	**$ 14,312**	**$ -**	**$ -**	**$ 38,162**
Loss from operations	**(103)**	**(8,589)**	**-**	**(632)**	**(9,324)**
Loss from discontinued operations, net	**-**	**-**	**(4,110)**	**-**	**(4,110)**
Net loss	**(103)**	**(8,589)**	**(4,110)**	**(996)**	**(13,798)**
Total assets at October 31, 2020	**15,189**	**22,091**	**11,171**	**6,207**	**54,658**
Fiscal year ended October 31, 2019					
Revenues	$ 20,094	$ 22,741	$ -	NA(b)	$ 42,835
Loss from operations	(5,205)	(19,847)	-	NA(b)	(25,052)
Loss from discontinued operations, net	-	-	(1,294)	-	(1,294)
Net loss	(5,187)	(20,011)	(1,294)	NA(b)	(26,492)
Total assets at October 31, 2019	10,994	55,792	10,351	NA(b)	77,137

(a) IDWP includes Clover Press through March 31, 2020. As of April 1, 2020, Clover Press was valued at the cost method and was no longer consolidated.

(b) In prior fiscal year 100% of IDWMH overhead was allocated to business segments.

Note 7 —Fair Value Measurement

In determining fair value, the Company uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level l Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the most conservative level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of October 31, 2020 and 2019:

(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments as of October 31, 2020				
Clover Press investment	**$ -**	**$ -**	**$ 25**	**$ 25**
Total Investments	**$** -	**$** -	**$ 25**	**$ 25**
Investments as of October 31,2019				
Investments	**$ -**	$ **-**	$ **-**	$ -
Total Investments	**$** -	$ -	$ -	$ -

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of Level 3 assets:

(in thousands)	
Beginning balance, October 31, 2019	$ **-**
Acquisition	**25**
Sales	**-**
Realized gains, net	**-**
Unrealized losses, net	**-**
Ending balance, October 31, 2020	$ **25**

The investment in Clover Press does not have readily determined fair values and are valued at cost. There have been no events or changes in circumstances to indicate any signs of impairment as at October 31, 2020. Due to the small nature of the investment a change in the fair value would not be a significant impact to the Company's performance or cash flows. There have not been any transfers between investment levels.

Note 8 —Trade Accounts Receivable and Deferred Revenue

Trade accounts receivable consists of the following:

October 31 (in thousands)	2020	2019
Trade accounts receivable	**$ 23,246**	$ 43,643
Less allowance for sales returns	**(296)**	(152)
Less allowance for doubtful accounts	**(29)**	(29)
Trade accounts receivable, net	**$ 22,921**	$ 43,462

Allowance for Doubtful Accounts
The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the accounts receivable balance. The allowance is determined based on known troubled accounts, historical experience and other currently available.

Changes in deferred revenue consist of the following:

(in thousands)	
Beginning balance, October 31, 2019	$ **1,058**
Deferral of revenue	**2,725**
Recognition of deferred revenue	**(1,398)**
Ending balance, October 31, 2020	$ **2,385**

We expect to recognize approximately 100% of this revenue over the next 12 months.

Note 9 —Accrued Expenses

Accrued expenses consist of the following:

October 31 (in thousands)	2020	2019
Royalties	**$ 1,268**	$ 813
Payroll & payroll taxes	**110**	803
Bonus	**333**	162
Production costs and participation	**1,495**	196
Other	**747**	1,062
Total	**$ 3,953**	$ 3,036

Note 10—Property and Equipment

Property and equipment consist of the following:

October 31 (in thousands)	2020	2019
Equipment	**$ 424**	$ 378
Furniture & Fixtures	**105**	100
Leasehold improvements	**826**	829
Computer software	**20**	20
	1,375	1,327
Less accumulated depreciation and amortization	**(965)**	(765)
Property and equipment, net	**$ 410**	$ 562

Depreciation expense of all property and equipment was $200,000 and $182,000 for the fiscal 2020 and 2019, respectively.

Note 11— Intangible Assets

The tables below present information on the Company's intangible assets and goodwill:

(in thousands)	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Balance
Amortized intangible assets:				
As of October 31, 2020:				
Licensing Contracts	**7 years**	**893**	**(841)**	**52**
As of October 31, 2019:				
Licensing Contracts	7 years	903	(788)	115

Amortization expense of intangible assets was $52,000 and $104,000 in fiscal 2020 and 2019, respectively.

Future estimated amortization expense as of October 31, 2020 is as follows:

(in thousands)	
2021	$ 45
2022	7
Total	**$** 52

The Company's Goodwill is summarized as follows:

Fiscal Year Ended October 31 (in thousands)	2020	2019
Beginning balance	**$ 199**	$ 199
Additions – business acquisitions	**-**	-
Impairments	**-**	-
Total goodwill	**$ 199**	$ 199

Note 12—Commitments

Lease Commitments

The Company has various lease agreements with terms up to 4 years, including leases of office space, warehouses, and equipment. Some leases include options to purchase, terminate or extend for one or more years. These options are included in the lease term when it is reasonably certain that the option will be exercised.

The assets and liabilities from operating leases are recognized at the commencement date based on the present value of remaining lease payments over the lease term using the Company's secured incremental borrowing rates or implicit rates, when readily determinable. Short-term leases, which have an initial term of 12 months or less, are not recorded on the balance sheet.

The Company's operating leases do not provide an implicit rate that can readily be determined. Therefore, we use a discount rate based on our incremental borrowing rate, which is determined using the Company's interest rate on its line of credit.

The Company's weighted-average remaining lease term relating to its operating leases is 1.65 years, with a weighted-average discount rate of 4.59%.

The Company recognized lease expense for its operating leases of $618,109 for the fiscal year ended October 31, 2020, respectively. The cash paid under operating leases during the fiscal year ended October 31, 2020 was $686,078.

At October 31, 2020, the Company had a right-of-use-asset related to operating leases of $1,329,086, accumulated amortization related to operating leases of $558,140 both of which are included as a component of right-of-use assets.

The lease commitments for the continuing operations are presented below:

Maturity of Lease Liability (in thousands)	**Total**
Fiscal years ending October 31:	
2021	$ **594**
2022	**354**
2023	**13**
2024	**7**
2025	**-**
Thereafter	**-**
Total undiscounted operating lease payments	$ **968**
Less: imputed interest	**(38)**
Present value of operating lease liabilities	$ **930**

Note 13—Income Taxes

Significant components of the Company's deferred tax assets and deferred tax liabilities consist of the following:

Fiscal year Ended October 31 (in thousands)	2020	2019
Deferred tax assets:		
Bad debt reserve	**$ 8**	$ -
Accrued expenses	**303**	140
Exercise of stock options and lapsing of restrictions on restricted stock	**1,360**	1,459
Impairment	**391**	437
Amortization	**2,686**	3,581
Net operating loss	**12,280**	8,760
Total deferred tax assets	**17,028**	14,377
Valuation allowance	**(17,028)**	(14,377)
Net Deferred Tax Assets	**$ -**	**$ -**

The (benefit from) provision for income taxes consists of the following:

Fiscal year ended October 31 (in thousands)	2020	2019
Current:		
Federal	**$ -**	$ (42)
State and local	**-**	-
Foreign	-	-
	$ -	$ (42)
Deferred:		
Federal	**$ -**	$ -
State and local	-	-
Foreign	-	-
	$ -	$ -
(Benefit from) provision for income taxes	**$ -**	$ (42)

The differences between income taxes expected at the U.S. federal statutory income tax rate and income taxes provided are as follows:

Fiscal year ended October 31 (in thousands)	2020	2019
U.S. federal income tax at statutory rate	**$ (2,034)**	$ (5,300)
Change in valuation allowance	**2,651**	7,020
State and local income tax, net of federal benefit	**-**	(1,747)
Tax law change	**(620)**	(42)
Non-deductible expenses	**3**	27
(Benefit from) provision for income taxes	**$ -**	$ (42)

At October 31, 2020, the Company had federal net operating loss carryforwards of approximately $44 million. These carry-forward losses are available to offset future U.S. federal taxable income. The pre-fiscal year 2019 net operating loss carryforwards will start to expire in fiscal 2030 and post 2019 losses of $36 million will not expire.

Note 13—Income Taxes (continued)

The change in the valuation allowance in fiscal 2020 was as follows:

(in thousands)	Balance at beginning of year	Additions charged to costs and expenses	Deductions	Balance at end of year
Reserves deducted from deferred income taxes, net:				
Valuation allowance	**$ 14,377**	**$ 2,651**	**$ -**	**$ 17,028**

At October 31, 2018, the company performed an analysis of its deferred tax assets and determined that it is not more likely than not that they will be utilized and has established a valuation allowance against the asset. The valuation allowance remains.

At October 31, 2020 and 2019, the Company did not have any unrecognized income tax benefits. There were no changes in the balance of unrecognized income tax benefits in fiscal 2020 and fiscal 2019. At October 31, 2020, the Company did not expect any changes in unrecognized income tax benefits during the next twelve months. In fiscal 2020 and fiscal 2019, the Company did not record any interest and penalties on income taxes. At October 31, 2020 and 2019, there was no accrued interest included in current income taxes payable.

The Company currently remains subject to examinations of its tax returns as follows: U.S. federal tax returns for fiscal 2018 to fiscal 2020, state and local tax returns generally for fiscal 2017 to fiscal 2020.

Note 14— Deconsolidation of Subsidiary

a. Effective April 1, 2020, the Company's interest in Clover Press decreased to 19.9% and IDWMH no longer consolidates the operations of Clover Press. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of Clover Press.

b. Analysis of assets and liabilities over which the Company lost control

(in thousands)		March 31, 2020
Current assets		
Cash and cash equivalents	$	215
Trade accounts receivable		1
Inventory		62
Other current assets		9
Noncurrent assets		
Intangible assets, net		10
Right-of-use assets		226
Other noncurrent assets		64
Current liabilities		
Trade accounts payable		(38)
Operating lease obligation- current		(64)
Related party notes payable		(50)
Non-current liabilities		
Operating lease obligations -long term		(169)
Net assets deconsolidated	$	266

c. Loss on deconsolidation of subsidiary

(in thousands)		Fiscal Year Ended October 31, 2020
Fair value of interest retained	$	25
Consideration received		100
Carrying amount of interest retained:		
Net assets deconsolidated		(266)
Noncontrolling interests		106
Loss on deconsolidation of subsidiary	$	(35)

Loss on deconsolidation of subsidiary was included in other expenses. The technique used to measure fair value was calculating the net present value of future EBITDA projected over five years. The transaction was not with a related party. The continuing involvement consists of 19.9% ownership and an officer of IDWMH has one of three seats on the board.

d. Net cash outflow arising from deconsolidation of the subsidiary

(in thousands)		Fiscal Year Ended October 31, 2020
The balance of cash and cash equivalents deconsolidated	$	(115)

Note 15- Discontinued Operations

As a result of the economic downturn related to the outbreak of the COVID-19 virus, and the impact it had on small businesses in the tourist markets, the Company decided to make a strategic shift to dispose of CTM and to focus on its entertainment and publishing businesses.

On July 14, 2020, the Company and Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, executed a share purchase agreement pursuant to which the Company agreed to sell all of the stock of CTM to Mr. Jonas or his assignee (the "SPA") for (i) the cancelation of $3.75 million of indebtedness owed to Mr. Jonas by the Company, (ii) a contingent payment of up to $3.25 million based upon a recovery of quarterly revenues of CTM to 90% of its fiscal 2019 levels during the 18-month period following the closing of the CTM Sale, and (iii) a contingent payment if CTM is sold within 36 months for more than $4.5 million. Prior to executing the share purchase agreement, the Company obtained a third-party's valuation of CTM and a fairness opinion that stated the consideration being received by the Company in the CTM Sale was fair. In addition to the Company's Board of Directors approving the CTM Sale, the Audit Committee of the Board of Directors, which is comprised entirely of independent directors, approved the CTM Sale in compliance with the Company's Statement of Policy with respect to Related Person Transactions. The CTM Sale was also approved by (1) stockholders representing a majority of the combined voting power of the Company's outstanding capital stock and (2) stockholders representing a majority of the combined voting power of the Company's outstanding capital stock not held by Mr. Jonas or Immediate family members of Mr. Jonas, including, without limitation, trusts or other vehicles for the benefit of any of such immediate family members or entities under the control of such persons. The Company will no longer have significant continuing involvement with CTM after the sale closes.

According to ASC 205-20-45-9 general corporate overhead should not be allocated to discontinued operations. The Company did not allocate any corporate overhead to CTM when it began being classified as held for sale in the third quarter of 2020 and continued to not allocate any expenses for the quarter ending October 31, 2020. In the prior quarters in 2020 corporate allocated a specific percentage and in fiscal 2019 100% of IDWMH overhead was allocated to business segments.

There is no loss to recognize on the classification of CTM as held for sale since the sale price of $3.75 million is greater than the net assets of $2.63 million.

Following is a summary of the Company's results of discontinued operations for the fiscal years ended for 2020 and 2019, a schedule of assets and liabilities of discontinued operations as of October 31, 2020 and October 31, 2019, and total operating and investing cash flows of CTM operations for October 31, 2020 and October 31, 2019.

Results of discontinued operations (in thousands)	**Fiscal year ended, October 31, 2020**	**2019**
Revenue	**$ 9,264**	$ 19,764
Direct cost of revenue	**4,480**	7,033
Selling, general and administrative	**7,413**	12,736
Depreciation and amortization	**1,175**	1,226
Bad Debt	**680**	80
Total costs and expenses	**13,748**	21,075
Loss from operations	**(4,484)**	(1,311)
Interest expense, net	**(78)**	(36)
Other income (expense), net	**452**	56
Loss before income taxes	**(4,110)**	(1,291)
(Provision for) benefit from income taxes	**-**	(3)
Net loss	**$ (4,110)**	$ (1,294)

Stock based compensation for discontinued operations included in selling, general and administrative expenses is $0 and $600,000 in the fiscal years ended October 31, 2020 and 2019, respectively.

Note 15- Discontinued Operations (continued)

Assets and liabilities of discontinued operations October 31(in thousands)	**2020**	**2019**
Assets		
Cash	**$ 1,621**	$ 2,622
Trade receivables, net	**844**	1,791
Prepaid expenses	**368**	773
*Total current assets**		5,186
Property and equipment, net	**1,274**	2,516
Right-of-use assets, net	**4,649**	-
Intangibles assets, net	**142**	340
Goodwill	**2,110**	2,110
Other assets	**163**	199
Total Assets	**$ 11,171**	$ 10,351
Liabilities		
Trade accounts payable	**891**	479
Accrued expenses	**368**	1,138
Deferred revenue	**664**	1,197
Government loan- current portion	**1,125**	-
Operating lease obligations-current portion	**909**	-
Finance lease obligations- current portion	**342**	396
Income taxes payable & other current liabilities	**71**	134
*Total current liabilities**		3,344
Government loan- long term portion	**684**	-
Operating lease obligations – long term portion	**3,034**	-
Finance lease obligations – long term portion	**452**	683
*Total non-current liabilities**	**4,170**	683
Total Liabilities	**$ 8,540**	$ 4,027

**The assets and liabilities of the disposal group classified as held for sale are all classified as current on the October 31,2020 balance sheet since its probable the sale will occur and proceeds will be collected within one year. Therefore, no sub totals between current and non-current have been displayed.*

Operating and investing cash flows from discontinued operations for the fiscal years ended October, 31 (in thousands)	2020	2019
Operating Activities:		
Net loss	**$ (4,110)**	$ (1,294)
Depreciation and amortization	**764**	1,226
Bad debt	**680**	80
Amortization of finance lease	**411**	-
Amortization of right-of-use asset	**1,329**	-
Trade accounts receivable	**266**	(215)
Prepaid expenses and other assets	**441**	(463)
Trade accounts payable, accrued expenses and other current liabilities	**(606)**	402
Deferred revenue	**(533)**	83
Operating lease liability	**(970)**	-
Net cash used in operating activities	$ **(2,328)**	$ (181)
Investing Activities:		
Business activities	**-**	(12)
Capital expenditure	**(381)**	(929)
Proceeds on disposition of long lived assets	**185**	-
Net cash used in investing activities	$ **(196)**	$ (941)

Note 16—Labor Agreements

IDWE produces its television shows utilizing primarily union-based employees, whether through its own special purpose subsidiaries or through independent production companies. Those unions represent employees that are subject to collective bargaining agreements and IDWE's costs and scheduling of production are subject to those agreements.

Note 17—Related Party Transactions

On August 21, 2018, the Company entered into a loan agreement with the Company's Chairman of the Board of Directors (who, at the time was also the Company's Chief Executive Officer and majority stockholder) (the "Chairman") for $5,000,000. Interest accrues at prime rate plus 1% and the loan matures August 20, 2022. Payment of principal and interest are payable from 70% of the Free Cash Flow, as defined in the loan agreement, of the Company's CTM Media Group Inc. subsidiary. All outstanding shares of CTM Media Group Inc. stock are pledged as security under the agreement. On December 1, 2019, the Company amended the agreement providing that up to 60% of the interest due may, at the option of the Company, be paid in shares of Class B common stock (and the remaining amount in cash) with such shares valued based on the average closing prices for the Class B common stock on the ten trading days immediately prior to the applicable interest due date. As at October 31, 2020 the shares issued in connection with the loan interest was 56,545. The interest is to be paid quarterly on the loan. In conjunction with the loan, the Company issued the Chairman 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. On July 13, 2020 $1,250,000 was converted into 314,070 shares of Class B Common Stock (Note 4- Equity). The outstanding amount at October 31, 2020 was $3,750,000.

On September 21, 2018, the Company entered into a bridge loan facility agreement with its Chairman for up to $26,000,000. The balance due under the facility was $0 at October 31, 2020. The proceeds from the private placement offering on March 9, 2020 were used to pay off the remaining $4,000,000 of the loan facility (Note 4- Equity). $8,000,000 of the loan facility was paid off in connection with the 2019 offering. As at October 31, 2020 the shares of Class B common stock issued by the Company was 14,902. In conjunction with the amendment to the loan, the Company issued the Chairman a warrant to purchase up to 98,336 shares of the Company's Class B Common Stock at a price per share of $26.44. The warrant expires March 30, 2022.

For the fiscal year ended October 31, 2020 interest on the above loans amounted to $406,000 and for the fiscal year October 31, 2019 interest amounted to $1,204,403, which was charged to production cost.

On July 14, 2020, the Company and Howard S. Jonas, the Company's Chairman of the Board of Directors and former Chief Executive Officer, executed a share purchase agreement pursuant to which the Company agreed to sell all of the stock of CTM to Mr. Jonas or his assignee (the "SPA") for (i) the cancelation of $3.75 million of indebtedness owed to Mr. Jonas by the Company, (ii) a contingent payment of up to $3.25 million based upon a recovery of quarterly revenues of CTM to 90% of its fiscal 2019 levels during the 18-month period following the closing of the CTM Sale, and (iii) a contingent payment if CTM is sold within 36 months for more than $4.5 million. Prior to executing the share purchase agreement, the Company obtained a third-party's valuation of CTM and a fairness opinion that stated the consideration being received by the Company in the CTM Sale was fair. In addition to the Company's Board of Directors approving the CTM Sale, the Audit Committee of the Board of Directors, which is comprised entirely of independent directors, approved the CTM Sale in compliance with the Company's Statement of Policy with respect to Related Person Transactions. The CTM Sale was also approved by (1) stockholders representing a majority of the combined voting power of the Company's outstanding capital stock and (2) stockholders representing a majority of the combined voting power of the Company's outstanding capital stock not held by Mr. Jonas or Immediate family members of Mr. Jonas, including, without limitation, trusts or other vehicles for the benefit of any of such immediate family members or entities under the control of such persons. The Company will no longer have significant continuing involvement with CTM after the sale closes.

The Company is the sole member of CTM Media Charitable Foundation, an IRS Section 501(c)(3) non-profit corporation (the "Foundation"), and the Company's former COO and CFO are the directors and officers of the Foundation. There were no balances outstanding between the Company and the Foundation as of October 31, 2020 and 2019.

Note 18—Defined Contribution Plans

The Company has a 401(k) Plan that are available to all its employees meeting certain eligibility criteria. The 401(k) Plan permits participants to contribute a portion of their salary with no minimum deferred required, not to exceed the limits established by the Internal Revenue Code. The Plan provides for discretionary matching contributions as determined in the Company's sole discretion, which vest either immediately or over six years, depending upon the specific plan's documents. All contributions made by participants vest immediately into the participant's account.

The Company also has a 401(k) matching plan whereby the Company matches a percentage of employee 401(k) contributions, based on maximum employee deferral rates of calendar year W-2 compensation, as defined in the plans. Funds are added to accounts of employees that are actively employed in a given calendar year, as defined. Although the Company is fully committed to the plans, the company's match and the terms of the match are subject to cancellation and/or change, at any time, without notice.

The Company contributed approximately $54,000 and $99,000 for the fiscal years ended October 31, 2020 and October 31, 2019 respectively.

For union contractors, the company contributes to multiemployer pension plans jointly administered by industry and union representatives. The risk of participating in U.S. multiemployer pension plans is different from single employer pension plans in the following aspects:

a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits of employment to other participating employers.
b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
c) If the Company stops participating in some of its multiemployer pension plans, it may be required to pay those plans an amount based on the underfunded status of the entire plan, referred to as a withdrawal liability.

The Company's participation in these plans for the years ended October 31, 2020 and October 31, 2019 is outlined in the following table. The information provided by the multi-employer plan is for the plan year 2019 from January 1,2019 to December 31, 2019. The Plan Protection Act ("PPA") zone status column ranks the funded status of multiemployer pension plans depending upon a plan's current and projected funding. The zone status is based on information that the Company received from the plan. Among other factors, the plan is in the Red Zone (Critical) if it has a current funded percentage less than 65%. A plan is in the Yellow Zone (Endangered) or Orange Zone (Seriously Endangered) if it has a current funded percentage of less than 80%, or projects a credit balance deficit within seven years. A plan is in the Green Zone (Healthy) if it has a current funded percentage greater than 80% and does not have a projected credit balance deficit within seven years. The Funding Improvement Plan ("FIP")/Rehabilitation Plan ("RP") status column indicates plans for which a FIP or RP is either pending or in place. The following table contains information about the Company's multiemployer pension plans for the years ended October 31, 2020 and 2019:

The following table contains information about the Company's multiemployer pension plans for the years ended October 31, 2020 and 2019.

	Producer-Writer Guild of American Pension Plan
Expiration date of Collective Bargaining Agreement	NA
Employer Identification Number	95-2216351
Plan Number	001
PPA Status 2020	NA
PPA Status 2019	Green
FIP/RP Status Pending/Implemented	NA
Company's Contributions 2020	$18,555
Company's Contribution 2019	$7,695
Center Contributions > 5% 2020	NA
Center Contributions > 5% 2019	No
Plan's year-end	Dec 31/2019

The Company currently has no intention of withdrawing from any of the multiemployer pension plans in which they participate.

Note 19—Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Note 20— Subsequent events

Management has evaluated subsequent events through January 25, 2021, 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 December 24, 2020, the Company applied for forgiveness on the IDWMH PPP loan of $1,195,679. Forgiveness was applied for under SBA form 3508, using the 24-week Alternative Payroll Covered Period. As 100% of the loan was used during this period for payroll and related payroll expenses, it is anticipated that the IDWMH PPP loan will be forgiven in its entirety.

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:

i. IDWP, a publishing company that creates comic books, graphic novels, digital content and games through its imprints IDW, IDW Games, Top Shelf Productions, Artist's Editions, The Library of American Comics, Yoe! Books, Sunday Press, and EuroComics; and Clover Press, a boutique publishing company that focuses on the book trade and direct market. Effective April 1, 2020, our interest in Clover Press decreased to 19.9% and IDWMH no longer consolidates the operations of Clover Press, but rather values the investment at cost.

ii. IDWE, is a production company and studio that develops and produces content and formats for global platforms and services. IDWE generates exclusively from IDWP's diverse library of comic books and graphic novels.

iii. CTM, a company that develops and distributes print and digital-based advertising and information advertising for tourist destinations in targeted tourist markets in 32 states / provinces in the US and Canada. IDWMH has announced an agreement to sell CTM. On July 14, 2020, we and Howard Jonas, our Chairman of the Board of Directors, executed a share purchase agreement pursuant to which we agreed to sell all of the stock of CTM to Mr. Jonas or his assignee (the "CTM Sale") for (i) the cancelation of $3.75 million of indebtedness owed to Mr. Jonas by us, (ii) a contingent payment of up to $3.25 million based upon a recovery of quarterly revenues of CTM to 90% of its fiscal 2019 levels during the 18-month period following the closing of the CTM Sale, and (iii) a contingent payment if CTM is sold within 36 months for more than $4.5 million. We expect to close the sale of CTM in the first calendar quarter of 2021.

REPORTABLE SEGMENTS

We have the following three reportable business segments: Publishing, IDWE and CTM (discontinued operations).

COVID-19: Overview of Impacts

- IDWMH: PPP loan of $1,195,679 related to core IDWE and IDWP operations.

- IDWE: Industry-wide production suspensions halted filming and production of *Wynonna Earp* Season four after the completion of six of twelve episodes. IDWE continued its program to developing, package and pitch from its library on remote basis. Writer's rooms have transitioned to virtual operations.

- IDWP: Direct market distribution was halted April 1, 2020 by Diamond, the industry's primary distributor, and IDWP subsequently furloughed approximately 25% of its workforce. Using the proceeds of PPP loans, IDWP was able to bring back 50% of the furloughed workforce. IDWP transitioned to focus on direct-to-consumer ("DTC") and indirect market channels, and was able to offset the lost direct market sales. Diamond resumed partial operations on May 20, 2020. In recent months, direct market sales volumes have begun to increase, reaching pre-pandemic levels. Additionally, although most products sold through Diamond, a traditionally non-returnable market, have been made returnable, this has not resulted in a significant increase in returns and sales through PRHS, a largely returnable market, have seen decreased overall returns. IDWP renegotiated the terms of one of its lease agreements due to COVID-19 impacts. Per ASC 842 guidance the lease liabilities were remeasured as of the modification dates as if the leases were new leases commencing at such time. Accordingly, the ROU assets were adjusted by amounts equal to the adjustments to the lease liabilities

- CTM(discontinued operations): PPP loans of $1,710,977 and $68,270, for CTM and Ettractions in the US and in Canada, CEBA (Canada Emergency Business Account) of $30,000 and received non-refundable funding of $159,000 through the CEWS (Canada Emergency Wage Supplement) program. Suspended operations in March 2020 as key clients closed and tourism halted in key markets and gradually resumed partial operation since June 2020 in accordance with and permitted by state and local COVID-19 regulations. In March 2020 CTM furloughed all non-essential personnel, approximately 90% of its workforce, and has gradually been growing its personnel as needed in its resumption of operations.

IDWP

IDWP is an award-winning publisher of comic books, original graphic novels, and art books as well as board and tabletop games. Founded in 1999, IDWP has a long tradition of supporting original, powerful creator-driven titles. In 2002, IDWP published *30 Days of Night* by Steve Niles and Ben Templesmith followed by other horror titles that kickstarted a resurgence in horror-comic publishing across the industry. Since then, IDWP has significantly diversified its publications. Joe Hill and Gabriel Rodríguez's *Locke & Key*, Jonathan Maberry's *V Wars*, Stan Sakai's *Usagi Yojimbo*, Walter Simonson's *Ragnarök*, Beau Smith's *Wynonna Earp*, Chris Ryall and Ash ley Wood's *Zombies vs Robots*, and Joe Hill and Martin Simmonds' *Dying is Easy* are just a few of the hundreds of outstanding, award-winning titles published since its inception. Titles such as *Canto, Ghost Tree, Road of Bones, Mountainhead*, and others in active development now.

In 2015, IDWP acquired Top Shelf Productions, an award-winning critically-acclaimed publisher of graphic novels, which continues to operate as a thriving imprint. Top Shelf is renowned for publishing works of literary significance including the #1 *New York Times* and *Washington Post* bestselling trilogy, *March*, by Congressman John Lewis, Andrew Aydin, and Nate Powell. *March* is the only graphic novel to have won the National Book Award and is the second most taught graphic novel in schools. In July 2019, Top Shelf Productions released George Takei's graphic memoir, *They Called Us Enemy*, which debuted at #2 on the *New York Times* Paperback Nonfiction Best Sellers list and as a #1 bestseller on Amazon. *They Called Us Enemy* was named a "Best Book of the Year" by NPR, Amazon, Forbes, *Publishers Weekly, School Library Journal, Kirkus Reviews*, the New York Public Library, and more.

In addition to its core of creator-driven franchises, IDWP has also partnered with the owners of major licensed brands to publish many successful licensed titles, including: Hasbro's *Transformers, G.I. Joe*, *and My Little Pony*; Sega's *Sonic The Hedgehog*; CBS's *Star Trek*; Sony's *Ghostbusters*; Viacom's *Teenage Mutant Ninja Turtles*; the Marvel Action line of middle-grade comic books designed for younger readers; Toho's *Godzilla*; and Lucasfilm's *Star Wars Adventures*. These licensed titles bring with them diverse built-in audiences and also build cache and retailer support for IDWP. With licensed franchises, IDWP strategy is to focus not only on licenses that have eager, built-in fan followings but also ongoing licensor support through other channels, such as toys, animation, and film. This strategy enables IDWP to expand its audience reach and to pursue sub-license opportunities with foreign publishers. IDWP also collaborates with other comic publishers to co-publish certain titles, including *Batman* vs. *Teenage Mutant Ninja Turtles* (with DC Comics) and *Rick & Morty vs. Dungeons and Dragons* (with Oni Press, Inc.).

IDWP is also home to the acclaimed imprints The Library of American Comics (publishing classic comic reprints); EuroComics (bringing foreign language comics to an English-speaking audience); Yoe! Books (specializing in creative historical comic collections); Artist's Editions (scans of original art printed at the same size they were drawn, with all the distinctive creative nuances that make original art unique); and Sunday Press (producing restorations of classic American comic strips).

Many of IDWP's titles are available in a variety of languages worldwide through foreign licensing. In 2019, IDW also announced a major new initiative to release key titles as Spanish-language graphic novels in the North American market. This initiative kicked off in Summer 2020 with the release of Spanish-language editions of *They Called Us Enemy*, *Red Panda* & *Moon Bear*, and *Sonic the Hedgehog*.

IDWP's largest segment is the publication of comic book and trade paperback products. Its comics and graphic novels are primarily distributed through three channels: (i) to comic book specialty stores (the "direct market"). Diamond Comic Distributors, Inc. serves as IDWP's distributor to the direct market, worldwide. Direct market sales have traditionally been non-returnable, in light of COVID-19 returnability is being offered on the majority of products sold to the direct market; (ii) to traditional retail outlets, including bookstores and mass market stores, on a returnable basis (the "non-direct market"). IDWP's non-direct market distributor is Penguin Random House Publisher Services (PRHPS). IDWP works hand-in-hand with PRHPS to sell-in and promote IDWP titles to buyers at non-direct market customers such as Amazon, Barnes & Noble, Baker & Taylor, Ingram, Follett, Target, Walmart, and more; and (iii) to Ebook distributors ("digital publishers"). IDWP's publications are widely available digitally through popular distributors such as Comixology, Amazon, Apple iTunes and iBooks, Google Play, Hoopla, Overdrive, and via IDWP's own website, idwpublishing.com. Through the direct market and non-direct market, IDWP, including its imprint Top Shelf, sold over 4.1 million units in fiscal year 2020 and was recognized as the fourth largest publisher in its category in calendar year 2019.

In 2014 IDWP launched IDW Games to develop and publish card, board, and tabletop games. Similar to IDWP's book content, IDW Games offers a mix of popular licensed titles, such as *Dragon Ball Z* and *Batman the Animated Series*, as well as creator developed strategic hobby games, such as *Towers of Arkhanos* and *Tonari*. IDW Games' products are sold to distributors worldwide and are available through retailers such as Gamestop, Barnes & Noble, and Amazon, independent games and comics stores, as well as the direct-to-consumer channel through its website and marketing campaigns.

To further expand and build creator-owned properties beyond publishing, IDWP works with IDWE, as well as other outside partners, to bring creator-owned franchises to television and film through licensing arrangements.

As a result of the COVID-19 pandemic, the direct market ceased distribution of new products from April 1, 2020 through May 19, 2020. Accordingly, IDWP did not publish any new comics during this period. Based upon distributor capacity new comic releases began following a reduced distribution schedule beginning May 20, 2020, with the capacity for new product increasing over the subsequent months. The delay in comic releases continues to have an impact on the publication dates of the related collections in all markets. Additionally, sales made through Diamond, a traditionally non-returnable market, have been made returnable, this has not resulted in a significant increase in returns. In order to properly reflect the needs of IDWP during the period of reduced output IDWP paused creative work on many projects, furloughed staff, and experienced a limited number of layoffs. With the receipt of PPP funding and direct market distribution coming back online, furloughed staff have since resumed working and creative work has recommenced.

In order to expand its business, counter a persistent industry-wide decline in direct market sales and outperform its industry competitors, IDWP continues to focus on launching new creator-owned titles and partnering with established brands to bring fan-favorite properties to the comics market. IDWP is expanding the reach of existing and new products through the development of specialty, library, and education markets; increased direct-to-consumer initiatives; and broadening the reach of creator-driven series through licensing opportunities.

In May 2019, IDWMH invested in a new publishing entity, Clover Press, established by Ted Adams and Robbie Robbins, co-founders of IDWP. Clover Press is a separate entity and operates independently from IDWP. Due to its size, and nature of the business, activity related to Clover Press was included with IDWP for presentation purposes while it was a consolidated entity. Effective April 1, 2020 IDWMH's interest in Clover Press decreased to 19.9%, as a result it is now an investment valued at cost and no longer consolidated.

IDWP's revenues represented 62.5% and 46.9% of our consolidated revenues in the fiscal years ended October 31, 2020 and 2019, respectively.

IDWE

IDWE is a production company and studio that develops and produces content and formats for global platforms and services. IDWE generates exclusively from IDWP's diverse library of comic books and graphic novels.

IDWE was formed on September 20, 2013 to leverage IDWP properties into television series, features and other forms of media by developing and producing original content.

IDWE has developed and/or produced four series for television that premiered in calendar 2019 and 2020:

- *Wynonna Earp* season four will air in two parts due to worldwide COVID-19 related production shutdowns. The first six episodes of season four premiered July 26, 2020 and production resumed on the other six episodes July 16, 2020. The second half of season four is set to air in 2021 with specific dates to be determined. The show was created by Emily Andras and stars Melanie Scrofano and is based on the IDWP comics of Beau Smith. Season four's twelve episodes are being produced by Seven24 Films and distributed by IDWE, in partnership with Syfy and CTV Sci-Fi. Cineflix Studios is the co-producer and global distributor for the series. Season one's thirteen episodes aired in fiscal 2016. Season two's twelve episodes aired in fiscal 2017, and season three's twelve episodes aired in fiscal 2018.

- *V Wars* debuted on Netflix on December 5, 2019. The 10-episode vampire thriller stars Ian Somerhalder and was produced by High Park Entertainment. The series was based upon Jonathan Maberry's IDW Publishing comic book series of the same name.

- *October Faction* premiered on Netflix on January 23, 2020. The 10-episode show was based on the IDW Publishing comics of Steve Niles and Damien Worm and was adapted by showrunner Damian Kindler and starred Tamara Taylor and J.C. MacKenzie. It was also produced by High Park Entertainment.

- *Locke & Key* premiered on Netflix on February 7, 2020. The show is based on the critically-acclaimed graphic novels of Joe Hill and Gabriel Rodriguez published by IDWP. Season two and three have been ordered by Netflix and season two began production Fall 2020.

Previously, IDWE, in partnership with Ideate Media, partnered with AMC Studios to license the U.S. broadcast and streaming video on demand (SVOD) rights to Dirk Gently, a live-action series based on the Douglas Adams novels and related comic books published by IDWP, to BBC America. Season one of the series premiered October 22, 2016 in the U.S. on BBC America. The second and final season aired on BBC America in 2017. Netflix currently streams both seasons worldwide.

IDWE's revenues represented 37.5% and 53.1% of our consolidated revenues in the fiscal years ended October 31, 2020 and 2019, respectively.

CTM (Discontinued operations)

As a result of the economic downturn related to the outbreak of the COVID-19 virus, and the impact it had on small businesses in the tourist markets, the Company decided to make a strategic shift to dispose of CTM. The Company will focus on its entertainment and publishing business. The Company expects that the operation will be disposed of in the first calendar quarter of 2021, through a sale.

CTM develops and distributes print-based advertising and information in targeted tourist markets. Advertisers include entertainment venues, tourist attractions, and cultural sites as well as their related service providers including dining, lodging, and transport services. CTM services its regional network and partner locations of more than 19,000 diverse locations to distribute printed brochures, magazines and rack cards to the traveling public.

CTM also develops and distributes digital advertising and information through its affiliate Ettractions Inc.'s website, visitorfun.com, which was renamed from ettractions.com in December 2017 to be more easily searched and accessed, and its ExploreBoard network of interactive touch screen kiosks throughout its market areas.

In January 2018, CTM launched a refreshed branding and marketing platform to ensure its communications with customers and host partners accurately reflected the audience and value their services deliver. As CTM has entered its 35th year of business, it has leveraged the re-branding to communicate its position in the marketplace as a current and impactful media company. Management believes that the changes made will better connect CTM with current and potential customers and enhance their selling position.

CTM has grown both geographically and by developing related lines of business. Geographic growth had been driven both by organic expansion to new territories and through selective purchases of regional businesses.

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 client base includes advertisers in 32 states and provinces in the United States and Ontario, Canada. Its distribution territory in the United States includes the Northeast, Southeast, Mid-Atlantic and Midwestern states, as well as Southeast Florida. CTM is a brochure distribution market leader in each of the following greater metro areas: New York City, Boston, Toronto, Ottawa, Miami, Ft. Lauderdale, Philadelphia, Chicago, St. Louis, Kansas City, Minneapolis/St. Paul, Pittsburgh, Detroit, Milwaukee, Cleveland and Atlanta.

Throughout its operating region, CTM operates four integrated and complimentary business lines: Brochure Distribution, Digital Distribution, Publishing and VisitorFun Card (formerly RightCard).

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, intangible assets with indefinite useful lives, valuation of long-lived assets including intangible assets with finite useful lives and ultimate revenues for television costs. 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.

Net (loss) IDW Media Holdings, Inc.

(in thousands)			Change	
Fiscal year ended October 31,	**2020**	**2019**	**$**	**%**
Loss from operations	**$ (9,324)**	$ (25,052)	$ 15,728	(62.8%)
Interest income (expense), net	**(46)**	(173)	127	(73.4%)
Other income (expense), net	**(318)**	(15)	(303)	2020.0%
(Benefit from) provision for income taxes	**-**	42	(42)	(100.0%)
Net loss from continuing operations	**(9,688)**	(25,198)	15,510	(61.6%)
Net loss from discontinued operations	**(4,110)**	(1,294)	(2,816)	217.6%
Net loss	**(13,798)**	(26,492)	12,694	(47,9%)
Net income (loss) income attributable to non-controlling interest	**-**	63	(63)	(100.0%)
Net loss attributable to IDW Media Holdings, Inc.	**$ (13,798)**	$ (26,429)	$ 12,631	(47.8%)

Loss from operations. Loss from operations decreased by $15,728,000 for the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019 due to decreases in operating losses from IDWP and IDWE in the amounts of $5,102,000, and $11,258,000. These changes were the result of lower costs and improved gross profits. Additionally, starting in the first quarter of 2020, IDWMH stopped allocating all of its costs to the operating segments thus reducing the operating losses at the segments and increasing the total operating loss by ($632,000) for the fiscal year ended October 31, 2020.These changes are more fully described in the separate segment analyses below.

Interest expense, net. Interest expense decreased by $127,000 for the fiscal year ended October 31, 2020, respectively, compared to corresponding periods in fiscal 2019, principally due to changes in the financing operations in the IDWE segment.

Other expenses. Other expenses increased by $303,000 for the fiscal year ended October 31, 2020, respectively, compared to corresponding periods in fiscal 2019 due to the AMT tax refund received by IDWMH and split with CTM.

Income tax expense. Income tax expense is nil as at October 31, 2020 as compared to October 31, 2019 which had a tax benefit resulting in a decrease of ($42,000).

Income attributable to non-controlling interest. On May 15, 2019, the Company acquired a majority-ownership in Clover Press through capital funding. The minority owners include former IDWMH executives and IDWP founders, Ted Adams and Robbie Robbins. As of April 1, 2020 IDWMH owns 19.9% ownership and does not consolidate to have a non-controlling interest for fiscal 2020.

Net loss from discontinued operations. Net loss from discontinued operations increased by $2,816,000 for the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019 due to the COVID-19 impacts on the travel and tourism industry.

IDWP

(in thousands) **Fiscal year ended October 31,**	**2020**	2019	**Change** $	%
Revenues	**$ 23,850**	$ 20,094	**$** 3,756	18.7%
Direct cost of revenues	**12,663**	12,842	(179)	(1.4%)
Selling, general and administrative	**11,074**	12,158	(1,084)	(8.9%)
Depreciation and amortization	**216**	265	(49)	(18.5%)
Bad debt expense	**-**	34	(34)	(100.0%)
Loss from operations	**$ (103)**	$ (5,205)	**$** 5,102	(98.0%)

Included in the Publishing segment from June 1, 2019 through March 31, 2020 are IDWP and Clover Press, two publishing entities which operate independently of one another. As of April 1, 2020, Clover Press is no longer a consolidated entity and became a cost method investment.

Revenues. Publishing revenues increased by $3,756,000 in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019.

IDWP's revenues increased by $3,739,000 in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019. Strong holiday sales in the first quarter combined with continued robust book market sales and reduced returns in the following quarters led to a $2,705,000 increase in publishing revenue. Games revenue increased $155,000 largely related to the fulfillment of a direct to consumer games campaign in the current year. Digital sales increased $633,000 due to strong sales in the second through fourth quarters. An increase in foreign licensing revenue and royalty revenues related to titles co-published at other publishers led to a $428,000 increase in licensing & royalty revenue. These increases were offset by other net revenue changes of ($182,000) primarily related to decreased creative service revenue due to custom projects in 2019.

Clover Press consolidated revenues were $130,000 for the fiscal year ended October 31, 2020 and $113,000 for the fiscal year ended October 31, 2019. All sales pertained to book sales.

Direct cost of revenues. Publishing direct cost of revenues decreased by ($179,000) in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019.

IDWP direct cost of revenues consists primarily of printing expenses, costs of artists and writers, and royalties. IDWP direct costs of revenues decreased in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019 by ($219,000). Increase principally as a result of higher revenues, change in product mix, and delayed new releases, which generally have a higher initial cost than backlist sales, in the current periods.

Clover Press direct cost of revenues relate to publishing costs and were $55,000 and $15,000 for the fiscal years ended October 31, 2020 and October 31, 2019, respectively. A portion of inventory was donated by the owners for the start-up of the Company.

IDWP's gross margin for the fiscal year ended October 31, 2020 increased to 46.9% from 36.1% for the fiscal year ended October 31, 2019.

Selling, General and Administrative. Publishing selling, general, and administrative expenses decreased by ($1,084,000) in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019.

IDWP selling, general and administrative expenses decreased by ($979,000) in the fiscal year ended October 31, 2020, compared to the fiscal year ended October 31, 2019 due primarily to decreases in overhead allocations of ($618,000), salaries and benefits (including non-cash compensation) of ($301,000), and occupancy of ($114,000), and other net changes of ($27,000). Decreased expenses were partially offset by increases in marketing expenses of $20,000 and selling & distribution expenses of $61,000.

Clover Press consolidated selling, general, and administrative expenses were $315,000 and $420,000 for the fiscal years ended October 31, 2020 and October 31, 2019, respectively. These costs mostly relate to payroll and rent.

As a percentage of IDWP's revenues, selling, general and administrative expenses in fiscal years ended October 31, 2020 and October 31, 2019 were 46.4% and 60.5%, respectively.

IDWE

(in thousands)							**Change**	
Fiscal year ended October 31,		**2020**		**2019**		**$**		**%**
Revenues	**$**	**14,312**	$	22,741	$	(8,429)		(37.1%)
Direct cost of revenues		**16,867**		36,310		(19,443)		(53.5%)
Selling, general and administrative		**5,568**		6,256		(688)		(11.0%)
Depreciation and amortization		**33**		22		11		50.0%
Bad debt expense		**433**		-		433		100.0%
(Loss) income from operations	**$**	**(8,589)**	$	(19,847)	$	11,258		(56.7%)

Revenues. Revenues decreased by ($8,429,000) in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019. The decrease is due to decreases in revenues from *V W*ars of ($13,437,000) and *October Faction* of ($5,072,000), partially offset by increases in revenues from *Wynonna Earp* of $5,421,000 *Locke &* Key of $4,000,000 and *Dirk Gently* of $659,000.

Direct costs of revenues. Direct costs of revenues will generally consist of film cost amortization as calculated per the guidelines of the individual film forecast method (IFF) as well as costs required to distribute the shows.

Direct costs of revenues. Direct cost of revenues decreased by ($19,443,000) in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019. The change in direct cost of revenues for the periods relate principally to the decrease of *V Wars* production costs of ($16,647,000), *October Faction* pilot costs of ($7,415,000) and *Dirk Gently* of ($3,102,000), net of increases in direct costs of *Wynonna Earp* of $6,502,000, *Locke & Key* of $1,214,000, and other net changes of $5,000.

IDWE's gross margin for the fiscal year ended October 31, 2020 was (17.9%) compared to (59.7%) for the fiscal year ended October 31, 2019. The increase in gross margin for fiscal year ended October 31, 2020 is a result of the higher production costs and overages associated with *V Wars* and *October Faction* in fiscal 2019.

Selling, General and Administrative. Selling, general and administrative expenses decreased by ($688,000) in the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019. The decrease reflects decreases in, SG&A allocation from the Company of ($991,000), non-cash comp of ($513,000), insurance of ($50,000), travel, lodging and meals of ($32,000), offset by increases in marketing of $93,000, compensation and benefits of $368,000, rent of $64,000, professional fees of $23,000, cost of capital of $287,000, office supplies and freight cost $46,000 and other net changes of $17,000.

As a percentage of IDWE's revenues, selling, general and administrative expenses is 38.9% in the fiscal year ended October 31, 2020 compared to 27.5% in the fiscal year ended October 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

We satisfied our cash requirements primarily through cash provided by the Company's financing activities and cash flows from operations at IDWP and CTM. As more fully discussed below, additional sources of financing will be needed to finance the growth of IDWE.

(in thousands) (unaudited)	Fiscal year ended October 31, 2020	2019
Cash flows (used in) provided by:		
Operating activities	$ 15,989	$ (24,990)
Investing activities	(350)	(1,125)
Financing activities	(13,642)	22,667
Effect of exchange rate changes on cash and cash equivalents	-	$ 168
Net (decrease) increase in cash and cash equivalents	**$ 1,997**	**$ (3,280)**

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 $15,989,000 and ($24,990,000) for the fiscal years ended October 31, 2020 and 2019, respectively.

Investing Activities. Our capital expenditures were approximately $420,000 and $1,113,000 in the fiscal years ended October 31, 2020 and 2019, respectively.

Financing Activities. During the fiscal year ended October 31, 2020 and 2019 we repaid finance/capital lease obligations in the amounts of $404,000 and $410,000, respectively, and repaid bank loans in the amounts of $26,559,000 and $9,378,000, respectively. We received funds from our bank loans in the amounts of $1,021,000 and $19,382,000 for the fiscal year ended October 31, 2020 and 2019, respectively. We repaid the loan facility with our Chairman in the amounts of $5,300,000 and $19,000,000 in the fiscal year ended October 31, 2020 and 2019, respectively. In March 2020, we issued common stock for proceeds of $8,306,000 net of financing costs in connection with a private placement offering. In April 2019, we issued common stock for net proceeds of $19,004,000 in connection with a rights offering.

CHANGES IN TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable increased to approximately $22,921,000 at October 31, 2020 compared to $43,462,000 at October 31, 2019 principally due to changes in the collection of IDWE revenue, as well as the timing of collections of other receivable balances. The allowance for doubtful accounts as a percentage of gross trade accounts receivable was 0.13% at October 31, 2020 compared to 0.07% at October 31, 2019, 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. 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.

The COVID-19 pandemic has had a negative financial impact on our business with regard to (a) significant losses of revenues and profits at CTM due to the significant decline of tourism in the United States and the closing of Broadway shows,(b) the temporary closure of IDW Publishing's comic book distributor due to COVID-19 disruptions, and (c) production delays of IDWE's television show *Wynonna Earp*. Its production schedule has been delayed which was a direct result of the COVID-19 pandemic that has affected virtually the entire filmed entertainment industry. This production delay has negatively impacted the delivery, which in turn will push out our cash receipts.

We anticipate that our expected cash inflows from operations during the next twelve months together with our working capital, including the balance of cash and cash equivalents held as of October 31, 2020 and proceeds from the private placement closed March 9, 2020, will be sufficient to sustain our next year of operations. However, to propel the Company forward and strategically align it for its highest attainable success the Company plans to raise additional funds in fiscal 2021.

While we anticipate that 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 may be required to meet the production plans of IDWE. The foregoing is based on a number of assumptions, including projected production timeframes and delivery of shows, which may be impacted by industry-wide effects beyond the Company's control. Failure to meet such timelines could adversely impact our ability to generate sufficient cash to ensure continuity of company-wide operations.

In the fourth quarter of Fiscal 2020 we paid “pull down” costs pursuant to a previously announced, multi-year agreement with Cineflix related to international sales of *Wynonna Earp*. Specifically, under this agreement, IDWE purchased the distribution rights to seasons one and two of *Wynonna Earp* from the current licensor (Netflix) and has agreed to transfer those rights to Cineflix. In 2021, Cineflix will be the international distributor of all four seasons of *Wynonna Earp*. Due to changes in competition as well as the COVID-19 pandemic, the Cineflix deal is not expected to contribute as much as originally expected to IDW’s revenue and operating cash flow in fiscal years 2021 and 2022 as originally anticipated at the inception of the deal in 2019.

IDWMH

On April 27, 2020, IDWMH. (inclusive of IDWP and IDWE) received loan proceeds of $1,195,679 from Bank of America, N.A. pursuant to the PPP under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The IDWMH PPP Loan, which was in the form of a Note dated April 15, 2020 issued by the Company, matures on April 15, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 24, 2020. The Note may be prepaid by the Company at any time prior to maturity with no prepayment penalties, and under the terms of the loan, payments can be deferred for six months. Funds from the IDWMH PPP Loan may be used primarily for payroll costs and costs used to continue group health care benefits, and, up to a limited extent, on mortgage payments, rent, utilities, interest and other expenses as described in the CARES Act. Under the terms of the PPP, certain amounts of the IDWMH PPP Loans may be forgiven if they are used for those qualifying expenses. The Company used the entire IDWMH PPP Loan amount for those qualifying expenses.

On August 21, 2018, the Company entered into a loan agreement with the Company’s Chairman of the Board of Directors (who, at the time was also the Company’s Chief Executive Officer and majority stockholder) (the “Chairman”) for $5,000,000. Interest accrues at prime rate plus 1% and the loan matures August 20, 2022. Payment of principal and interest are payable from 70% of the Free Cash Flow, as defined in the loan agreement, of the Company’s CTM Media Group Inc. subsidiary. All outstanding shares of CTM Media Group Inc. stock are pledged as security under the agreement. On December 1, 2019, the Company amended the agreement providing that up to 60% of the interest due may, at the option of the Company, be paid in shares of Class B common stock (and the remaining amount in cash) with such shares valued based on the average closing prices for the Class B common stock on the ten trading days immediately prior to the applicable interest due date. As at October 31, 2020, the shares issued in connection with the loan interest was 56,545. The interest is to be paid quarterly on the loan. In conjunction with the loan, the Company issued the Chairman 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. On July 13, 2020 $1,250,000 was converted into 314,070 shares of Class B Common Stock. The outstanding amount at October 31, 2020 was $3,750,000.

The funds from this loan were used as bridge funding for part of IDWE’s slate of current productions, in advance of expected other usual sources of financing for these productions.

IDWE

The two capital raises descried will assist IDWE in achieving its long-term strategic plans.

The Company’s 2020 private placement of shares of Class B Common Stock at $6.00 per share, pursuant to which the Company issued 2,051,002 shares of Class B Common Stock for gross proceeds of approximately $12,300,000 inclusive of $4.0 million debt-to-equity conversion by the Company’s Chairman of the Board of Directors and former Chief Executive Officer, Howard S. Jonas to pay down the remaining down bridge loan.

Total proceeds of the issuance of Class B Common Stock in the amount of $23,605,000 from the Company’s 2019 three rounds of offerings, in connection with the Company’s private placements, provided a portion of the funding for IDWE’s operations, in addition to the Company’s other working capital needs. $8,000,000 was used to partially payback the bridge loan.

Dividends

In light of the current growth initiatives of the Company, particularly the television property development of IDWE, the Board of Directors determined to continue the suspension of 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

Beginning in 2018, IDWE is the obligor on Canadian loans. There is a foreign currency exchange risk, as the value of liabilities denominated in CAD will fluctuate due to changes in exchange rates, which will affect our production costs. These loans mature on January 31, 2021. IDWE holds accounts receivables from Canadian tax credits and cash balances.

Foreign Exchange Balances Held CAD (in thousands)	**October 31, 2020**	**October 31, 2019**
Cash and cash equivalents	**$ 937**	$ 254
Accounts receivable	**16,355**	20,645
Bank loans	**18,917**	32,668
Total	**$ 36,209**	$ 53,567

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, 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, Ezra Y. Rosensaft, certify that:

1. I have reviewed this annual 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: January 25, 2021

/s/ Ezra Y. Rosensaft

Chief Executive Officer

I, Brooke T. Feinstein, certify that:

1. I have reviewed this annual 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: January 25, 2021

/s/ Brooke T. Feinstein

Chief Accounting Officer