



IDW Reports First Quarter Fiscal 2021 Results

IDW Publishing Delivers Solid Quarter Despite COVID-19 Challenges

NEWARK, NJ and LOS ANGELES, CA / March 15, 2021 / IDW Media Holdings, Inc. (OTC PINK: IDWM), an integrated media company, today reported a net loss per share of \$0.62 on revenue of \$8.4 million for the three months ended January 31, 2021.

First Quarter Fiscal 2021 (1Q21) Highlights

- Consolidated revenue decreased to \$8.4 from \$10.3 million in 1Q20.
- COVID-19 Update: At IDWP, direct market sales recovering with year over year growth. Digital publishing revenue increased 68% year over year. IDWE impacted by industry-wide production / greenlight delays.
- Consolidated loss from operations improved to \$5.1 million from \$5.8 million in 1Q20.
- Loss per share narrowed to \$0.62 from \$0.92 in 1Q20
- *TMNT: The Last Ronin* became the most successful comic in IDWP history, has sold over 200,000 copies including third printing in February.
- *Locke & Key*, the Netflix series based on the IDW Comic and produced by IDWE was nominated by the Academy of Science Fiction, Fantasy & Horror Films for Best Fantasy Television Series.
- Following the quarter close, IDW completed the planned sale of its CTM subsidiary.

Comments from Ezra Rosensaft, Chief Executive Officer

“IDW again reported strong bottom-line improvement compared to the year ago quarter despite the remaining COVID-19 challenges. We are swiftly moving toward profitable operations as IDW Entertainment closes in on additional deals and we work through the last impacts of legacy production financing agreements.

“Our outlook for 2021 continues to improve with an exciting line-up of titles at IDWP. The streaming services are getting production schedules back on track now that some COVID-19 restrictions have been relaxed, and the IDWE team has done a terrific job of developing properties to take full advantage of the thaw. We have also picked up the pace of investment in new IP based on our capacity to develop and holistically monetize properties across publishing and entertainment.

“Following the quarter close, we updated our Form S-1 Statement to register our common stock with the SEC as we move closer to uplisting on a national exchange. The previously announced sale of our CTM subsidiary closed in February, greatly simplifying our story and strengthening our balance sheet.”

Consolidated P&L Highlights

<i>(In millions, except net loss per share, unaudited)</i> <i>(Numbers may not foot due to rounding)</i>	1Q21	4Q20	1Q20
Revenue	\$8.4	\$10.1	\$10.3
Direct cost of revenue	\$9.2	\$6.5	\$11.6
SG&A including non-cash compensation	\$4.2	\$4.5	\$4.4
Non-cash compensation included in SG&A	\$0.1	\$0.2	\$0.6
Depreciation & amortization	\$0.1	\$0.1	\$0.1
Bad debt expense	\$0.0	\$0.4	\$0.0
Interest and other expense, net	\$0.0	\$0.3	\$0.0
Loss from continuing operations	\$(5.1)	\$(1.7)	\$(5.8)
Loss from discontinued operations	\$(1.1)	\$(0.3)	\$(1.1)
Net loss attributable to IDW Media	\$(6.3)	\$(2.2)	\$(6.8)
Loss per share – continuing operations	\$(0.51)	\$(0.17)	\$(0.78)
Loss per share – discontinued operations, net	\$(0.11)	\$(0.03)	\$(0.14)
Net loss per share	\$(0.62)	\$(0.20)	\$(0.92)

Segment P&L Highlights

(Does not include corporate overhead.)

<i>(in millions, unaudited)</i>	1Q21	4Q20	1Q20
Revenue			
IDW Publishing	\$5.6	\$7.7	\$6.3
IDW Entertainment	\$2.8	\$2.4	\$4.0
(Loss) income from operations*			
IDW Publishing	\$(0.4)	\$0.5	\$0.1
IDW Entertainment	\$(4.6)	\$(2.0)	\$(5.6)
CTM*	\$(1.1)	\$(0.3)	\$(1.1)
Corporate (unallocated overhead)	\$(0.2)	\$(0.3)	\$(0.3)

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

Financial Take-Aways

- **Revenue:**
 - IDWP direct market recovering. Driven by strong sales of *Star Wars: High Republic Adventures #1* and *Teenage Mutant Ninja Turtles: The Last Ronin*. Increases in digital and publishing revenues offset by decline in games sales.

- IDW Entertainment (IDWE) revenue generated entirely by the delivery of certain episodes of *Wynonna Earp*, Season 4. Revenue decreased from the year ago quarter when IDWE delivered certain *October Faction* episodes.
- **Income (loss) from Operations:**
 - IDWP generated positive EBITDA with strong publishing and digital sales partially offset by increases in personnel expenses and royalties.
 - IDWE costs principally are related to WE production. In addition, they include an impairment of \$2.1 million as a result of a recently adopted accounting standard.
- **CTM Media:** CTM Media's results were reported as discontinued operations reflecting the pending sale of the business. Following the quarter close, the sale closed.
- **Balance Sheet Highlights:** At January 31, 2021, IDW's cash balance was \$8.7 million. Working capital (current assets less current liabilities) totaled \$13.3 million.

Earnings Conference Call

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

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

A replay of the conference call can be accessed approximately three hours after the call concludes through March 22, 2021 by dialing 1-844-512-2921 (toll free - U.S.) or 1-412-317-6671 (toll - international) and providing this replay PIN number: 13717453. A replay will also be available via streaming audio through the IDW investor relations website.

About IDW

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

Investor Contact

IDW Media Investor Relations
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IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	January 31, 2021 (unaudited)	October 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,733	\$ 10,541
Trade accounts receivable, net	19,429	22,921
Inventory	3,596	3,754
Prepaid expenses	1,646	1,361
Current assets held for sale from discontinued operations	9,976	11,171
Total current assets	<u>43,380</u>	<u>49,748</u>
Property and equipment, net	<u>396</u>	<u>410</u>
Right-of-use assets, net	<u>656</u>	<u>771</u>
Non-current assets		
Investments	-	25
Intangible assets, net	41	52
Goodwill	199	199
Television costs, net	1,087	2,926
Other assets	541	527
Total assets	<u>\$ 46,300</u>	<u>\$ 54,658</u>
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	\$ 912	\$ 1,406
Accrued expenses	6,288	3,953
Deferred revenue	1,850	2,385
Bank loans payable – current portion	11,127	14,204
Government loans- current portion	994	793
Operating lease obligations – current portion	584	562
Other current liabilities	110	69
Current liabilities held for sale from discontinued operations	8,223	8,540
Total current liabilities	<u>30,088</u>	<u>31,912</u>
Non-current liabilities		
Operating lease obligations – long term portion	214	368
Government loans – long term portion	201	403
Related party loans payable – long term portion	3,750	3,750
Total non-current liabilities	<u>4,165</u>	<u>4,521</u>
Total liabilities	<u>\$ 34,253</u>	<u>\$ 36,433</u>
Stockholders' equity (see note 3):		
Preferred stock, \$.01 par value; authorized shares – 500; no shares issued at January 31, 2021 and October 31, 2020		-
Class B common stock, \$.01 par value; authorized shares – 12,000; 10,008 and 9,987 shares issued and 9,489 and 9,467 shares outstanding at January 31, 2021 and October 31, 2020, respectively	94	93
Class C common stock, \$.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at January 31, 2021 and October 31, 2020	5	5
Additional paid-in capital	111,467	111,379
Accumulated other comprehensive loss	(72)	(60)
Accumulated deficit	(98,251)	(91,996)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at January 31, 2021 and October 31, 2020	(1,196)	(1,196)
Total stockholders' equity	<u>12,047</u>	<u>18,225</u>
Total liabilities and stockholders' equity	<u>\$ 46,300</u>	<u>\$ 54,658</u>

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three months ended January 31,	
	2021	2020
Revenues	\$ 8,413	\$ 10,336
Costs and expenses:		
Direct cost of revenues	9,233	11,616
Selling, general and administrative	4,242	4,436
Depreciation and amortization	59	68
Bad debt expense	-	-
Total costs and expenses	13,534	16,120
Loss from operations	(5,121)	(5,784)
Interest expense, net	(13)	(9)
Other expense, net	-	(25)
Loss before income taxes	(5,134)	(5,818)
(Provision for) benefit from income taxes	-	-
Net loss from continuing operations	(5,134)	(5,818)
Loss from discontinued operations, net	(1,121)	(1,054)
Net loss	(6,255)	(6,872)
Net income attributable to non-controlling interests	-	84
Net loss attributable to IDW Media Holdings, Inc	\$ (6,255)	\$ (6,788)
Basic and diluted loss per share (note 2):		
Continuing operations	\$ (0.51)	\$ (0.78)
Discontinued operations, net	(0.11)	(0.14)
Net loss	\$ (0.62)	\$ (0.92)
Weighted-average number of shares used in the calculation of basic and diluted loss per share:	9,992	7,455
Dividend declared per common share:	\$ 0.00	\$ 0.00

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three months ended January 31,
(in thousands)

	2021	2020
Operating activities:		
Net loss	\$ (6,255)	\$ (6,872)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	218	316
Amortization of finance lease	92	104
Bad debt expense	(109)	51
Stock based compensation	26	341
Stock options	38	304
Amortization of right-of-use asset	358	434
Changes in assets and liabilities:		
Trade accounts receivable	3,786	(1,107)
Inventory	159	(269)
Prepaid expenses and other assets	(229)	(193)
Television costs	1,839	6,359
Trade accounts payable, accrued expenses and other current liabilities	2,091	(1,660)
Deferred revenue	(693)	(172)
Gain on extinguishment of PPP loan	(68)	-
Gain on sale of long lived assets		(8)
Operating lease liability	(367)	(408)
Net cash provided by (used in) operating activities	<u>886</u>	<u>(2,780)</u>
Investing activities:		
Capital expenditures	(55)	(307)
Proceeds on disposition of long lived assets		8
Net cash used in investing activities	<u>(55)</u>	<u>(299)</u>
Financing activities:		
Proceeds from issuance of common stock	25	783
Non-controlling interest investment in subsidiary	-	201
Repayments of finance lease obligations	(92)	(105)
Proceeds of bank loans	17	1,195
Repayments of bank loans	(3,076)	(4,507)
Net cash used in financing activities	<u>(3,126)</u>	<u>(2,433)</u>
Effect of exchange rate changes on cash and cash equivalents	(12)	(49)
Net decrease in cash and cash equivalents	<u>(2,307)</u>	<u>(5,561)</u>
Cash and cash equivalents at beginning of period	<u>12,162</u>	<u>10,165</u>
Cash and cash equivalents at end of period	<u>\$ 9,855</u>	<u>\$ 4,604</u>
Supplemental schedule of investing and financing activities		
Cash paid for interest	\$ 11	\$ 19

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