

INNOVATIVE DESIGNS INC

FORM 10-Q (Quarterly Report)

Filed 06/12/25 for the Period Ending 04/30/25

Address	124 CHERRY ST. STE 1 PITTSBURGH, PA, 15223
Telephone	4127990350
CIK	0001190370
Symbol	IVDN
SIC Code	2390 - Miscellaneous Fabricated Textile Products
Industry	Textiles & Leather Goods
Sector	Consumer Cyclical
Fiscal Year	10/31

A UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 131 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended April 30, 2025 OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____.

Commission File Number: 000-51791

INNOVATIVE DESIGNS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

03-0465528
(I.R.S. Employer
Identification No.)

124 Cherry Street
Pittsburgh, Pennsylvania 15223
(Address of Principal Executive Offices, Zip Code)

(412) 799-0350
(Issuer's Phone Number Including Area Code)

N/A
(Former Name or Former Address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting Company" in Rule 12b-2 of the Exchange Act.

(Check One)

Large Accelerated Filer ☐
Non-accelerated Filer ☐
(Do not check if a smaller reporting company)

Accelerated Filer ☐
Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of April 30, 2025, there were 38,504,003 shares of the Registrant's common stock, par value \$.0001 per share, outstanding. Transitional Small Business Disclosure Format: YES ☐ NO ☒

Innovative Designs, Inc.

Index

Form 10-Q for the Quarter Ended April 30, 2025

		Page No.
	Part I -- Financial Information	
Item 1.	<u>Condensed Financial Statements (Unaudited)</u>	3
	<u>Condensed Balance Sheets as of April 30, 2025 (Unaudited) And October 31, 2024</u>	3
	<u>Condensed Statements of Operations for the Three Month Periods Ended April 30, 2025 and 2024 (Unaudited)</u>	4
	<u>Condensed Statements of Changes in Stockholders' Equity as of April 30, 2025 (Unaudited) and October 31, 2024</u>	5
	<u>Condensed Statements of Cash Flows for the Three Month Periods Ended April 30, 2025 and 2024 (Unaudited)</u>	6
	<u>Notes to the Condensed Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
	Part II -- Other Information	
Items	<u>1, 2, 3, 4, 4T and 5.</u>	15
Item 6.	<u>Exhibits</u>	16

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

INNOVATIVE DESIGNS, INC.
Condensed Balance Sheets
As of April 30, 2025 (Unaudited) and October 31, 2024 (Audited)

	April 30, 2025	October 31, 2024
Assets		
Current assets		
Cash and Cash Equivalents	\$ 114,538	\$ 185,675
Accounts Receivable, Net	720,528	321,893
Inventory, Net	431,555	498,758
Total current assets	1,266,621	1,006,326
Long-Term Assets		
Property, Plant, and Equipment, Net	34,915	28,060
Advane to Employees	5,500	5,500
Deposits on Inventory	58,000	
Deposits on Equipment	652,944	652,944
Total Long-Term Assets	751,359	686,504
Total assets	<u>\$ 2,017,980</u>	<u>\$ 1,692,830</u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Credit Cards	\$ 8,584	\$ 51,175
Accounts Payable	50,599	65,267
Other current Liabilities	57,136	50,017
Total current liabilities	116,319	166,459
Long-Term Liabilities		
Notes Payable	23,495	23,495
Reserve for unpaid debt	12,900	0
Long-Term Shareholder Loans	60,000	60,000
Total Long-Term Liabilities	96,395	83,495
Total liabilities	212,714	249,954
Stockholders' deficit		
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 38,504,003 and 37,924,003 shares issued and outstanding as of April 30, 2025 and October 31, 2024, respectively	3,850	3,792
Additional paid-in capital	12,101,059	11,979,117
Accumulated deficit	(10,299,643)	(10,540,033)
Total stockholders' deficit	1,805,266	1,442,876
Total liabilities and stockholders' deficit	<u>\$ 2,017,980</u>	<u>\$ 1,692,830</u>

See accompanying notes to financial statements.

INNOVATIVE DESIGNS, INC.
Condensed Statements of Operations
For the Six Months Ended April 30, 2025, and 2024
(Unaudited)

	For the Six Months ended April 30,		For the Three Months Ended April 30,	
	2025	2024	2025	2024
REVENUES, net	\$ 1,340,285	\$ 366,217	\$ 796,369	\$ 300,331
OPERATING EXPENSES				
Cost of sales	626,902	186,384	395,872	151,560
Selling, general and administrative expenses	471,922	206,722	199,823	121,040
Total operating expenses	1,098,824	393,106	595,695	272,600
Income (loss) from operations	241,461	(26,889)	200,674	27,731
OTHER INCOME (EXPENSES)				
Miscellaneous income (expense)		—		
Cash Rewards	153		153	—
Interest expense	2,587	(11,946)	5,849	(4,338)
Depreciation	(3,811)	(2,329)	(2,487)	(1,165)
Total other income (expense)	(1,071)	(14,275)	3,515	(5,503)
Net income (loss)	<u>\$ 240,390</u>	<u>\$ (41,164)</u>	<u>204,189</u>	<u>\$ 22,228</u>
Loss per share of common stock				
- Basic and diluted	<u>\$ 0.000</u>	<u>\$ (0.001)</u>	<u>\$ 0.01</u>	<u>\$ 0.001</u>
Weighted average shares of common stock				
- Basic	<u>38,124,336</u>	<u>37,834,682</u>	<u>37,885,980</u>	<u>37,459,401</u>
- Diluted	38,124,336	37,834,682	37,885,980	37,459,401

See accompanying notes to financial statements.

INNOVATIVE DESIGNS, INC.
Condensed Statements of Changes in Stockholders' Equity
Six Months Ended April 30, 2025, and 2024
(Unaudited)

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders Deficit
	Shares	Amount			
Balance October 31, 2023	36,532,560	\$ 3,653	\$ 11,741,935	\$ (10,636,955)	\$ 1,108,633
Sale of stock	580,888	58	105,862	—	105,920
Shares issued for services	670,000	67	121,333	—	121,400
Net income (loss)	—	—	—	(63,393)	(63,393)
Balance January 31, 2024	37,783,448	3,778	11,969,130	(10,700,348)	1,272,560
Sale of Stock	55,555	\$ 6	\$ 9,994	—	\$ 10,000
Net Income (Loss)	—	—	—	\$ 22,228	\$ 22,228
Balance April 30, 2024	37,839,003	\$ 3,784	\$ 11,979,124	\$ (10,678,120)	\$ 1,304,788
Balance October 31, 2024	37,924,003	3,792	11,979,117	(10,540,033)	1,442,876
Sale of stock	120,000	12	29,988	—	30,000
Shares issued for Services	260,000	26	51,974	—	52,000
Net Income (Loss)	—	—	—	36,201	36,201
Balance January 31, 2025	38,304,003	\$ 3,830	\$ 12,061,079	\$ (10,503,832)	\$ 1,561,077
Sale of Stock	50,000	\$ 5	\$ 9,995	—	\$ 10,000
Stock issued for Commission	150,000	\$ 15	\$ 29,985	—	\$ 30,000
Net Income (Loss)	—	—	—	\$ 204,189	\$ 204,189
Balance April 30, 2025	38,504,003	\$ 3,850	\$ 12,101,059	\$ (10,299,643)	\$ 1,805,266

See accompanying notes to financial statements.

INNOVATIVE DESIGNS, INC.
Statements of Cash Flows
For the Six Months Ended April 30, 2025 and 2024
(Unaudited)

	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ 240,390	\$ (41,165)
Stock issuance for services	82,000	—
Depreciation	3,811	2,329
Gain on sale of assets	—	—
Adjustments to reconcile net income to net cash provided by operating activities:		
Accounts receivable and other receivables	(398,685)	(92,120)
Inventory	67,203	25,834
Deposits in inventory	(58,000)	—
Prepaid expenses	—	(8,342)
Credit card payable	(42,591)	658
Accounts payable and accrued expenses	(23,589)	(107,412)
Net cash provided by (used in) operating activities	<u>(129,461)</u>	<u>(220,218)</u>
Cash flows from investing activities		
Purchase of assets	(10,666)	—
Deposits on equipment	—	—
Proceeds from sale of equipment	—	—
Net cash provided by (used in) investing activities	<u>(10,666)</u>	<u>—</u>
Cash flows from financing activities		
Proceeds from sale of stock	40,000	237,320
Payment on shareholder advances	—	(14,067)
Increase (Decrease) in reserve for unpaid debt	12,900	—
Net cash provided by (used in) investing activities	<u>52,900</u>	<u>223,253</u>
Net change in cash and cash equivalents	(87,227)	3,035
Cash and cash equivalents, beginning of period	201,765	238,677
Cash and cash equivalents, end of period	<u>\$ 114,538</u>	<u>\$ 241,712</u>

See accompanying notes to financial statements.

INNOVATIVE DESIGNS, INC.
Notes to the Condensed Financial Statements
For the Period Ended April 30, 2025

NOTE 1 - BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited financial statements contain all adjustments necessary to present fairly Innovative Designs, Inc.'s (the "Company") financial position as of April 30, 2025, the changes therein for the six-month periods that ended and the results of operations for the six-month periods ended April 30, 2025.

The condensed financial statements included in the Form 10-Q (the "Form") are presented in accordance with the requirements of the Form and do not include all of the disclosures required by generally accepted accounting principles in the United States of America. For additional information, reference is made to the Company's annual report on Form 10-K for the fiscal year ending October 31, 2024. The results of operations for the six-month period ending April 30, 2025, are not necessarily indicative of operating results for the full year.

The Company's unaudited condensed financial statements have been prepared in accordance with GAAP and pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted from this report, as is permitted by such rules and regulations. Accordingly, these consolidated financial statements should be read in conjunction with the audited financial statements as of and for the year ended October 31, 2024, and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended October 31, 2024, filed with the SEC on February 20, 2025 (the "2024 Annual Report"). The results for any interim period are not necessarily indicative of results for any future period.

The unaudited condensed financial statements have been prepared on the same basis as the audited financial statements. In the opinion of the Company's management, the accompanying unaudited consolidated financial statements contain all adjustments that are necessary to present fairly the Company's financial position and results of operations for the interim periods presented. The results for the six months ended April 30, 2025, are not necessarily indicative of the results for the year ending October 31, 2025, or for any future period.

As of April 30, 2025, there have been no material changes in the Company's significant accounting policies from those that were disclosed in the 2024 annual report.

NOTE 2 – GOING CONCERN

These condensed financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company had a net income of \$240,390 and a negative cash flow of (\$129,461) from operation activities for the six-month period ending April 30, 2025. In addition, the Company has an accumulated deficit of (\$10,299,643). Management's plans to reduce this deficit includes cash receipts through sales, sales of Company stock, and borrowings from private parties, if necessary. These factors raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year from the issuance of these condensed financial statements. These condensed financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivables are reported at their net realizable value. The Company evaluates its receivables on a quarterly basis to assess the validity of remaining receivables. Management has determined that there is significant doubt regarding the receivable balance over 90 days. There were \$0 in receivables over 90 days as of April 30, 2025, and no balances over 90 days as of October 31, 2024. As of April 30, 2025, the balance of accounts receivable was \$720,528 net of allowances.

NOTE 4 – INVENTORY

Inventory consists principally of purchased apparel inventory and house wrap which is manufactured by the Company. Inventory is stated at the lower of cost or net realizable value on a first-in, first-out basis. The Company has decided to discontinue the manufacturing of its Artic Armor, hunting and swimming line of apparel. The Company has booked a reserve against apparel inventory as of April 30, 2025 and October 31, 2024 of \$65,600. Management has determined that no allowance is currently necessary on the house wrap inventory.

Management will continue to evaluate its obsolete inventory reserve throughout the year and make adjustments as needed. As of April 30, 2025, the total value of the inventory on hand prior to the allowance for obsolete inventory is \$497,155.

NOTE 5 – WARRANTIES

The Company provides a ten-year limited warranty covering defects in workmanship. These warranties are included in the contract and do not provide customers with a service in addition to assurance of compliance with agreed-upon specifications. The Company does not consider these assurance-type warranties to be separate performance obligations. Management has determined that no warranty reserve is currently necessary on the Company's products. Management will continue to evaluate the need for a warranty reserve throughout the year and make adjustments as needed.

NOTE 6 – NOTES PAYABLE

During December 2023, the Company entered into a convertible promissory note in the amount of \$50,000 due and payable in December 2024 at an annual interest rate of 6.0%. The note is secured by \$100,000 of the Company's inventory. Any principal and unpaid accrued interest outstanding as of the due date may be converted to common stock at a value of \$0.20 per share. On December 2024, the Company extended the note for an additional six months. The note is now due and payable in June 2025.

During 2005, the Company entered into an agreement with the U.S. Small Business Association (SBA). As of April 30, 2025, the note payable to SBA was \$34,089. The note is payable in monthly installments of \$1,820 with the balance due and payable in November 2026, at an interest rate of 2.60%.

As of April 30, 2025, all notes payables are up to date.

NOTE 7 – REVENUES

Revenues are measured based on the amount of consideration specified in a contract with a customer. The Company recognizes revenue when and as performance obligations (i.e., obligations to transfer goods and/or services) are satisfied, which generally occurs with the transfer of control of the goods or services to the customer.

To determine proper revenue recognition, the Company evaluates whether two or more contracts should be combined and accounted for as a single contract and whether a combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment, and the decision to combine contracts or separate a combined or single contract into multiple performance obligations could change the amount of revenue and profit recorded in a given period. Contracts are considered to contain a single performance obligation if the promise to transfer individual goods or services is not separately identifiable from other promises in the contracts.

For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract.

NOTE 8 – EARNINGS PER SHARE

The Company calculates net income (loss) per share in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standard Codification (“ASC”) Topic 260, *“Earnings per Share”*. Basic earnings (loss) per share is calculated by dividing income (loss) by the weighted average number of common shares outstanding for the period. During the periods presented, the Company only has common stock outstanding. In 2021, the Company issued a convertible debt instrument. In addition, the Company also has stock warrants of 2,499,443 and 2,429,443 as of April 30, 2025, and October 31, 2024, respectively. The Company has calculated diluted earnings per share utilizing the outstanding stock warrants and convertible debt

NOTE 9 – INCOME TAXES

The Company accounts for income taxes in accordance with FASB ASC Topic 740 *“Income Taxes”*, which requires an asset and liability approach for financial reporting purposes.

Deferred income taxes are provided for differences between the tax bases of assets and liabilities and the financial reporting amounts at the end of the period, and for net operating loss and tax credit carryforwards available to offset future taxable income. Changes in enacted tax rates or laws result in adjustments to recorded deferred tax assets and liabilities in the periods in which the tax laws are enacted or tax rates are changed. The Company will continue to evaluate its income tax obligation throughout the year and will record a tax provision when it is necessary

NOTE 10 – SHIPPING AND HANDLING COSTS

The Company pays shipping and handling costs on behalf of customers for purchased apparel merchandise. These costs are billed back to the customer through the billing invoice. The shipping and handling costs associated with merchandise ordered by the Company are included as part of inventory as these costs are allocated across the merchandise received. With house wrap orders, the customer pays the shipping cost. The shipping and handling costs associated with customer orders was approximately \$58,199 and \$30,343 for the six-month ended April 30, 2025 and 2024, respectively.

NOTE 11 – COMMON STOCK

During the six-month period ending April 30, 2025, the Company sold 120,000 shares of common stock at a price of \$0.25 per share for total proceeds of \$30,000, 50,000 shares of common stock at a price of \$0.20 per share for total proceeds of \$10,000, and 410,000 shares were issued for services and commission throughout the period. As of April 30, 2025, the total stock issued is 38,504,003

NOTE 12 – DEPOSITS ON EQUIPMENT

On July 12, 2015, the Company reached an agreement with Ketut Jaya to purchase the machinery and equipment utilized to produce the INSULTEX material. The purchase price is \$700,000 and to be made in four installments. The first installment of \$300,000 is to be made at the execution of the agreement. The second installment of \$200,000 is to be made when the machinery and equipment is ready to be shipped to the United States. The third installment of \$100,000 is to be made once the machinery and equipment is producing INSULTEX, and the fourth and final installment of \$100,000 is to be made after the first commercial production run of INSULTEX is completed. As of October 31, 2018, the Company has made payments of \$500,000 in accordance with the agreement and made a \$100,000 pre-payment as the machine is not yet producing INSULTEX. Additionally, the Company has incurred \$17,000 of additional expenses related to shipping, site improvements and installation of the equipment. During 2019, the Company determined the shipping costs of \$17,000 were impaired and these costs were written off the balance due. During the fiscal year ended October 31, 2023, the Company made additional prepayments totaling \$16,000 on the equipment.

During the fiscal year ended October 31, 2022, the Company made deposits on a separate piece of equipment of \$7,370. During the fiscal year ended October 31, 2023, the Company made additional deposits of \$29,574 on this piece of equipment.

There have been no additional deposits made as of April 30, 2025. The remaining balance owed on said equipment as of April 30, 2025 is \$77,000.

Total overall deposits on equipment as of April 30, 2025 and October 31, 2024 were \$652,944.

NOTE 13 – LEASE

FASB ASC Topic 842, "Leases", establishes a right of use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the condensed balance sheets. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. ROU assets are reduced each period by an amount equal to the difference between the lease expense and the amount of interest expense on the lease liability, using the effective interest method. The Company used the average commercial real estate interest rate of 5.50% to calculate the present value of the lease. The Company recognizes lease expense on a straight-line basis over the leased term on the condensed statements of operations.

The Company entered into a lease for office space at the time the Company was formed through June 2022. Effective July 2022, the Company is leasing the office space on a month to month basis. As a result, the Company has elected to apply the short-term lease exemption to its lease of the facilities and therefore has not recorded a ROU asset and related lease liability.

NOTE 14 – LEGAL PROCEEDINGS

On November 4, 2016, the Federal Trade Commission ("FTC") filed a complaint against the Company in the U.S. District Court Western District of Pennsylvania, Case number 16-1669. In the complaint, the FTC alleges that, among other matters, the Company did not have substantiation of claims made by the Company regarding the R value and energy efficiency of its INSULTEX house wrap products. The complaint asks to redress a rescission of revenue the Company received from the sale of the house wrap and a permanent injunction. On September 24, 2020, a judgment was entered in favor of the Company as to all claims set forth in the FTC complaint. It was further ordered that as there were no remaining claims in the action the case shall be marked as closed.

On November 23, 2020, the Company was informed that the FTC had filed a notice of appeal in regard to the case. The appeal is from the District Court's September 24, 2020, Order granting the Company's Motion for Judgment on Partial Findings Pursuant to Fed. R. Civ. P. 52(c) and subsequent Judgment in favor of the Company and from the District Court's February 14, 2020, striking Dr. David Yarbrough's expert testimony made on behalf of the FTC. The FTC filed its appeal and on March 24, 2021, the Company filed its answer.

On July 22, 2021, the Registrant was informed that the U.S. Court of Appeals for the Third District affirmed the District Court's ruling in favor of the Registrant. The ruling was in connection with the FTC complaint filed against the Registrant in November 2016, alleging, among other matters, that the Registrant did not have substantiation for claims made by the Registrant regarding the R-value and energy efficiency of its INSULTEX house wrap products.

In November 2021, in connection with the FTC litigation, the Company filed an application for attorney fees, expenses and cost in the U.S. District Court for the Western District of Pennsylvania, Case No.2:16-cv-01669-NBF. On June 29, 2022, a settlement order was signed by the Court. Pursuant to the Order, the FTC paid the Company \$260,000 to resolve all such claims. The parties agreed to waive all rights to appeal or otherwise challenge or contest the validity of the Order.

As of April 30, 2025, there are no additional or current legal proceedings.

NOTE 15 – ADOPTED PRONOUNCEMENT

The requirements of the following FASB statement were adopted for the Company's condensed financial statements:

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, *"Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments"* ("ASU 2016-13"). ASU 2016-13 introduces a new impairment model, the current expected credit loss ("CECL") model. The model applies to most assets that are measured at amortized cost and requires those assets to be presented at the net amount expected to be collected. In addition, credit losses on available-for-sale debt securities are to be recognized through an allowance account. ASU 2016-13 also expands existing disclosure requirements. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, and interim periods therein, and requires retrospective application. The Company adopted the new standard effective November 1, 2023, and there were no material changes to the condensed balance sheets, condensed statements of operations, condensed statements of changes in stockholders' equity, and condensed statements of cash flows as a result of the adoption.

NOTE 16 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events in accordance with ASC Topic 855, *"Subsequent Events"*, through the date financial statements were available to be issued. The Company identified no material subsequent events that require recognition or disclosure except the following:

On June 4th, 2025, the loan payable to the Small Business Administration (SBA) was paid in full, closing the balance owed and cancelling the debt.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The following information should be read in conjunction with the financial statements and the notes thereto and in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements regarding future results of operation, made in this Quarterly Report on Form 10-Q are forward-looking statements. We use words such as expects, believes, intends, and similar expressions to identify forward-looking statements. Forward looking-statements reflect management’s current expectations and are inherently uncertain. Actual results could differ materially for a variety of reasons, including, among others, competition in our cold weather markets, our ability to sell out HouseWrap product line, our inability to secure sufficient funding to maintain and/or expand our current level of operations and the seasonality of our cold weather product line. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management’s expectations, are described in greater detail in our Annual Report on Form 10-K for the fiscal year ended October 31, 2021. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise except as required by law.

Background

Innovative Designs, Inc. (hereinafter referred to as the “Company”, “we” or “our”) was formed on June 25, 2002. We market and sell clothing products such as outdoor apparel, and cold weather gear called “Arctic Armor” that are made from IINSULTEX, a material with buoyancy, scent block and thermal resistant properties. We also market our House Wrap product line, which is a building material with thermal qualities. House Wrap is also made from IINSULTEX. We obtain IINSULTEX through a license agreement with the owner and manufacturer of the material. Since our formation we have devoted our efforts to:

- Complete the development, design and prototypes of our products,
- Obtaining retail stores or sales agents to offer and sell our products’
- Developing our website to sell more of our products.

Results of Operations

Comparison of the Six-Month Period Ended April 30, 2025, with the Six-Month Period Ended April 30, 2024.

The following table shows a comparison of the results of operations between the six-month periods ended April 30, 2025, and April 30, 2024:

	Six Month Ended 4/30/2025	% of sales	Six Month Ended 4/30/2024	% of sales	Increase (Decrease)	% Change
REVENUE - NET	1,340,285	100.0%	366,217	100.0%	974,068	266.0%
OPERATING EXPENSES						
Cost of sales	626,902	46.8%	186,384	50.9%	440,518	236.3%
Selling and G&A expenses	471,922	35.2%	206,722	56.4%	265,200	128.3%
Total Operating Expenses	1,098,824	82.0%	393,106	107.3%	705,718	179.5%
Income (loss) from operations	241,461	18.0%	(26,889)	-7.3%	268,350	-998.0%
Other income (expenses)						
Miscellaneous income (expense)	—					
Cash Rewards	153	0.0%	0	0.0%	153	
Interest expense	2,587	0.2%	(11,946)	-3.3%	12,204	-102.1%
Depreciation	(3,811)	-0.3%	(2,329)	-0.6%	(1,482)	63.6%
Total other income (expense)	(1,071)	-0.1%	(14,275)	-3.9%	12,304	-86.2%
Net income (loss)	240,390	17.9%	(41,164)	-11.2%	281,554	-684.0%

Revenues for the six-month period ended April 30, 2025, were \$1,340,285 compared to revenues of \$366,217 for the six-month period ended April 30, 2024. The increase in revenue is attributable solely to an increase in sales of our House wrap product line.

Our costs of sale, selling, general and administrative expenses (“SG&A”) were \$1,098,824 for the six months ended April 30, 2025, compared to \$393,106 for the six-month period ended April 30, 2024. The increase in cost of sales and SG&A are directly related to the increase in sales. While costs are higher, the percentage based off income is reduced, demonstrating an increase in work efficiency.

Liquidity and Capital Resources

During the six-month period ended April 30, 2025, we funded our operations from revenues and the sale of our common stock.

Short Term: We will continue to fund our operations from sales and the sale of our securities. We continue to pay our creditors when payments are due. We will require more funds to be able to order the material for our Insultex products and to purchase equipment needed for the manufacture of the Insultex product. The Company reached an agreement with the manufacturer of the Insultex material to purchase a machine capable of producing the Insultex material. Also included in the proposed agreement will be the propriety formula that creates Insultex. The Company took delivery of the equipment in December 2015. The Company will have to have the machine installed and ensure that it can be operated in compliance with all environmental rules and regulations. It is the Company’s intention to have the equipment operational but cannot currently provide a time estimate. Among the factors affecting the time estimate are the financial resources available to the Company, finding a suitable facility and bringing technical personnel from abroad to install the equipment. The Company has currently made deposits of \$652,944 on the equipment. The Company will produce Insultex under its own brand name. See Note 13 of the Notes to the Condensed Financial Statements.

The new quality control testing equipment for our House Wrap Product line has been built. We have reached an agreement with the vendor on the final amount. As of April 30, 2025, we have paid approximately \$134,000 in deposits for the equipment. We expect to accept delivery of the equipment when we are able to reach an agreement with a testing laboratory that will house the equipment. Once the equipment is installed it will have to go through a certification process before we will be able to conduct tests on our Insultex products. Once the testing equipment is certified, we intend to begin the process of having Insultex certified by ICC Evaluation Services, LLC (“ICC-ES”). ICC-ES certifies, among other items, building materials and products of which our House Wrap falls under. The reason we need to have ICC-ES certification is that we believe in order to get large orders for House Wrap, ICC-ES certification will be required. The other component part of the Housewrap produced by a third party is ICC-Es certified. Getting ICC-ES certification is costly and time consuming.

Long Term: The Company will continue to fund its operations from revenues, borrowings from private parties and the possible sale of our securities. Should we not be able to rely on the private sources for borrowing and /or increased sales, our operations would be severely affected as we would not be able to fund our purchase orders to our suppliers for finished goods and our efforts to produce our own IINSULTEX would be delayed.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Policies and Estimates

Revenue Recognition: We recognize revenue from product sales when all of the following criteria for revenue recognition have been met: pervasive evidence that an agreement exists; the services have been rendered; the fee is fixed and determinable and not subject to refund or adjustment; and collection of the amount due is reasonable assured.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDING

See Note 16 of the Notes to the Condensed Financial Statements appearing elsewhere in this Report.

ITEM 1A Risk Factors

See Risk factors set forth in Part I Item 1A of the Company's Annual report on Form 10-K for the fiscal year ended October 31, 2024. Set forth below are additional risk factors.

Sole Source for Insultex. We rely on a single source for the Insultex material. We do not believe we could obtain Insultex from any other source. Insultex is manufactured by a company in Indonesia using proprietary technology. Should we not be able to obtain Insultex from this company for any reason we could no longer maintain operations.

Reliance on Key Personnel. Mr. Joseph A Riccelli Jr is our President / CEO. Should we lose the services of Mr. Riccelli our operations would be materially affected.

ITEM 1B Climate-Related Disclosure.

N/A

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

N/A

ITEM 3. Defaults upon Senior Securities

None

Item 4 Mine Safety Disclosures

Not applicable

ITEM 4T. CONTROLS AND PROCEDURES

Management has developed and implemented a policy and procedures for reviewing, on a quarterly basis, our disclosure controls and procedures. During the period ended April 30, 2024,, our principal executive/financial officer concluded that these controls and procedures were ineffective. At this time, we do not have the financial resources to employ a financial staff with accounting and financial expertise. Once we have the necessary financial resources, we plan to hire and designate an individual responsible for identifying reportable developments and to implement procedures designed to remediate the material weakness by focusing additional attention and resources in our internal accounting functions.

Changes in Internal Control Over Financial Reporting

During the most recent fiscal quarter, there were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13(a)-15 or 15d-15 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Until the Company has the financial resources to employ a financial staff with accounting and financial expertise, to be able to properly account for internal financial reporting, errors that may have a material effect on the financial statements have the potential to occur.

ITEM 5. Other Information

During the quarter ended April 30, 2025, no director or officer of the Company adopted or terminated a "rule 10b5-1 trading arrangement" or "non-Rule 10b-5 trading arrangement" as such terms are defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

*3.1 [Revised Certificate of Incorporation](#)

**3.2 [By-Laws](#)

31.1 [Rule 13a - 14a Certification of Chief Executive Officer](#)

31.2 [Rule 13a-14a Certification of Chief Financial Officer and Principal Accounting Officer](#)

32.1 [Section 1350 Certification of Chief Executive Officer and Chief Financial Officer](#)

32.2 [Section 1350 Certification of Chief Financial Officer and Chief Accounting Officer](#)

* Incorporated by reference to the Company's Form 10-K filed February 12, 2015

** Incorporated by reference to the Company's registration statement on Form SB-2, filed March 11, 2003

99*** [Incorporated by reference to the Company's Current Report on Form 8-k, filed November 4, 2016](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: : June 6, 2025

/s/ Joseph A. Riccelli

Joseph A. Riccelli
Chief Executive Officer
Chief Financial Officer

EXHIBIT 31.1
INNOVATIVE DESIGNS, INC.
CERTIFICATIONS

I, Joseph A. Riccelli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Innovative Designs, Inc.;
2. Based on my knowledge, this quarterly report 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date June 6, 2025

Joseph A. Riccelli
Chief Executive Officer

EXHIBIT 31.2
INNOVATIVE DESIGNS, INC.
CERTIFICATIONS

I, Joseph A Riccelli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Innovative Designs, Inc.;
2. Based on my knowledge, this annual report 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this annual report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2025

by: /s/ Joseph A Riccelli
Joseph A Riccelli
Chief Financial Officer, Principal Accounting Officer

EXHIBIT 32.1
SECTION 906 CERTIFICATION
CERTIFICATION REQUIRED BY
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Innovative Designs, Inc. (the “Company”) on Form 10-Q for the quarterly period ended April 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 6, 2025

Joseph A. Riccelli, CEO
Chief Executive Officer

EXHIBIT 32.2
SECTION 906 CERTIFICATION
CERTIFICATION REQUIRED BY
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Innovative Designs, Inc. (the “Company”) on Form 10-Q for the quarterly period ended April 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 20, 2024

Joseph A. Riccelli
Chief Executive Officer
Chief Financial Officer
Principal Accounting Officer
