

**Offering Memorandum**  
**(Including Subscription Agreement and Accredited Investor Letter)**  
**for Class B Common Stock of**



**IDW MEDIA HOLDINGS, INC.**

**For Offer made to Certain Existing Stockholders**

**Dated: May 15, 2024**

IDW MEDIA HOLDINGS, INC., A DELAWARE CORPORATION (THE “**COMPANY**”), IS, THROUGH THIS OFFERING MEMORANDUM (“**MEMORANDUM**”), PROVIDING INFORMATION TO PROSPECTIVE QUALIFIED INVESTORS (DESCRIBED IN THE MEMORANDUM) CONSIDERING PURCHASING SHARES OF THE COMPANY’S CLASS B COMMON STOCK (THE “**SECURITIES**”).

THIS MEMORANDUM IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO PROSPECTIVE INVESTORS. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER SECURITIES LAW, NOR ARE THEY INTENDED TO BE SO REGISTERED IN THE FUTURE. THE SECURITIES HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY THE SECURITIES OR REGULATORY AUTHORITY OF ANY JURISDICTION, NOR HAS ANY AUTHORITY OR COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE SECURITIES ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS FOR WHOM AN INVESTMENT IN THE COMPANY DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE SUBSTANTIAL RISKS INVOLVED IN THE COMPANY’S SPECIALIZED INVESTMENT PROGRAM, AND WHO MEET THE SUITABILITY CRITERIA SET FORTH IN THE MEMORANDUM.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. THE SECURITIES CANNOT BE SOLD IN THE UNITED STATES WITHOUT REGISTRATION UNDER THE SECURITIES ACT, UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE, AND TRANSFERABILITY MAY BE LIMITED BY APPLICABLE LAW IN OTHER JURISDICTIONS.

NOTICE TO CALIFORNIA RESIDENTS: THE SALE OF THE SECURITIES OFFERED HEREBY HAVE NOT BEEN QUALIFIED WITH THE CALIFORNIA COMMISSIONER OF CORPORATIONS, AND THE ISSUANCE OF SUCH SECURITIES OR PAYMENT OR RECEIPT OF ANY CONSIDERATION THEREOF IS UNLAWFUL UNLESS AN EXEMPTION FROM QUALIFICATION IS PERFECTED.

NOTICE TO NEW JERSEY RESIDENTS: IF YOU ARE A NEW JERSEY RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO NEW YORK RESIDENTS: THIS OFFERING MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE

ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, LEGAL, TAX OR ACCOUNTING ADVICE AND THIS MEMORANDUM IS NOT INTENDED TO PROVIDE THE SOLE BASIS FOR ANY EVALUATION OF AN INVESTMENT IN THE SECURITIES. PRIOR TO ACQUIRING ANY SECURITIES, A PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS, HER OR ITS OWN INVESTMENT, LEGAL, TAX, ACCOUNTING AND OTHER ADVISORS TO DETERMINE THE POTENTIAL BENEFITS, BURDENS AND OTHER CONSEQUENCES OF SUCH AN INVESTMENT.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN THE DISTRICT OF COLUMBIA, ANY U.S. STATE OR TERRITORY OR ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. THE DELIVERY OF THIS MEMORANDUM DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

THIS MEMORANDUM HAS BEEN PREPARED FOR DISTRIBUTION TO A LIMITED NUMBER OF PROSPECTIVE INVESTORS TO ASSIST THEM IN EVALUATING A PROPOSED INVESTMENT IN SECURITIES OF THE COMPANY OFFERED HEREBY. OFFERS MAY BE MADE ONLY TO PERSONS DEEMED ELIGIBLE FOR PARTICIPATION UNDER THE CRITERIA SET FORTH IN THIS MEMORANDUM AND APPLICABLE LAW.

THE INFORMATION CONTAINED IN THIS MEMORANDUM DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE TO REVIEW IN INVESTIGATING THE COMPANY. AN INVESTMENT IN SECURITIES OF THE COMPANY INVOLVES SUBSTANTIAL TAX, INVESTMENT, AND OTHER RISKS. EACH INVESTOR MUST CONDUCT AND RELY ON HIS, HER OR ITS OWN EVALUATION OF THE COMPANY AND THE SECURITIES OFFERED HEREBY, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES OFFERED. PROSPECTIVE INVESTORS SHOULD READ THIS MEMORANDUM CAREFULLY BEFORE DECIDING WHETHER TO PURCHASE SECURITIES IN THE COMPANY. SEE THE SECTION OF THIS MEMORANDUM ENTITLED "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH THIS OFFERING.

THE DESCRIPTIONS CONTAINED IN THIS MEMORANDUM OF ANY DOCUMENT OR AGREEMENT, INCLUDING THE VARIOUS AGREEMENTS TO BE EXECUTED BY THE INVESTORS IN CONNECTION WITH AN INVESTMENT IN THE SECURITIES, ARE SUMMARIES ONLY. SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE ACTUAL AGREEMENTS, COPIES OF WHICH WILL BE FURNISHED TO INTERESTED PROSPECTIVE INVESTORS UPON REQUEST. IN THE

EVENT THAT ANY TERMS OR PROVISIONS OF THIS MEMORANDUM ARE INCONSISTENT WITH OR CONTRARY TO THE TERMS OR PROVISIONS OF ANY SUCH AGREEMENT, THE TERMS AND PROVISIONS OF SUCH AGREEMENT SHALL CONTROL.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR TO GIVE ANY INFORMATION WITH RESPECT TO THE COMPANY OR THE SECURITIES OTHER THAN AS CONTAINED IN THIS MEMORANDUM. SUBJECT TO THE FOREGOING, ANY REPRESENTATION OR INFORMATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY SINCE NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY SUCH REPRESENTATIONS OR TO PROVIDE ANY SUCH INFORMATION.

SO FAR AS ANY STATEMENTS MADE IN THIS MEMORANDUM INVOLVE MATTERS OF OPINION, ASSUMPTIONS, PROJECTIONS, ANTICIPATED EVENTS OR ESTIMATES, WHETHER OR NOT EXPRESSLY STATED, THEY ARE SET FORTH AS SUCH AND NOT AS REPRESENTATIONS OF FACT, AND ACTUAL RESULTS MAY DIFFER SUBSTANTIALLY FROM THOSE SET FORTH HEREIN. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM SOURCES THAT ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS.

THIS MEMORANDUM INCLUDES FORWARD-LOOKING STATEMENTS THAT ARE BASED ON THE COMPANY'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS, AND THE COMPANY CAN PROVIDE NO ASSURANCE THAT THEY WILL PROVE ACCURATE IN THE FUTURE. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, INCLUDING RISKS AND UNCERTAINTIES OUTSIDE THE CONTROL OF THE COMPANY. SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," "BELIEVES" OR OTHER SIMILAR WORDS.

DATA IN THIS MEMORANDUM AS TO HISTORICAL PERFORMANCE (AS DEFINED HEREIN) IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE RELIED UPON AS GUARANTEES OR INDICATIONS OF FUTURE PERFORMANCE.

ALL REFERENCES IN THIS MEMORANDUM TO THE TERM "DOLLAR" OR "\$" REFER TO THE UNITED STATES DOLLAR.

THE COMPANY'S FISCAL YEAR ENDS ON OCTOBER 31 OF EACH CALENDAR YEAR. EACH REFERENCE TO A FISCAL YEAR REFERS TO THE FISCAL YEAR ENDING IN THE CALENDAR YEAR INDICATED (E.G., FISCAL 2023 REFERS TO THE FISCAL YEAR ENDED OCTOBER 31, 2023).

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## **A. MEMORANDUM**

### **I. EXECUTIVE SUMMARY**

#### **Overview**

IDW Media Holdings, Inc., a Delaware corporation (the “Company”) is a holding company consisting of the following principal businesses:

- IDW Entertainment (“IDWE”), a production company and studio that develops, produces and distributes content based on IDWP’s original, copyrighted intellectual property (“IP”), published in the form of comic books, graphic novels and any other forms of print publication, for a variety of formats including film and television.; and
- IDW Publishing (“IDWP”), a publishing company that creates comic books, graphic novels and digital content through its imprints IDW, Top Shelf Productions and Artist’s Editions.

#### **Recent Developments**

In April 2023, Davidi Jonas was appointed as Chief Executive Officer of the Company.

On April 25, 2023, the Board of Directors (the “Board”) of the Company approved a reduction in force with respect to approximately 28 employees, or 39% of its current workforce. The Board elected to take these actions to preserve capital and put the Company in a better position possible to unlock value from its assets, including its intellectual property and ability to generate new intellectual property. On April 27, 2023, the Company notified the relevant employees of this reduction in force, which was completed on the same day.

The reduction in force and other steps, after the effect of backfilling certain positions, is expected to deliver approximately \$4.4 million in annual savings and will result in approximately \$0.9 million in severance and related costs to be recognized in the second quarter of fiscal 2023. The Company may incur additional expenses not currently contemplated due to events associated with the reduction in force. The annualized cost savings are estimates and subject to a number of assumptions, and actual results may differ materially.

On May 18, 2023, the Company voluntarily filed a Form 15 with the SEC to terminate the registration of its Class B Common Stock, par value \$0.01 per share, under Section 12(g) of the Exchange Act and suspend its reporting obligations under Section 13(a) and Section 15(d) of the Exchange Act. The Company’s Class B common stock is now listed on the OTCQB Venture Market (“OTCQB”) tier of the OTC Markets Group.

On December 22, 2023, the Company announced the renewal of its limited and non-exclusive licensing agreement with Paramount Consumer Products (“Paramount”) for *Teenage Mutant Ninja Turtles* and other Paramount properties. The licensed properties include several *TMNT* television series and other Paramount properties. The agreement sets forth the licensed publications and channels of distributions, as well as the distribution territories and languages, which will enable IDW to create and distribute publications involving the *TMNT* and other licensed

properties across a variety of platforms to reach a broad audience.

On January 7, 2024, the Company granted to Davidi Jonas 2,727,273 restricted shares of the Company's Class B common stock to Davidi Jonas, with the shares scheduled to vest in substantially equal amounts on March 31, 2024, March 31, 2025, and March 31, 2026. In addition, the Company granted Davidi Jonas options to acquire 1,545,454 shares of the Company's Class B common stock at a price per share of \$0.4342. The options become exercisable between January 2024 and January 2030 and shall vest incrementally upon the Company's market capitalization reaching \$25 million, \$50 million, and \$110 million. Although these grants were not awarded during Fiscal 2023, they were approved by the Board of Directors and Compensation Committee during Fiscal 2023.

On January 19, 2024, the Company was notified by two of its printers it had qualified for \$119,000 in volume rebates related to 2023 activity. This reduction in cost will be reflected in the Fiscal 2024 financials.

On March 8, 2024, Davidi Jonas purchased 389,457 shares of Class B Common Stock and 545,360 shares of Class C Common Stock, from certain trusts for the benefit of members of his family, at a purchase price of \$0.406 per share.

On April 4, 2024, the Company effected a reduction in force with respect to five employees (including Amber Huerta, the Company's Chief Operating Officer) or 9.4% of its then-current workforce. The Company elected to take these actions based upon organization optimization and needs, skill set match, work product, performance, and reduction of costs. The reduction in force is currently expected to result in severance and related costs of between \$70,000 to \$125,000, to be recognized in the second quarter of fiscal 2024, including approximately \$64,000 in accrued salary and paid time off, approximately \$7,500 in legal fees, and up to \$50,000 in severance benefits. Depending on a number of factors, some of which are outside the Company's control, the Company may incur additional expenses in several of the above categories in connection with the reduction in force.

On April 10, 2024, the holder of shares of Class B common stock and Class C common stock, each \$0.01 par value per share, constituting a majority of the combined voting power of the Company's outstanding capital stock, adopted resolutions by written consent, in lieu of a meeting of stockholders. The following actions were taken:

1. Election of Directors: The following individuals have been elected to serve as directors of the Company until the next annual meeting of stockholders, or written consent in lieu thereof, or until they shall resign, or shall be removed, or shall otherwise be disqualified to serve, or until their respective successors shall be elected and qualified:

Howard S. Jonas  
Davidi Jonas  
David Breau  
Jonathan Rand  
James R. Woody

2. Authorization of Stock Option and Incentive Plan: The Company's Amended and Restated 2019 Stock Option and Incentive Plan has been authorized and approved.

These resolutions were previously approved by the Company's Board of Directors. A written notice was sent to all stockholders who were recorded as stockholders of record of the Company at the close of business on April 10, 2024, informing them of the actions taken. A copy of the Amended and Restated 2019 Stock Option and Incentive Plan was included with the written notice.

On April 11, 2024, the Company appointed Andrew DeBaker as its Chief Financial Officer.

On May 9, 2024, the holder of shares of Class B common stock and Class C common stock, each \$0.01 par value per share, constituting a majority of the combined voting power of the Company's outstanding capital stock, adopted resolutions by written consent, in lieu of a meeting of stockholders to amend the Company's Certificate of Incorporation to increase the number of authorized shares of Class B Common Stock to 35,000,000. A written notice was sent to all stockholders who were recorded as stockholders of record of the Company at the close of business on May 9, 2024, informing them of the action taken.

## **Financial**

In Fiscal 2023, IDWP revenues increased as compared to the prior year, and IDWE revenues dropped substantially. IDWP revenues increased \$806,000 year over year, primarily due to increases in book market publishing revenue driven by strong *Teenage Mutant Ninja Turtles: The Last Ronin* sales, direct billing revenue and other, partially offset by decreases in games revenue driven by fulfillment of the direct-to-consumer games campaign for *Batman Adventures* during prior year.

IDWP direct cost of revenues in Fiscal 2023 increased compared to Fiscal 2022, primarily due to increases in printing and creative costs, offset by decreases in those items for IDW Games.

IDWP gross margin for Fiscal 2023 decreased to 42.5% compared to 45.8% for the prior year.

IDWP selling, general and administrative expenses decreased compared to the prior year, primarily due to decreases in overhead allocations, salaries and benefits, shipping and direct-to-consumer expenses, IT expenses, occupancy expenses, and legal and consulting expenses, partially offset by increases in marketing expenses, severance and travel expenses, severance.

IDWE revenues for the fiscal year ended October 31, 2023 decreased by \$10,191,000 compared to the fiscal year ended October 31, 2022, primarily due to recognition, in Fiscal 2022 of revenue from seasons two and three of *Locke & Key* and season one of *Surfside Girls*. In Fiscal 2023, IDWE recognized more modest revenues for producing fees for *Essex County* season one and from optioned projects.

IDWE direct costs of revenues for Fiscal 2023 decreased compared to Fiscal 2022. The



amortized television costs for Fiscal 2023, included residuals of \$225,000, agency commission fees of \$65,000, and inventory write offs of \$62,000, offset by cost recoupment from *Wynonna Earp* of \$645,000 and tax credits for *V Wars* of \$7,000.

IDWE selling, general and administrative expenses decreased during Fiscal 2023, compared to Fiscal 2022, due to decreases in overhead allocations, salaries and benefits, non-cash compensation, and legal, consulting, travel, occupancy, marketing and IT expenses, partially offset by an increase in severance.

The consolidated net loss for the Company in Fiscal 2023 was approximately \$4.9 million representing a significant increase from the prior fiscal year.

Loss from operations in Fiscal 2023 increased by \$4.3 million, due to decreased operating income from IDWE and increased corporate overhead, partially offset by an increase in operating income from IDWP

### **Liquidity and Capital Resources**

At January 31, 2024, we had cash of \$3,945,000 and working capital (current assets in excess of current liabilities) of \$14,776,000.

We anticipate that our expected cash inflows from operations during the next twelve months together with our working capital, including the balance of cash held as January 31, 2024 will be sufficient to sustain our operations for at least the twelve months following the date of this report. While the Company has experienced negative operating cash flow during previous years, we anticipate recent operating expense changes will result in future positive operating cash flow.

On May 9, 2024, the Board of Directors approved this Offering to raise up to \$3.0 million in capital.

As part of the offering, the Jonas family, inclusive of Davidi Jonas, has expressed a commitment to invest up to \$2.0 million, or a lesser amount necessary to meet the minimum funding requirement. It is pertinent to note that the Company retains the discretion to accept investments up to the maximum allocated amount from the Jonas family.

## II. THE OFFERING

**Eligible Investors:** Existing holders of not less than 1,000 shares of common stock of the Company who are accredited investors (each, an “Eligible Investor”).

**Offering Size:** \$2.3 million.

The Company reserves the right to accept investments of up to \$3.0 million in its discretion and to close on investments of less than \$2.3 million.

**Allocation Among Eligible Investors:**

Each Eligible Investor will have an allotment of sixty-eight percent (68%) of such holder’s current interest in the Company’s Class B Common Stock and Class C Common Stock (“Allotment”).

Eligibility will be determined by aggregating shares held by Affiliates. For purposes of this Offering, an “Affiliate” is another party that, directly or indirectly through one of more intermediaries, controls, is controlled by, or is under common control with such Investor, or any immediate family member of the holder.

**Security:** Class B Common Stock of the Company (OTCQB: IDWM).

**Offering Price:** \$0.32 per share. The price per share was determined based on input from the Company’s financial advisors and certain current holders of significant positions in the Company’s capital stock. The Offering price is 82% of the 30-day trailing average of the high and low price for the Class B Common Stock as quoted on the OTCQB under the trading symbol “IDWM” for the period ended May 14, 2024.

**Participation:** Howard Jonas and Davidi Jonas, on behalf of themselves and certain entities that hold shares of our common stock for the benefit of members of their families have informed the Company that they intend to purchase at least 100% of their respective Allotments based on their and their Affiliates’ ownership of capital stock of the Company.

**Unpurchased Allotments:** As more fully described below, in the event that there are shares that are not subscribed for by Eligible Investors in the initial stage of the Offering (the “**Initial Round**”) and the Company

determines to accept further investments, Investors who purchased at least seventy-five percent (75)% of their Allotments in the Initial Round of the Offering, and who indicated their interest in purchasing unsubscribed shares by checking the appropriate box in the Subscription Agreement delivered by such Investors (“**Electing Investors**”), may elect to buy those unsubscribed shares on a pro rata basis (based on the number of shares all such electing Investors purchased in the Initial Round) up to five times of each such Investor’s purchase in the Initial Round. We refer to the purchases of unsubscribed shares as the “**Follow-On Round.**” An Investor will be deemed to have elected not to purchase unsubscribed shares if such Investor does not check the appropriate box in the Subscription Agreement.

**Lockup:** 12 months from Closing.

**Restrictions:** The sale of the shares in this Offering has not been registered under the Securities Act of 1933 (the “Securities Act”) or any state securities laws, and thus the shares you purchase will be restricted shares and cannot be re-sold unless subsequently registered or pursuant to an exemption from registration. As the Company does not currently file periodic reports with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), such shares will be subject to a one-year holding period and other requirements before they can be resold pursuant to Rule 144 promulgated under the Securities Act. There can be no assurance that the Company will fulfill any reporting requirements in the future under the Exchange Act or disseminate to the public any current financial or other information concerning the Company, in order to satisfy requirements under Rule 144.

**Timing:** 1. **Launch May 15, 2024**

This Offering Memorandum will be posted to the OTC Disclosure & News Service website.

**2. Deadline to submit subscriptions –June 5, 2024**

All subscribers will be required to provide the Company with:

- evidence of eligibility – proof of their Common Stock holdings, and accredited investor status;
- election of whether they want to purchase their pro rata portion of unsubscribed shares;

- election of whether they want to defer payment of a portion of the Investment Amount;
- an executed Subscription Agreement; and

payment to the Company of the purchase price for shares subscribed.

### **3. Closing of Initial Round – June 12, 2024:**

The Company will accept payment and instruct its transfer agent to issue to each Investor the number of shares such Investor elected to purchase.

### **4. Follow-On Round - Closing – On or about June 26, 2024**

In the event there are unsubscribed shares after the end of the Initial Round and there are eligible Investors who expressed interest in purchasing shares in the Follow-On Round, the Company will, promptly following the closing of the Initial Round, notify electing Investors the amount of shares such Investors may purchase, which will be based on the total number of unsubscribed shares (based on the amount of investments the Company elects to receive) and the number of shares each electing Investor purchased in the Initial Round, and each such electing Investor must provide payment to the Company of the purchase price for the Investor's pro rata portion of the unsubscribed shares within three business days of such notice.

#### **Approval:**

The Offering has been approved by the Board of Directors including all of the Company's independent directors.

#### **Termination:**

**The Company reserves the right to terminate the Offering at any time and for any reason prior to Closing and return any monies tendered in the Offering.**

#### **Use of Proceeds:**

The Company currently expect to use the net proceeds from this Offering to support IDW Publishing's licensing activities, to maintain reserves and enable the Company to act opportunistically and for working capital and general corporate purposes.

**To subscribe, please complete the Subscription Agreement attached hereto as Appendix I, including your election regarding unsubscribed shares and the Accredited Investor Representation Letter attached to the Subscription Agreement and follow all instructions set**

**forth therein. If you should have any questions regarding this offer please contact Dov Schwell of Schwell Wimpfheimer & Associates LLP via email at [dov.schwell@swalegal.com](mailto:dov.schwell@swalegal.com) or via telephone at (646) 328-0795.**

The Company believes that, with the proper resources, it has the ability to generate significant long-term value for its stockholders. However, it needs to address its short-term capital needs, including ensuring that it has the resources to address marketplace challenges or unexpected developments.

The Company may need additional financing to support its growth.

The Company does not believe that longer term debt financing is available to it at the current time, but may seek such financing when it is in a better position to do so.

Management and the Board believe that this Offering is an attractive alternative for obtaining the necessary financing, as it allows for current stockholders to receive the benefits of the opportunity and participating stockholders will not have their interests in the Company's equity diluted. Additionally, the ability to purchase unsubscribed shares provides existing holders to support the Company by purchasing additional shares at the Offering price.

The price was determined based on input from the Company's financial advisors and certain current holders of significant positions in the Company's capital stock.

### III. THE BUSINESS

#### IDW Publishing

There are two primary sources of the content that IDWP develops, publishes, and exploits across a range of distribution channels:

- Third-Party content that has already been successfully exploited in other media with partners such as Paramount (*Teenage Mutant Ninja Turtles*, *Star Trek*), Hasbro (*My Little Pony*, *Dungeons & Dragons*), Sega (*Sonic*) and with companies including DC Comics and Marvel on our Artist's Editions ("Licensed Content").
- Original, creator-owned material that marks its debut to the consuming public via IDWP's published products, inclusive of IDW Originals and Top Shelf ("Creator Content").

IDWP's largest product group is the publication of comic book and trade paperback products. Its comics and graphic novels are primarily distributed through four channels: (i) to comic book specialty stores (the "direct market"); (ii) to traditional retail outlets, including bookstores and mass market stores, on a returnable basis (the "book market"); and (iii) direct-to-consumer sales sale through the Company's website, and (iv) to E-book distributors ("digital publishers"). IDWP's publications are widely available digitally through popular distributors such as Amazon, Apple iBooks, Google Play, Hoopla, Overdrive, and via IDWP's own webstore at [idwpublishing.com](http://idwpublishing.com). Through the direct market and book market, IDWP, including its imprints, sold over 4.3 million units in fiscal 2023 and is regularly recognized as one of the nation's largest publishers in the comics & graphic novels category. Many of IDWP's titles are available worldwide through foreign licensing with 642 titles available in approximately 62 territories in approximately 24 languages. Penguin Random House ("PRH") serves as the exclusive worldwide distributor for all IDWP products. Since June 2022, PRH has served as the exclusive worldwide multi-year sales and distributor for IDWP's newly published and backlist comic book periodicals, trade collections, and graphic novels to the direct market comic shops.

IDW Originals, launched in July 2022, is a line of original comics and graphic novels from a diverse lineup of writers and artists creating content across all genres and for all age groups. IDW Originals works with top-tier talent including *New York Times* bestselling writers like Scott Snyder on *Dark Spaces: Wildfire*, Stephen Graham Jones on *Earthdivers*, and G. Willow Wilson on *The Hunger and the Dusk*, in addition to up-and-coming talent with the goal of creating the bestsellers of tomorrow. IDW Originals is also focused on creating IP that can be exploited across multiple media platforms.

In 2020, IDW launched a new initiative to release key titles as Spanish-language graphic novels in the North American market with the release of Spanish-language editions of *They Called Us Enemy*, *Red Panda & Moon Bear*, *Locke & Key* and *Sonic the Hedgehog*.

To expand its business and compete with other industry participants, IDWP continues to focus on launching new Creator Content and Licensed Content. 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 Content series

through licensing opportunities.

IDWP's publications are printed primarily outside the United States in South Korea, China and Canada. IDWP's printers are affected by the price of paper in the foreign paper market.

IDWP has three significant customers, PRH and Scholastic Book Fairs, and for periods prior to June 2022, Diamond Comic Distributors, Inc., that pose a concentration risk.

IDWP is an award-winning publisher of comic books, original graphic novels, and art books. 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 helped kickstart 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*, Beau Smith's *Wynonna Earp*, Alan Robert's *The Beauty of Horror* adult coloring books, and Darwyn Cooke's graphic novel adaptations of Richard Stark's Parker novels are just a few of the hundreds of award-winning titles published since its inception.

IDWP owns Top Shelf Productions, an award-winning critically acclaimed publisher of graphic novels. Top Shelf Productions 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 one of the most taught graphic novels 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. Both titles are now perennial bestsellers and considered two of the finest non-fiction graphic novels. Other iconic Top Shelf Productions titles include Kim Dwinell's *Surfside Girls*, Jeff Lemire's *Essex County* and *The Underwater Welder*, Hannah Templer's *Cosmoknights*, and Alan Moore and Eddie Campbell's *From Hell*.

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 Paramount Global's *Teenage Mutant Ninja Turtles* and *Star Trek*; Hasbro's *Dungeons & Dragons*, and *My Little Pony*; Sega's *Sonic The Hedgehog*; and Toho's *Godzilla*. These licensed titles bring with them diverse built-in audiences and build cache and retailer support for IDWP. With licensed franchises, IDWP's 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 book publishers to co-publish certain titles, including *Batman vs. Teenage Mutant Ninja Turtles* and *Locke & Key/The Sandman Universe: Hell & Gone* (with DC Comics), *Rick & Morty vs. Dungeons & Dragons* (with Oni Press, Inc.) and *Godzilla vs. Power Rangers* (with Boom Studios).

IDWP is also home to Artist's Editions, which publishes oversized deluxe hardcovers featuring scans of original art printed at the same size they were drawn with the distinctive creative nuances that make original art unique. Some of the standout Artist's Editions titles include Jim Lee's *X-Men*, Mike Mignola's *Hellboy*, Todd McFarlane's *Spider-Man*, David Mazzucchelli's *Daredevil Born Again* and Dave Stevens' *The Rocketeer*.

## **IDW Entertainment**

IDWE develops, produces and distributes content based on IDWP's original, copyrighted IP for a variety of formats including film and television.

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 maintains a development slate of properties based on IDWP properties for the adult series/features marketplace and the kids, family, and animation spaces.

The path to greenlighting a project can take many routes, but the two most common include internal development and partnering with established studios and streamers. For internal development, IDWE partners with established television and film talent to develop pitches based on our IP, then takes those pitches to buyers. Buyers who want to partner on IDWE's pitches will enter into a deal to commission a pilot script or feature screenplay, which will be the determining factor of a series or feature film being greenlit. In the second scenario, IDWE may option what's called clean IP (projects without any attachments or development with talent) to a buyer/production partner and develop/package a series or feature. While this scenario may require more work between IDWE and the buyer to develop a concept for adaptation, the advantage is that IDWE is doing this in tandem with the buyer or platform – guaranteeing that what is developed is strategically what they are looking for.

In the past 18 months, IDWE announced a slate of titles with optioned deals with major studios, streamers, and distributors. As a part of these deals, IDWE will work closely to develop these properties as narrative television series, with the ultimate goal of securing a greenlight to production. These titles include:

- *Dark Spaces* with Universal Cable Productions (“UCP”)
- *Earthdivers* with 20<sup>th</sup> Television Studios
- *Ballad for Sophie* with Universal Television International
- *The Delicacy* with Warner Bros. Television Studios
- *Brutal Nature* with leading Mexico-based animation studio Anima Studios
- *A Radical Shift of Gravity* with award winning film producer Todd Lieberman/Hidden Pictures and Lionsgate

On November 30, 2022, IDWE announced six additional development deals with writing & producing talent, which included properties *Bacchus*, *Dragon Puncher & Spoony*, *Korgi*, *Lodger*, *Relic of the Dragon and Satellite Falling*. IDWE attached such talent as Will Davies (*Lyle, Lyle, Crocodile*), Holly Huckins (*Recess*, *Angela Anaconda*), Aury Wallington (*Veronica Mars*, *Heroes*, *Gravity Falls*), Max & Adam Reid (*Aeon Flux*), Patricia Rikken, Bryan Q. Miller (*Shadowhunters*), Will Pascoe (*Orphan Black*) and Jude Weng (*Finding Ohana*).



As is common in this industry, several projects currently in development carry inherent speculative elements. IDWE maintains a strategic focus on ventures that demonstrate the potential for positive cash flow. It carefully evaluates and selects projects that align with its long-term objectives and growth strategy.

IDWE is subject to significant competition, including from other studios/producers/distributors many of which operate with significantly larger staffs and funding than IDWE. Competitors include (i) smaller independent studios such as Entertainment One, Blumhouse, iTV, Annapurna and Miramax, (ii) major independent studios such as Sony TV and Warner Bros TV, (iii) vertically integrated studios such as Twentieth Television, Universal TV, CBS TV Studios and ABC Studios who develop, distribute and produce original television programming and; (iv) other entertainment divisions of comic book or graphic novel publishers such as Dark Horse, Oni Press, Image and BOOM who develop and produce television and film based on their publishing company's slate of IP. To the extent IDWE cannot meet the challenges from existing or new competitors or develop new product offerings to meet customer preferences or needs, its revenues and profitability could be adversely affected.

IDWE leverages IDWP original IP into television series, features, and other forms of media by developing and producing original content.

IDWE has two significant customers, Netflix and Fifth Season (formerly Endeavor Content LLC), that have posed a concentration risk.

IDWE seeks to take the IDWP deep catalog of comic book and graphic novel IP and turn them into television, film and podcast entertainment.

#### **IV. THE SECURITIES AND CAPITALIZATION**

The Company's authorized capital stock consists of Class B Common Stock and Class C Common Stock.

##### **Class B Common Stock**

Holders of shares of Class B Common Stock are entitled to one-tenth of one vote for each share on all matters to be voted on by the stockholders. Holders of Class B Common Stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefor. There are no conversion or redemption rights or sinking fund provisions with respect to the Class B Common Stock.

##### **Class C Common Stock**

Holders of shares of Class C Common Stock are entitled to three votes for each share on all matters to be voted on by the stockholders. Holders of Class C Common Stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefor. Each share of Class C Common Stock may be converted, at any time and at the option of the holder thereof, into one fully paid and non-assessable share of Class B common stock.

As of May 10, 2024, there were 35,000,000 shares of Class B Common Stock authorized.

As of May 10, 2024, there were 2,500,000 shares of Class C Common Stock authorized.

As of May 10, 2024, there were 16,968,539 shares of Class B Common Stock and 545,360 shares of Class C Common Stock issued and outstanding (excluded from these numbers are 519,360 shares of Class B Common Stock held in treasury by the Company)

The following sets forth certain information regarding the beneficial ownership of the Company's Class B and Class C Common Stock by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding shares of the Class B Common Stock or the Class C Common Stock of the Company and (ii) each of the Company's directors, and executive officers.

1. Howard S. Jonas, Chairman and Chairman of the Board:

Class B Common Stock — 2,450,227 shares.

2. Davidi Jonas, Chief Executive Officer and Vice Chairman of the Board

Class B Common Stock — 3,725,909 shares.

Class C Common Stock — 545,360 shares

3. Marc E. Knoller, Director:

Class B Common Stock — 105,434 shares.

4. Dave Breau, Director:

Class B Common Stock — 101,045 shares.

5. Jonathan Rand, Director:

Class B Common Stock — 101,045 shares.

6. James R. Woody, Director:

Class B Common Stock — 101,045 shares.

7. Andrew DeBaker, Chief Financial Officer:

Class B Common Stock — 157,896 shares.

8. The Liora Jonas Stein 2020 Florida Trust, Alan Grayson, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,549 shares.

9. The Michael Jonas 2020 New Jersey Trust, Mark Berger, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,549 shares.

10. The Miriam Jonas 2020 New Jersey Trust, Liore Alroy, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,549 shares.

11. The Samuel Jonas 2020 New Jersey Trust, Jason Cyrulnik, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,549 shares.

12. The Jonathan Jonas 2020 South Dakota Trust, Bridgeford Trust Company, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,549 shares.

13. The Joseph Jonas 2020 Alaska Trust, Peak Trust Company – Ak, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,549 shares.

14. The Rachel Jonas 2020 Nevada Trust, Premier Trust, Inc., Trustee, dd. 04/06/2020:

Class B Common Stock — 148,548 shares.

15. The Tamar Jonas 2020 Nevada Trust, Peak Trust Company – Nv, Trustee, dd. 04/06/2020:

Class B Common Stock — 148,548 shares.

## V. MANAGEMENT TEAM AND BOARD OF DIRECTORS

### **Management**

Our management team includes seasoned professionals in the entertainment, publishing and brochure industries. A description of our executives follows:

**Davidi Jonas** has been the Company's Chief Executive Officer since April 2023, the Company's Vice Chairman since March 2023, a director of the Company since March 2023, and was Executive Chairman (an Executive Officer position) of the Company from March 2023 to April 2023. Davidi Jonas previously served as the Company's Chief Strategy Officer from December 2018 until January 2020. Mr. Davidi Jonas served as Chief Executive Officer, President and Director of Straight Path Communications Inc. (NYSE MKT: STRP) from April 2013 until February 28, 2018 and served as Chairman of the Board of Straight Path Communications Inc. from August 1, 2013 until February 28, 2018. He has served as manager of Straight Path Spectrum from August 2012 until February 28, 2018 and served as Executive Vice President and director of Straight Path IP Group from November 2012 until February 28, 2018.

**Howard S. Jonas** has served as our Chairman of the Board since our inception and as our Chairman (an executive officer position) since June 2022. He previously served as our Chief Executive Officer from February 2019 through April 2020. Howard Jonas founded IDT Corporation in August 1990, and has served as its Chairman of the Board of Directors since its inception. Howard S. Jonas served as Chief Executive Officer of IDT from October 2009 through December 2013 and from December 1991 until July 2001. IDT spun off the Company to its stockholders in September 2009. Howard S. Jonas is also the founder and has been President of Jonas Media Group (formerly Jonas Publishing) since its inception in 1979. From January 2014 until November 2017, Howard S. Jonas served as the Chief Executive Officer of Genie Energy Ltd., a former subsidiary of IDT that was spun off to stockholders in October 2011, and has served as Chairman of the board of directors of Genie Energy since the spin-off. From June 2016 to November 2016, Howard S. Jonas served as the Chairman of the Board of Zedge, Inc., a former subsidiary of IDT that was spun off to stockholders in June 2016. Howard S. Jonas has served as the Vice Chairman of Zedge, Inc. since November 2016. Howard S. Jonas also has served as the Chairman of the Board of Rafael Holdings, Inc., a former subsidiary of IDT that was spun off to stockholders in March 2018, since the spin-off, and also as the Chief Executive Officer until May 2021. Howard S. Jonas has been a director of Rafael Pharmaceuticals, Inc. (f/k/a Cornerstone Pharmaceuticals) since April 2013 and was appointed Chairman of the Board in April 2016. Howard S. Jonas received his B.A. in Economics from Harvard University.

**Andrew DeBaker** has been our Chief Financial Officer since April 2024. Mr. DeBaker previously served as Vice President of Accounting and Finance since May 2023. From November 2020 to April 2023, Mr. DeBaker served as Accounting Manager, Director of Accounting, and Director of Accounting and Finance for the Company. Mr. DeBaker has over 20 years of accounting, finance, and audit experience. Prior to IDW, from August 2014 to May 2019, Mr. DeBaker served as a Business Unit Financial Controller of Pulse Electronics, a global electronics manufacturer and distributor. Prior to 2014, Mr. DeBaker worked for a variety of companies including Caterpillar Global Mining, Young Broadcasting, Integrys Energy Group, and Ernst & Young. Mr. DeBaker earned a B.S. in Accounting from the Stern Business School of New York

University and is a CPA with the State of New York.

### **Board of Directors**

In addition to Davidi Jonas and Howard S. Jonas, the following are members of our Board of Directors:

**Dave Breau** has been a director of the Company since March 2023. Mr. Breau is the Chief Operating Officer of DrizzleX, a water conservation startup. Previously, he was Chief Strategy Officer and General Counsel of MayStreet Inc., a VC-backed fintech startup. Mr. Breau helped lead the company through several funding rounds and negotiate the company's sale to the London Stock Exchange in 2022. Before MayStreet, Mr. Breau was General Counsel of Straight Path Communications Inc. (NYSE MKT: STRP), a publicly traded telecom. Mr. Breau and the executive team led a highly competitive M&A process culminating in the company's sale to Verizon in 2018. Previously, Mr. Breau spent nearly 10 years as an associate in litigation and government investigations at the law firms of Sidley Austin LLP and Sullivan & Cromwell LLP. Mr. Breau received his B.S. in mechanical engineering from Johns Hopkins University, and earned his J.D. from Duke University School of Law.

**Marc E. Knoller** has been a director of the Company since our inception. Mr. Knoller has served as the Chief Executive Officer of CTM Media Group, Inc. since its inception. Mr. Knoller served as the Company's Interim Chief Executive Officer from March 2020 to July 2020, the Company's Chief Executive Officer and President from inception to March 2015, and as Chief Operating Officer from March 2015 through December 2018. Prior to the Spin- Off, Mr. Knoller had served as an Executive Vice President of IDT since December 1998 and served as a director of IDT from March 1996 to August 2007. Mr. Knoller joined IDT as a Vice President in March 1991 and also served as a director of its predecessor. Mr. Knoller has served as Vice President of Jonas Media Group (f/k/a Jonas Publishing) since 1991. Mr. Knoller received his B.B.A. from Baruch College.

**Jonathan Rand** has been a director of the Company since March 2023. Mr. Rand was Chief Financial Officer of MayStreet Inc. from May 2018 through May 2022. Mr. Rand and the executive team led the company through a \$22.9 million A Round with Credit Suisse NEXT as lead, and to be acquired by the London Stock Exchange Group (LSEG) for over \$400 million in cash and earn out in May 2022. Mr. Rand is under contract with LSEG through May 31, 2023 to provide transitional and integration leadership. Mr. Rand served as Chief Financial Officer of Straight Path Communications Inc. (NYSE MKT: STRP) starting in June 2013, and as the Chief Operating Officer of its spectrum subsidiary, Straight Path Spectrum, Inc., since Jan 2015. Mr. Rand and the executive team led the Company through multiple steps resulting in its acquisition by Verizon in Feb 2018 for \$3.1 billion. Mr. Rand, together with the CEO and GC, was instrumental in the M&A process, working with Investment Bankers and M&A counsel. Mr. Rand led a complex integration with Verizon, and was rewarded for extraordinary performance. Mr. Rand joined Straight Path from Organic Motion, an innovative computer vision company where he served as President and Chief Operating Officer. Together with Organic Motion's CEO, Mr. Rand was named Innovator of the Year by Popular Mechanics in 2008. Mr. Rand co-led the process to raise a \$5.8 million B Round from Foundry Group. In 2002, Mr. Rand co-founded Indigo Partners LLC, a management consulting firm that provides go-to-market and financing strategies to software, Internet and telecommunications companies. From 1998 to 2001, Mr. Rand held key

positions at Net2Phone, a spin-off from IDT Corporation, including EVP Sales, Treasurer and CEO of Net2Phone's Y@P division. Mr. Rand was IDT's EVP Sales & Finance and Treasurer from 1992 to 1998. Prior to joining IDT, Mr. Rand founded and later sold Campus Connection, a national magazine which achieved a circulation of 1.2 million. He started his career as a brand assistant at Procter & Gamble. Mr. Rand earned a B.S. in Economics from the Wharton School of the University of Pennsylvania in 1984.

**James R. Woody** has been a director of the Company since March 2023. Mr. Woody was the founding Executive Director and President of the Bishop John T. Walker School for Boys from 2007 to 2020 where he oversaw fund development, capital projects, communications, external relations and strategic alliances. Prior to that, Mr. Woody served in a number of executive roles in the nonprofit sector including President and Chief Executive Officer of Community of Hope, Inc., National Director of Strategic Alliances for Prison Fellowship, the nation's largest nonprofit serving prisoners and their families, Executive Director of the Bowery Mission's children and youth programs, and Executive Director of Communities in Schools of the Nation's Capital. From 1982 to 1993, Mr. Woody served in a variety of marketing and strategic planning roles with Bell Atlantic, including managing the company's marketing initiatives to the banking and insurance industries. Mr. Woody received his Master of Arts in Counseling from Regent University. He is a graduate of Leadership Greater Washington and a former fellow of the Aspen Ideas Festival. Mr. Woody currently serves on the governing board of the Washington National Cathedral.

## VI. FINANCIAL INFORMATION

Please review the Company's financial statements and Management's Discussion and Analysis of Financial Condition and Results to Operations contained in our most recent annual report posted to the OTC Disclosure & News Service.

## VII. RISK FACTORS

*An investment in the Securities offered hereby is speculative in nature, involves a high degree of risk, and should not be made by an investor who cannot bear the economic risk of its investment for an indefinite period of time and who cannot afford the loss of its entire investment. Each prospective investor should carefully consider the following risk factors associated with the Offering, as well as other information contained elsewhere in this Plan before making an investment.*

### Risks Associated With Our Business

***We have a history of continued operating losses at IDWE and IDWP and cannot be certain of our future profitability.***

We had accumulated a net deficit through January 31, 2024, of approximately \$86.6 million. Prior to the CTM Sale, which closed on February 15, 2021, and until the start of the COVID-19 pandemic in March 2020, we often used cash flows from CTM to partially provide funding for corporate overhead and for our IDWP and IDWE operations. In fiscal 2023, on a consolidated basis, the Company had negative cash flows of \$6.4 million. In fiscal 2022, on a consolidated basis, the Company had negative cash flows of \$7.5 million.

We may incur losses in the foreseeable future as we invest in our IDWE and IDWP businesses and operations. IDWE's revenues depend on the delivery of properties and provision of services, which can vary significantly from period to period and be unpredictable. While in certain prior periods, our Chairman of the Board from time to time provided us with financing on favorable terms and conditions, there is no guarantee that we will be able to secure financing from our Chairman of the Board or other sources in the future, or, if available, the terms on which such financing may be provided. The time required for us to become profitable is uncertain, and there can be no assurance that we will obtain the financing required or achieve profitability on a sustained basis, if at all. We expect that our results of operations may also fluctuate significantly in the future as a result of a variety of factors, including, without limitation: the impact of the COVID-19 pandemic, the ability to sell comic books, graphic novels, television and other media related sales to minimize the lag from negotiations to then sell in various theater forms as noted above with a quick enough turn around rate to establish profitability; our ability to attract, retain and motivate qualified personnel; specific economic conditions in the entertainment and publishing markets; and general economic conditions.

***We will likely need additional capital to sustain our operations and will likely need to seek further financing to accelerate our growth, which we may not be able to obtain on acceptable terms or at all. If we are unable to raise additional capital, as needed, the future growth of our business and operations would be severely limited.***

A factor limiting our growth, including our ability to enter our proposed markets, attract customers, and develop and deliver our products, is our limited capitalization overall and as compared to other companies in the industry. To sustain our operations, we will rely heavily on the stability and predictability from the publishing business. As these contracts can span out years into the future it allows us to have predictable cash flows and operating stability.

We may also seek additional financing to accelerate our growth. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of the Company held by existing shareholders will be reduced and our shareholders may experience significant dilution. In addition, new securities may contain rights, preferences or privileges that are senior to those of our Class B common stock. If we raise additional capital by incurring debt, this will result in increased interest expense. There can be no assurance that acceptable financing necessary to further implement our plan of operation can be obtained on suitable terms, if at all. Our ability to develop our business could suffer if we are unable to raise additional funds on acceptable terms, which would have the effect of limiting our ability to increase our revenues, develop our products, attain profitable operations, which could result in a significant or complete loss of your investment.

***Any loss of key personnel and the inability to attract and retain qualified employees could have a material adverse impact on our operations.***

We are dependent on the continued services of key executives. The departure of key personnel without adequate replacement could severely disrupt our business operations. Additionally, we need qualified managers and skilled employees with industry experience to operate its businesses successfully. From time to time there may be shortages of skilled labor which may make it more difficult and expensive for us to attract and retain qualified employees. If we are unable to attract and retain qualified individuals or our costs to do so increase significantly, our

operations would be materially adversely affected.

## **Risks Related to IDW Entertainment**

***The ongoing aftermath of the dual 2023 labor strikes in the entertainment industry could have a material adverse impact on our operations.***

Nearly all film & television production halted for the majority of 2023 due to the Writers Guild of America and Screen Actors Guild labor strikes. Both strikes were some of the longest in the history of the media industry.

Given the wide-ranging impacts of the work stoppages, many US media companies have cut budgets on scripted content. If media companies continue to cut budgets and reduce costs further as a response to the work stoppages, IDWE's ability to sell additional series and secure greenlights may be impacted.

***IDWE does not control the decisions to produce shows and relies on outside streamers/studios for greenlighting, and if an insufficient number of our properties are put into production, our profitability will be significantly impacted.***

Since IDWE does not finance production for film or television, it ultimately rests on the buyers (specifically streamers and studios) of the projects we are developing and seeking to produce to both greenlight and finance productions. Our revenues and profitability are thus dependent on those parties' decisions.

***Reduction in budgets for content could impact our ability to sell television shows which could materially impact revenue and operating results at IDWE.***

Increased competition coupled with slower growth and huge losses indicated presage that there may be a reduction in the streaming business' addressable market. In an attempt to reduce costs, many streamers reduced the number of employees, and vowed to reduce their content spend. Reduction in budgets for content could impact our ability to sell TV shows which could materially impact revenue and operating results at IDWE.

***The end of a peak period of investment could materially impact revenue and operating results at IDWE.***

The entertainment industry is experiencing reductions in both the number of scripted shows being ordered and the amount spent on content. An emerging decline in advertising spending is an additional obstacle that may adversely impact our ability to sell our IPs to companies that produce television content, which could materially impact revenue and operating results at IDWE.

***Viewership and revenue declines in historically profitable television programming companies limits their ability to purchase our IP.***

The advancing decline in both cable television and linear broadcast television business models and revenue generation limits their ability to purchase our IP, which could materially impact revenue and operating results at IDWE.



***Increased costs for programming and other rights, as well as judgments we make on the potential performance of our content, may adversely affect our profits and balance sheet***

Due to increased costs for programming and other rights, IDWE shifted its investment strategy in content during the 2021-2023 calendar years – evolving its strategy to not fully fund or finance the productions of television shows or feature films. While the business model of fully funding these productions can present significant upside, it is also a major risk. That being said, as a result of being more cost conscious, IDWE’s capital it spends on developing properties for media opportunities could ultimately be exhausted in any given year due to rising costs of talent and rights. As a result, IDWE might find itself in a position where it is unable to fund additional development or secure the talent required to take a project forward, and adversely affect its ability to build a significant slate of opportunities for sales to buyers.

***The competitive pressures IDWE faces in its business could adversely affect its financial performance and growth prospects.***

IDW Entertainment is subject to significant competition, including from other studios/producers/distributors many of which are substantially larger than IDW Entertainment and have much greater resources than it. Competitors include (i) smaller independent studios such as Entertainment One, Blumhouse, iTV, Annapurna and Miramax, (ii) major independent studios such as Sony TV and Warner Bros TV, (iii) vertically integrated studios such as Twentieth Television, Universal TV, CBS TV Studios and ABC Studios who develop, distribute and produce original television programming, and (iv) other entertainment divisions of comic book or graphic novel publishers such as Dark Horse, Oni Press, Image and BOOM who develop and produce television and film based on their publishing company’s slate of IP. To the extent IDW Entertainment cannot meet the challenges from existing or new competitors or develop new product offerings to meet customer preferences or needs, its revenues and profitability could be adversely affected.

**Risks Related to IDW Publishing**

***IDWP depends on one main distributor for its direct market and non-direct market publications and such dependence subjects IDWP to the risk that such distributor may be unable to perform its obligations to IDWP.***

Historically, IDWP depended on Diamond and PRH, to distribute the vast majority of its publications. With the June 2022 change to PRH as IDWP’s direct market distributor, Diamond is now the company’s largest customer in that sales channel, as they have now become a wholesale client of PRH for IDWP products.

PRH has distributed substantially all of IDWP’s products to non-direct market accounts (i.e., bookstores, libraries, mass market) and, commencing in June 2022 began distributing to all of IDWP’s direct market accounts. Should PRH fail to perform its distribution obligations under the applicable distribution agreement or to experience financial difficulties that would hinder performance, distribution to the direct or non-direct market, respectively, would be significantly impaired in the short term, and IDWP’s ability to distribute and receive proceeds from its publications would be impaired which would have a material adverse impact on our business, prospects and financial condition.

***IDWP may not be able to respond to changing consumer preferences and its sales may decline.***

IDWP operates in highly competitive markets that are subject to rapid change, including changes in customer preferences. There are substantial uncertainties associated with IDWP's efforts to develop successful publications and products for its customers. New fads, trends, and shifts in popular culture could affect the type of creative media consumers will purchase. Content in which IDW has invested significant resources may fail to respond to consumer demand at the time it is published. IDW regularly makes significant investments in new products that may not be profitable, or whose profitability may be significantly lower than IDW has experienced historically. A loss in sales due to the foregoing could have a material adverse effect on IDW's business, prospects and financial condition.

***Significant returns of IDWP publications sold to mass market bookstores may have a material impact on IDWP's cash flow.***

Through its distribution arrangement with PRH, IDWP sells its publications to mass market books stores, such as Barnes & Noble, in which PRH allows to be on a fully returnable basis. As a result, these stores can return publications to PRH for credit, which in turn is charged back to IDWP. There is no time limit on the stores' right to return publications distributed to them. In addition to IDWP being charged back the wholesale cost of the publications, IDWP also incurs a return processing fee by PRH. Such returns and fees are credited against IDWP's current sales revenue from PRH reducing IDWP's current cash flow. Product returns are a normal part of book publishing and IDWP estimates and records a reserve for such returns based on its return history and current trends that are expected to continue. A significant over-estimation of demand for a publication by the mass market bookstores, however, could result in a large volume of returns significantly reducing IDWP's cash flows and operating capital. Further, a general downturn in the economy may also result in significant returns as bookstores reduce their outstanding debts to improve their own cash flow. Any or all of these events that result in significant returns in excess of IDWP's estimates could have a material adverse effect on IDWP's revenue, cash flow and operating results.

***IDWP's publications may be less successful than anticipated.***

IDWP cannot predict the commercial success of any of its publications because the revenue derived from the distribution of a publication depends primarily upon its acceptance by the public, which cannot be accurately predicted. The commercial success of a publication also depends upon the public's acceptance of competing publications, critical reviews, the availability of alternative forms of entertainment and leisure time activities, piracy and unauthorized distribution of publications, general economic conditions, and other tangible and intangible factors, none of which can be predicted with certainty. Additionally, if the movies or television programs that IDWP licenses are not successful, or if the characters that IDWP licenses lose some of their popularity, IDWP's ability to sell publications based on such characters would decline, which could have a material adverse effect on IDWP's business, prospects and financial condition.

***If IDWP fails to maintain positive relationships with its key licensors, authors, illustrators and other creative talent, as well as to develop relationships with new licensors and creative talent, its business could be adversely affected.***

IDWP's business is highly dependent on maintaining strong relationships with the

entertainment companies that license their entertainment properties to IDWP, and with authors, illustrators and other creative talent who produce the products that are sold to IDWP's customers. For example, on December 22, 2023 the Company announced the renewal of its limited and non-exclusive licensing agreement with Paramount Consumer Products ("Paramount") for Teenage Mutant Ninja Turtles and other Paramount properties. The licensed properties include several TMNT television series and other Paramount properties. Any weakening of these relationships, or the failure to develop successful new relationships, could have an adverse impact on IDWP's business and financial performance.

IDWP depends on freelance creators who choose how to spend their time and utilize their talents. It is important for IDWP to maintain strong relationships with those freelance creators, so they devote their time and talent to IDWP's projects. IDWP's inability to maintain and secure these relationships could have a material adverse effect on IDWP's business, prospects and financial condition.

***A decrease in the level of media exposure or popularity of IDW's licensed characters could adversely affect its financial results.***

If the movies or television programs that IDW licenses are not successful, or if the characters that IDW licenses lose some of their popularity, IDW's ability to sell publications based on such characters will decline.

***IDWP cannot control certain publication delays and cancellations which could adversely affect IDWP's sales and its ability to meet delivery obligations.***

IDWP does not control the decision to proceed with the production of publications based on characters that it licenses from others, and it does not control the timing of the releases of those publications, which are subject to long and inflexible schedules. Disruptions, delays or cancellations to those schedules (especially those connected to COVID-19-related supply and logistics issues) could cause IDWP to incur additional costs, miss an anticipated publication date, endure long periods without publishing a publication or all of the above, and could hurt IDWP's associated licensing programs and business.

***IDWP cannot control the increased industry costs in shipping, printing and paper which in turn impact profitability.***

Since 2020, the cost of shipping internationally has increased more than 50% above the long-term trend, established since the last recession in 2004. Prices stabilized in 2023, but at a higher rate than previously seen in the industry. Also, with increased maritime incidents occurring in the Red Sea, shipping companies have had to divert shipments away from the Suez Canal, causing increased costs and delivery timeframes. Additionally, once on US soil the goods are subject to increased rail or trucking costs, roughly 25% over 2020. Increased capacity allows transporters to have leverage to continue to increase prices when negotiating contracts, affecting not only trucks and rail, but also seeping into warehouse costs as the supply-chain bottlenecks continue to squeeze capacity.

Additionally, rising labor costs are contributing to the increased costs in transportation, printing, and paper, across the industry, as well as an influx of publishers moving their printing to domestic printers, due to the global shipping costs & delays, causing domestic prices to rise due to

capacity concerns on press. With a push from the big 5 US Publishers, domestic printers are investing heavily in staff and equipment to increase capacity, but it is not expected to reach the same capacity highs seen in the early 2000's. This increase in capacity should, however, begin to create more competition in the domestic printing market, leading to lower prices in both the domestic and overseas markets overall. The cost of paper has been steadily rising for the last several years due to consolidation of plants and changing operations to accommodate the consumer shipping industry. However, the paper market stabilized in 2023 and price increases slowed throughout 2023 compared with the quarterly paper increases seen throughout 2021 and 2022. Foreign paper markets are less affected by the paper market increases as China is the largest producer of paper in the world. Any increase in such costs will impact the Company's profitability.

***IDWP depends on the internal controls of its distributors for its financial reporting and revenues.***

Because of PRH's role as distributors of IDWP's publications and the fact that much of IDWP's inventory is held at its distributors' facilities, IDWP depends on the distributors to implement internal controls over financial reporting and to provide IDW with information related to those internal controls. PRH's internal controls might not be sufficient to allow IDWP to meet its internal control obligations or to allow IDWP's management to properly assess those controls. The distributors may fail to cure any internal control deficiencies related to the publications that it distributes. IDWP may be unable to effectively create compensating controls to detect and prevent errors or irregularities in the distributors' accounting to IDWP and others. Errors in properly tracking publication sales could also negatively impact IDWP's revenues.

***IDWP might lose potential sales because of piracy of publications.***

With technological advances, the piracy of publications has increased. Unauthorized and pirated copies of IDWP's publications will reduce the revenue generated by those publications. If consumers can obtain illegal copies of IDWP's publications and media, IDWP's revenues will decline. IDWP may not be able to identify or enforce violations of its intellectual property rights and even if legal remedies are available, they could be costly and drain its financial resources. Accordingly, illegal copying of IDWP's content could negatively affect its revenues and earnings.

***IDWP's dependence on printers outside the United States subjects it to the risks of international business.***

IDWP's publications are printed primarily outside the US – Korea, China and Canada specifically. International manufacturing is subject to a number of risks, including extreme fluctuations and volatility in currency exchange rates, transportation delays and interruptions, political and economic disruptions, the impositions of tariffs, import and export controls and changes in governmental policies. The impact of changes in currency rates has been especially heightened by current global economic conditions and significant devaluations of local currencies in comparison to the U.S. Dollar. Although to date, currency fluctuations have not adversely affected IDWP's costs, such fluctuations could adversely affect IDWP in the future. Further, added tariffs may be imposed on our printing activities outside the United States as suggested by certain politicians. Possible increases in costs and delays of, or interferences with, product deliveries could result in losses of revenues, reduced profitability and reductions in the goodwill of IDWP's customers. Additional factors that may adversely affect IDWP's printing activities outside of the United States include international political situations, uncertain legal systems and applications of

law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability that may be exacerbated in foreign countries.

***The competitive pressures IDWP faces in its business could adversely affect its financial performance and growth prospects.***

IDWP is subject to significant competition, including from other publishers, many of which are substantially larger than IDW and have much greater resources than it, such as Marvel Comics and DC Comics. To the extent IDW cannot meet the challenges from existing or new competitors or develop new product offerings to meet customer preferences or needs, its revenues and profitability could be adversely affected.

## **Risks Related to Our Intellectual Property**

***The success of our businesses is highly dependent on the existence and maintenance of intellectual property rights in the publishing and entertainment products and services we create.***

The value to us of our intellectual property rights is dependent on the scope and duration of our rights as defined by applicable laws in the United States and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of our rights, or if existing laws are changed, our ability to generate revenue from our intellectual property may decrease, or the cost of obtaining and maintaining rights may increase.

The unauthorized use of our intellectual property may increase the cost of protecting our rights in our intellectual property or reduce our revenues. The unauthorized distribution and access to content generally continues to be a significant challenge for intellectual property rights holders. Inadequate laws or weak enforcement mechanisms to protect entertainment industry intellectual property in one country can adversely affect the results of the Company's operations worldwide, despite the Company's efforts to protect its intellectual property rights. COVID-19 may increase incentives and opportunities to access content in unauthorized ways, as negative economic conditions coupled with a shift in government priorities could lead to less enforcement. These developments may require us to devote substantial resources to protecting our intellectual property against unlicensed use and present the risk of increased losses of revenue as a result of unlicensed distribution of our content.

With respect to intellectual property developed by us and rights acquired by us from others, we are subject to the risk of challenges to our copyright, trademark, and patent rights by third parties. Successful challenges to our rights in intellectual property may result in increased costs for obtaining rights or the loss of the opportunity to earn revenue from the intellectual property that is the subject of such challenges.

***Our intellectual property rights may not be protected, which could adversely affect our consolidated financial position and results of operations.***

A substantial portion of our publications are protected by copyright, held either in our name, in the name of the author of the work, or in the name of a sponsoring professional society. Such copyrights protect our exclusive right to publish the work in many countries abroad for specified periods. Our ability to continue to achieve our expected results depends, in part, upon our ability to protect our intellectual property rights. Our consolidated financial position and results of

operations may be adversely affected by lack of legal and/or technological protections for our intellectual property in some jurisdictions and markets.

***Failure to adequately protect and enforce our intellectual property rights could substantially harm our business and operating results.***

The success of our business depends in part on our ability to protect and enforce our trademarks, copyrights, trade secrets, and other intellectual property rights. We attempt to protect our intellectual property under trademark, copyright and trade secret laws, and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection.

From time to time, legal action by us may be necessary to enforce our trademarks and other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the intellectual property rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources, distract management and technical personnel and negatively affect our business, operating results and financial condition. If we are unable to protect our intellectual property rights, we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time and effort required to create the innovative products that have enabled us to be successful to date. Any inability on our part to adequately protect our intellectual property may have a material adverse effect on our business, operating results, and financial condition.

## **Risk Factors Generally Relating to Us and Our Common Stock**

***There is a limited trading market for shares of our Class B Common Stock and stockholders may find it difficult to sell our shares.***

Our Class B Common Stock is quoted on the OTCQB Market. As a result, an investor may find it difficult to sell, or to obtain accurate quotations as to the price of, shares of our Class B Common Stock. In addition, our common stock may be subject to the penny stock rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors. The SEC regulations generally define a penny stock to be an equity that has a market price of less than \$5.00 per share, subject to certain exceptions. Unless an exception is available, those regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated therewith and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally institutions and high net worth individuals). In addition, the broker-dealer must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. Moreover, broker-dealers who recommend such securities to persons other than established customers and accredited investors must make a special written suitability determination for the purchaser and receive the purchaser's written agreement to transactions prior to sale. Regulations on penny stocks could limit the ability of broker-dealers to sell our common stock and thus the ability of purchasers of our common stock to sell their shares in the secondary market.

***Investors may suffer dilution.***

We may engage in equity financing to fund our future operations and growth. If we raise additional funds by issuing equity securities, stockholders may experience significant dilution of their ownership interest (both with respect to the percentage of total securities held, and with respect to the book value of their securities) and such securities may have rights senior to those of the holders of our common stock.

***General economic conditions may negatively impact our operations.***

Economic downturns may negatively affect our operations. These conditions may be widespread or isolated to one or more geographic regions in which we operate. Higher wages, related labor costs, printing costs, leasing costs, energy, insurance and fuel costs and the increasing cost trends in those markets may decrease our margins. Moreover, economic downturns present an additional challenge to IDW because a significant portion of IDW's revenues are from sales through retail stores, which are more likely to close during economic downturns. In addition, decreases in travel and entertainment spending during economic downturns could impact our businesses, and thereby negatively impact our operations.

***Failures in information technology could have an adverse effect on the Company's operations.***

We rely on both internal systems and third parties to provide information technology for many aspects of our business operations. Failures in information technology that could impact the Company's operations include cybersecurity, business continuity and related operational risks, as well as other security failures or breaches of our internal systems or those of our customers, partners, service providers or other third parties.

***We could find it difficult to raise additional capital in the future.***

We may need to raise additional capital in order for stockholders to realize increased value on our securities. Given the current global economy, there can be no assurance that we would be able to obtain funding on commercially reasonable terms in a timely fashion. Failure to obtain additional funding, if necessary, could have a material adverse effect on our business, prospects and financial condition.

***Holders of our Class B Common Stock have significantly less voting power than holders of our Class C Common Stock.***

Holders of our Class B Common Stock are entitled to one-tenth of a vote per share on all matters on which our stockholders are entitled to vote, while holders of our Class C Common Stock are entitled to three votes per share. As a result, the ability of holders of our Class B Common Stock to influence our management is limited.

***Our multi-class structure may render our shares ineligible for inclusion in certain stock market indices, and thus adversely affect the share price of our Class B common stock and its liquidity.***

We have issued and outstanding shares of Class B common stock and shares of Class C common stock. Our multi-class structure may render our shares ineligible for inclusion in certain stock market indices, which may adversely affect the share price of our Class B common stock and its liquidity.

***We are controlled by our principal stockholder, which limits the ability of our other stockholders to affect the management of the Company.***

Davidi Jonas, our Chief Executive Officer and Vice Chairman of our Board of Directors has voting power over 4,271,269 shares of our common stock (which includes 3,725,909 shares of our Class B Common Stock and 545,360 shares of our Class C Common Stock which are convertible into shares of our Class B Common Stock on a 1-for-1 basis), representing approximately 65.9% of the combined voting power of our outstanding capital stock, as of May 1, 2024. Mr. Jonas is able to control matters requiring approval by our stockholders, including the approval of significant corporate matters, such as any merger, consolidation or sale of all or substantially all of our assets. As a result, the ability of any of our other stockholders to influence the management of our Company is limited.

***The requirements of being a reporting public company may strain our resources, divert management's attention and affect our ability to attract and retain additional executive management and qualified board members.***

As a reporting public company, we will be subject to the reporting requirements of the OTC Markets Group, and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, making some activities more difficult, time-consuming or costly. This will put increased demand on our systems and resources. The OTCQB requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations.

Changing laws, regulations and standards relating to corporate governance and public disclosure create uncertainty for public companies, which increases legal and financial compliance costs and time expenditures for internal personnel. These laws, regulations and standards are subject to interpretation, which in many cases due to their lack of specificity, their application in practice may evolve over time as regulators and governing bodies provide new guidance. These changes may result in continued uncertainty regarding compliance matters and may necessitate higher costs due to ongoing revisions to filings, disclosures and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate regulatory or legal proceedings against us, and our business may be adversely affected.

As a public company under these rules and regulations, we expect that it may make it more expensive for us to hire external auditors to perform requisite outside audited financial statements, as well as obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee and could also make it more difficult to attract qualified executive officers.

As a result of disclosure of information in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or



actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and results of operations.

## **Risks Related to this Offering**

***If we raise additional funds through the issuance of equity securities, or determine in the future to register capital stock, existing stockholders' percentage ownership will be reduced, they will experience dilution which could substantially diminish the value of their stock and such issuance may convey rights, preferences or privileges senior to existing stockholders' rights which could substantially diminish their rights and the value of their stock.***

The Offering consists of shares of our Class B Common Stock and we may issue additional shares of our capital stock for various reasons and may grant additional stock options and/or restricted stock to employees, officers, directors and third parties. We may also decide to sell shares of Class B Common Stock directly to the public in a registered offering or in a connection with a merger, acquisition, or other business combination. Accordingly, your percentage interest in us may become diluted.

Further, in order for us to obtain additional capital or complete a business combination, we may find it necessary to issue securities, including but not limited to notes, debentures, options, warrants or shares of preferred stock, conveying rights senior to those of the holders of our Class B Common Stock. Those rights may include voting rights, liquidation preferences and conversion rights and registration rights. To the extent senior rights are conveyed, the value of our Common Class B Stock may decline.

***Counsel to the Company does not represent Investors.***

Schwell Wimpfheimer and Associates LLP (“**Counsel**”) serve as legal counsel to the Company and not to any Investor. Although Counsel assisted in the preparation of this Memorandum and may from time to time advise management of the Company, Counsel has not independently verified any factual assertions made in this Memorandum. No person should invest in the Company as a result of participation in the preparation of this Memorandum by Counsel or its representation. Counsel urges each prospective investor to consult with his, her or its own legal, accounting, business, investment, pension and tax advisors to determine the appropriateness and consequences of an investment in the Company and arrive at an independent evaluation of the merits of such investment. Prospective Investors are not to construe the contents of this Memorandum as legal, accounting, business, investment, pension or tax advice.

***Investors in this Offering are required to hold and not sell their purchased shares for no less than one year.***

Investors in this Offering are required to hold and not sell their purchased shares for no less than one year, which exposes their investment to significant or total risk of loss without the ability to sell.

## **VIII. ADDITIONAL INFORMATION**

This Memorandum is intended to present a general outline of the policies and structure of the Company. Prior to the consummation of the offering, the Company will provide to each prospective investor and such investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information that the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed to our Chief Executive Officer, Howard Jonas. No other persons have been authorized to give information or to make any representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorized by the Company.

### ***Legal Matters***

Certain legal matters in connection with the sale of the Securities will be passed upon by Schwell Wimpfheimer & Associates LLP. Certain members of the firm own shares of our capital stock. Counsel does not represent the purchasers of the Securities, and prospective purchasers of such Securities should consult their own legal and tax advisors in connection with such purchases.

## **APPENDIX I**

**THE SHARES TO BE ISSUED PURSUANT TO THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AUTHORITIES OF ANY JURISDICTION, FOR SALE OR RESALE. THE SHARES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE UNITED STATES OF AMERICA UNTIL SO REGISTERED OR PURSUANT TO AN EXEMPTION FROM REGISTRATION REQUIREMENTS.**

**Subscription Agreement (the “Agreement”), entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between IDW MEDIA HOLDINGS, Inc., a Delaware corporation (the “Company”), and**

\_\_\_\_\_**(“Subscriber”).**

*[INSERT NAME]*

### **1. SUBSCRIPTION.**

The Subscriber hereby irrevocably subscribes for and agrees to purchase on the Closing Date (the “Subscription”) \_\_\_\_\_ shares (the “Shares”) of

*[INSERT NUMBER OF SHARES]*

Class B Common Stock, par value \$0.01 per share (the “Class B Common Stock”) of the Company at [ ] DOLLARS (\$0.32) per share, for a total purchase price

of US\$ \_\_\_\_\_ (the “Investment Amount”).

*[INSERT THE INVESTMENT AMOUNT]*

**[ ] The Subscriber shall check this box if Subscriber is purchasing at least seventy-five percent of Subscriber’s Allotment in the Initial Round of the Offering, and elects to participate in the Follow-On Round of the Offering. If subscribers elect to purchase more shares in the aggregate in the Follow-On Round than are available, shares will be allocated on a pro rata basis (based on the number of shares Subscriber purchased in the Offering).**

**If checked, Subscriber hereby irrevocably subscribes for and agrees to purchase in the Follow-On Round \_\_\_\_\_ Shares (a maximum of up to five times the**

*[INSERT NUMBER OF SHARES]*

**Subscriber’s purchase set forth herein).**

**If checked, all the representations set forth herein and other provisions will apply to purchases of the unsubscribed shares as well.**

**If checked, Subscriber acknowledges that if Subscriber fails to timely make the Deferred Payment, the Subscriber shall forfeit all shares Subscriber purchased in the Offering.**

To subscribe, the Subscriber shall mail to the Company’s corporate headquarters at IDW Media Holdings, Inc., 520 Broad Street, Newark, NJ 07102, Attn: Chief Executive Officer, the following:

- (i) this Agreement completed and executed by the Subscriber;
- (ii) the Accredited Investor Representation Letter attached hereto as Exhibit A completed and executed by the Subscriber along with all the necessary documentation as set forth therein;

- (iii) evidence of the Subscriber's and/or Subscriber's Affiliate's current ownership of the Company's Class B Common Stock (collectively, the "Subscription Documents") by providing documentation of such ownership in physical and/or book-entry form; and

the Investment Amount as set forth in Section 2 below. The Subscription Documents must be received by the Company at the address set forth in this Section 1 on or before June 5, 2024.

Within five (5) business days of June 5, 2024, the Company shall confirm with the Subscriber the amount of Shares purchased and the Investment Amount paid.

Prior to Closing, the Company may terminate the Offering at any time and for any reason and return the Investment Amount to the Subscriber.

In the event there are unsubscribed shares in the Offering and Subscriber elected (by checking the box above) to purchase at least seventy-five percent of Subscriber's Allotment in the Initial Round of the Offering, and elected to participate in the Follow-On Round of the Offering, then if subscribers elect to purchase more shares in the aggregate in the Follow-On Round than are available, shares will be allocated on a pro rata basis (based on the number of shares Subscriber purchased in the Offering). The Company will promptly following the Closing of the Initial Round notify Subscriber the amount of shares the Subscriber may purchase, which will be based on the total number of unsubscribed shares and the number of shares each electing holder purchased at the Closing of the Initial Round, and Subscriber must provide payment to the Company of the purchase price for the Subscriber's pro rata portion of the underpurchased shares within 3 business days of such notice.

For purposes of this Agreement, the term "Affiliate" shall be defined as a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Subscriber, or any immediate family member of the Subscriber.

## **2. CLOSING.**

The closing of the sale and purchase of the Shares hereunder in the Initial Round (the "Closing") shall be held on or about **June 12, 2024** (the "Closing Date"). The Subscriber shall deliver the Investment Amount simultaneous with the execution of this Agreement by:

- (i) check made payable to IDW Media Holdings, Inc. and mailed to IDW Media Holdings, Inc., 520 Broad Street, Newark, NJ 07102, Attn: Chief Executive Officer; or
- (ii) wire transfer to the Company's bank account communicated by the Company in immediately available funds.

Following the Closing and upon payment in full of the Investment Amount by the Subscriber to the Company, the Company shall issue the Shares to the Subscriber and shall cause the Company's transfer agent to reflect such additional shares electronically in book-entry form.

In the event there are unsubscribed shares at the Closing and you checked the box above, the Company will, promptly following the Closing, notify you of the amount of shares you may purchase, which will be based on the total number of unsubscribed shares and the number of shares each electing Investor purchased at the Closing, and you must provide payment (as set forth in this Section 2 with respect to the Closing) to the Company of the purchase price for your pro rata portion of the unsubscribed shares within three business days of such notice (the "Follow-On Round Closing"). The Follow-On Round Closing shall be held on or about June 26, 2024.

## **3. REPRESENTATIONS AND WARRANTIES**

*Subscriber's Representations and Warranties.* Subscriber hereby acknowledges, represents and warrants to, and agrees with, the Company, as of the date hereof, as follows:

- 3.1.1 Subscriber has been represented by such legal and tax counsel and other professionals, each of whom has been personally selected by Subscriber, as Subscriber has found necessary to

consult concerning the purchase of the Shares. Subscriber has sufficient knowledge and experience in business and financial matters to evaluate the risks of an investment in the Company and to make an informed investment decision with respect thereto.

- 3.1.2 Subscriber understands that the sale of Shares hereunder has not been, and it is not anticipated that the same will be, registered under any securities laws, but is being made in reliance upon applicable exemptions from registration.
- 3.1.3 Subscriber is an accredited Subscriber (as defined in Rule 501 of Regulation D promulgated under the U.S. Securities Act of 1933, as amended) as evidenced by the completed Accredited Investor Representation Letter and accompanied documentation.
- 3.1.4 Subscriber is making the investment hereunder solely for Subscriber's own account and not for the account of others and for investment purposes only.
- 3.1.5 Subscriber has full right, power, and authority to execute and deliver this Subscription Agreement and to perform Subscriber's obligations hereunder. This Subscription Agreement has been duly authorized, executed and delivered by or on behalf of Subscriber and is a valid, binding and enforceable obligation of Subscriber, enforceable against Subscriber in accordance with its terms subject to bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect and affecting creditors' rights generally and to general equity principles.
- 3.1.6 The number of shares set forth in Section 1 above represents 5% or less of the total ownership of shares of Class B Common Stock by the Subscriber and Subscriber's Affiliates.
- 3.1.7 Subscriber obtained the right to subscribe for the Shares from an eligible investor in a transaction exempt from the registration requirements of the Securities Act.

### 3.2 *Company Representations and Warranties.*

The Company represents and warrants as follows:

- 3.2.1 Authority. The Company has the full power and authority to execute this Subscription Agreement and to consummate the transactions contemplated hereby. No consent of any third party is required in order for the Company to issue the Shares.
- 3.2.2 Organization. The Company is a corporation duly incorporated and validly existing under the laws of the State of Delaware.
- 3.2.3 Validity; Binding Nature. This Subscription Agreement has been duly and validly authorized by the board of directors of the Company and executed by an authorized officer of the Company and constitutes a valid and binding obligation of the Company.
- 3.2.4 Shares. The Shares, when issued in accordance with the terms hereof, shall be fully-paid, validly issued Shares of the Company and shall be unencumbered and free and clear of any third party rights.

## 4. **COVENANT OF SELLER**

The subscriber shall not transfer the shares for a period of twelve (12) months following the Closing.

## 5. **MISCELLANEOUS**

- 5.1 *Entire Agreement.* This instrument contains the entire agreement of the parties, and there are no representations, covenants or other agreements except as stated or referred to herein.

- 5.2 *Applicable Law.* This Subscription Agreement shall in all respects be construed, governed, applied and enforced with the laws of the State of New York without giving effect to the principles of conflicts of laws. Investor hereby consents to and irrevocably submits to personal jurisdiction by the applicable State or Federal Courts sitting in New York County, New York in any action or proceeding, irrevocably waives trial by jury and personal service of any and all process and other documents and specifically consents that in any such action or proceeding, any service of process may, without limitation, be effectuated by certified mail, return receipt requested.
- 5.3 *Survival of Representations and Warranties.* All representations and warranties contained herein shall survive the execution and delivery of this Subscription Agreement, any investigation at any time made by or on behalf of the Company, and the issue and sale of Shares to Subscriber.
- 5.4 *Counterparts.* This Subscription Agreement may be executed through the use of separate signature pages or in any number of counterparts, and each of such counterparts shall, for all purposes, constitute one agreement binding on all the parties, notwithstanding that all parties are not signatories to the same counterpart.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties have executed this Subscription Agreement on the date set forth in the heading hereof.

**SUBSCRIBER:**

**PRINT NAME:** \_\_\_\_\_

Signature:\_\_\_\_\_

**IDW MEDIA HOLDINGS, INC.**

By: Name:  
Title:

**EXHIBIT A**



**IDW MEDIA HOLDINGS, INC.**

**To: Prospective purchasers of shares of Class B Common Stock (the “Shares”) offered by IDW MEDIA HOLDINGS, INC. (the “Company”) pursuant to the Offering Memorandum, dated May 15, 2024**

**Re: Requirement to Submit an Accredited Investor Representation Letter**

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The Shares are being sold only to “accredited investors” (“**Accredited Investors**”) as defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (the “**Securities Act**”). The purpose of the attached Accredited Investor Representation Letter (the “**Letter**”) is to collect information from you to determine whether you are an Accredited Investor and otherwise meet the suitability criteria established by the Company for investing in the Shares.

As part of verifying your status as an Accredited Investor, you may be asked to submit supporting documentation as described in the Letter. It is possible that you were not required to submit this type of information in past offerings in which you have participated. However, the nature of this offering, together with changes made to Regulation D in September 2013, impose additional obligations on the Company to verify that each investor is in fact an Accredited Investor. Accordingly, you must fully complete and sign the Letter, and deliver all required supporting documentation, before the Company will consider your proposed investment.

**By submitting the Letter, you agree to provide all required supporting documentation within five days after the date that you submit the Letter.**

All of your statements in the Letter and all required supporting documentation delivered by you or on your behalf in connection with the Letter (collectively, the “**Investor Information**”) will be treated confidentially. However, you understand and agree that the Company may present the Investor Information to such parties as it deems appropriate to establish that the issuance and sale of the Shares (a) is exempt from the registration requirements of the Securities Act or (b) meets the requirements of applicable state securities laws.

You understand that the Company will rely on your representations and other statements and documents included in the Investor Information in determining your status as an Accredited Investor, your suitability for purchasing the Shares and whether to accept your subscription for the Shares.

The Company reserves the right, in its sole discretion, to verify your status as an Accredited Investor using any other methods that it may deem acceptable from time to time. However, you should not expect that the Company will accept any other such method. The Company may refuse to accept your request for investment for any reason or for no reason.

## ACCREDITED INVESTOR REPRESENTATION LETTER

IDW MEDIA HOLDINGS, INC.  
520 Broad Street  
Newark, NJ 07102  
Attn: Davidi Jonas  
Chief Executive Officer

Dear Davidi:

I am submitting this Accredited Investor Representation Letter (the “**Letter**”) in connection with the offering of shares of Class B Common Stock (the “**Shares**”) of IDW Media Holdings, Inc. (the “**Company**”) I understand that the Securities are being sold only to accredited investors (“**Accredited Investors**”) as defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (the “**Securities Act**”).

I hereby represent and warrant to the Company that I qualify as an Accredited Investor on the basis that:

*(You must choose Part A or B below and check the applicable boxes.)*

A. I am a **NATURAL PERSON** and:

*(An investor using this Part A must check box (1), (2), (3) or (4).)*

☐ **(1) Income Test:** My individual income exceeded \$200,000 in each of the two most recent years or my joint income together with my spouse exceeded \$300,000 in each of those years;

**and**

I reasonably expect to earn individual income of at least \$200,000 this year or joint income with my spouse of at least \$300,000 this year.

To support the representation in A(1) above:

*(You must check box (a), (b) or (c).)*

☐ **(a)**

Together herewith, I am delivering to the Company copies of Form W-2, Form 1099, Schedule K-1 of Form 1065 or a filed Form 1040 for each of the two most recent years showing my income or my joint income with my spouse as reported to the IRS for each of those years. I understand that I may redact such documents to avoid disclosing personally identifiable information, such as Social Security numbers, that is not necessary to confirm annual income.

**O R**

☐ (b) My salary or my joint salary with my spouse is publicly available information that has been reported in a document made available by the U.S. government or any state or political subdivision thereof (for example, reported in a filing with the Securities and Exchange Commission) and I am delivering to the Company copies of such publicly available materials identifying me or me and my spouse by name and disclosing the relevant salary information for each of the two most recent years.

**O R**

☐ (c) In accordance with the procedures described below under the heading "Independent Third-Party Verification," I am arranging for a registered broker-dealer, SEC-registered investment adviser, licensed attorney, or certified public accountant to deliver to the Company written confirmation of my status as an Accredited Investor based on my individual income or my joint income together with my spouse.

☐ (2) **Net Worth Test:** My individual net worth, or my joint net worth together with my spouse, exceeds \$1,000,000.

For these purposes, "net worth" means the excess of:

- total assets at fair market value (including all personal and real property, but excluding the estimated fair market value of my primary residence)

**minus**

- total liabilities.

For these purposes, "liabilities":

- exclude any mortgage or other debt secured by my primary residence in an amount of up to the estimated fair market value of that residence; but
- include any mortgage or other debt secured by my primary residence in an amount in excess of the estimated fair market value of that residence.

I confirm that my total individual liabilities, or my total joint liabilities together with my spouse, do not exceed \$\_\_\_\_\_. I represent that all liabilities necessary to determine my individual net worth, or my joint net worth together with my spouse, for the purpose of determining my status as an Accredited Investor are reflected in the dollar amount in the preceding sentence.

In addition, I confirm that I have not incurred any incremental mortgage or other debt secured by my primary residence in the 60 days preceding the date of this Letter, and I will not incur any incremental mortgage or other debt secured by my primary residence prior to the date of the closing for the sale of the Shares. I agree to promptly notify the Company if, between the date of this Letter and the date of the closing for the sale of the Shares, I incur any incremental mortgage or other debt secured by my primary residence.

*(NOTE: If the representation in the first sentence of this paragraph is untrue or becomes untrue prior to the date of the closing for the sale of the Shares, you may still be able to invest in the Shares. However, you must first contact the Company for additional instructions on how to calculate your net worth for purposes of this offering.)*

To support the representations in A(2) above:

*(You must check box (a) or (b).)*

☐ (a) Together herewith, I am delivering to the Company:

(i) Copies of bank statements, brokerage statements, other statements of securities holdings, certificates of deposit, tax assessments and/or appraisal reports issued by independent third parties that show my individual assets or my joint assets together with my spouse;

**and**

(ii) A copy of a consumer credit report for me (or copies of consumer credit reports for me and my spouse) issued by TransUnion, EquiFax or Experian.

I understand that each document described in paragraphs (i) and (ii) above must be dated no earlier than three months prior to the date of the closing for the sale of the Shares. I understand that I may redact any of these documents to avoid disclosing personally identifiable information, such as Social Security numbers, that is not necessary to confirm net worth.

**O R**

☐ (b) In accordance with the procedures described below under the heading "Independent Third-Party Verification," I am arranging for a registered broker-dealer, SEC-registered investment adviser, licensed attorney, or certified public accountant to deliver to the Company written confirmation of my status as an Accredited Investor based on my individual net worth or my joint net worth together with my spouse.

☐ (3) **Company Insider:** I am a director or executive officer of the Company.

B. I am a **LEGAL ENTITY** that is:

*(An investor using this Part B **must** check at least one box below. **NOTE:** An investor that checks any of boxes B(1) through B(12) must contact the Company for additional instructions.)*

☐ (1) A bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

☐ (2) A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.

☐ (3) An insurance company as defined in the Securities Act.

☐ (4) An investment company registered under the Investment Company Act of 1940 (the “**Investment Company Act**”).

☐ (5) A business development company as defined in Section 2(a)(48) of the Investment Company Act.

☐ (6) A private business development company as defined in the Investment Advisors Act of 1940.

☐ (7) A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or 301(d) of the Small Business Investment Act of 1958.

☐ (8) An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of \$5,000,000.

☐ (9) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000.

☐ (10) An employee benefit plan within the meaning of Title I of the Employment Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000, or if a self-directed plan, the investment decisions are made solely by persons that are accredited investors.

☐ (11) A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a "sophisticated" person.

☐ (12) An entity in which all of the equity owners are Accredited Investors.

*(NOTE: If box (12) is checked, each equity owner of the entity must individually complete and submit to the Company its own copy of this Letter.)*

## **INDEPENDENT THIRD-PARTY VERIFICATION**

*(NOTE: An investor should only complete this section if, in Part A(1)(c) or A(2)(b) above, you have agreed to arrange for a third party to deliver written confirmation of your status as an Accredited Investor.)*

To verify my status as an Accredited Investor, I hereby request that the Company or its agent contact:

Name: \_\_\_\_\_

Firm name: \_\_\_\_\_

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

☐ registered broker-dealer

☐ SEC-registered investment adviser

☐ licensed attorney

☐ certified public accountant

*(NOTE: You must check one of the boxes above. If none are applicable, then you may not rely on independent third-party verification and you must instead directly submit to the Company copies of the other supporting documentation described in Part A(1)(a), A(1)(b) or A(2)(a) above.)*

I understand that the Company will send to the person or firm named above a Verification Letter substantially in the form attached as Annex A. I have informed the person named above that the Company will contact him or her to verify my status as an Accredited Investor and I hereby authorize the Company and its agents to communicate with the person or firm named above to obtain such verification.

**I understand that I am solely responsible for paying any fees charged by the person or firm named above in connection with verifying my status as an Accredited Investor.**

## **SUPPORTING DOCUMENTATION**

Enclosed with this letter, I am delivering to the Company, or arranging to have delivered to the Company on my behalf; all required supporting documentation.

All supporting documentation must be submitted to the Company either electronically, in PDF form, to [david.jonas@idwmh.com](mailto:david.jonas@idwmh.com) or (b) mailing it to IDW Media Holdings, Inc., 520 Broad Street, Newark, NJ 07102, Attn: Chief Executive Officer.

I understand that the Company may request additional supporting documentation from me in order to verify my status as an Accredited Investor and I hereby agree to promptly provide any such additional supporting documentation.

I further understand that, even if I complete and execute this Letter and provide all additional supporting documentation requested by the Company, the Company may in its sole discretion refuse to accept my subscription for the Shares for any reason or for no reason

## **RELIANCE ON REPRESENTATIONS; INDEMNITY**

I understand that the Company and its counsel are relying upon my representations in the Letter and upon the supporting documentation to be delivered by me or on my behalf in connection with the Letter (collectively, the “**Investor Information**”). I agree to indemnify and hold harmless the Company, its directors, officers, shareholders, representatives and agents, and any person who controls any of the foregoing, against any and all loss, liability, claim, damage and expense (including reasonable attorneys' fees) arising out of or based upon any misstatement or omission in the Investor Information or any failure by me to comply with any covenant or agreement made by me in the Investor Information.

## **SHARING OF INVESTOR INFORMATION**

I understand and agree that the Company may present the Investor Information to such parties as it deems appropriate to establish that the issuance and sale of the Shares (a) is exempt from the registration requirements of the Securities Act or (b) meets the requirements of applicable state securities law



**INVESTOR'S SIGNATURE AND CONTACT INFORMATION**

Date:

Print Name:

Signature:

Email address:

Mailing address:

Telephone Number:

**SPOUSE'S SIGNATURE AND CONTACT INFORMATION**

*(NOTE: The investor's spouse need only sign this letter if the investor is a natural person proving its accredited investor status based on **joint income** or **joint net worth** with the spouse under Part A(1)(a) or Part A(2)(a). A spouse who signs this letter makes all representations set out in this letter, including those relating to joint income or joint net worth, as applicable.)*

Date:

Print Name:

Signature:

Email address:

Mailing address:

Telephone Number:

**ANNEX A: FORM OF INDEPENDENT THIRD-PARTY VERIFICATION LETTER**  
**[IDW MEDIA HOLDINGS, INC. LETTERHEAD]**

[FIRM NAME OR INDIVIDUAL NAME OF INDEPENDENT THIRD-PARTY]

[ADDRESS FOR INDEPENDENT THIRD-PARTY]

Dear [Mr./Mrs.] [NAME]:

Your client, [NAME OF PROSPECTIVE INVESTOR] (the “**Prospective Investor**”), has asked us to contact you directly to request that you verify the Prospective Investor's status as an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (an “**Accredited Investor**”). We are requesting this verification to ensure that the Prospective Investor is eligible to participate in a placement of securities (the “**Offering**”) by IDW Media Holdings, Inc. (the “**Company**”) that is only open to Accredited Investors.

Based on representations made to us by the Prospective Investor, we understand that you are [a registered broker-dealer/an SEC-registered investment adviser/a licensed attorney/a certified public accountant]. We further understand that the Prospective Investor qualifies as an Accredited Investor based on [his/her] [income/net worth] (calculated pursuant to Rule 501(a) of Regulation D), and that you have undertaken an independent analysis of the Prospective Investor's status as an Accredited Investor at least once during the three-month period preceding the date of this letter.

Kindly check box (a) or (b) below and complete the blank, as applicable:

☐ (a) I am [a registered broker-dealer/an SEC-registered investment adviser/a licensed attorney in good standing under the laws of the jurisdictions in which I am admitted to practice/a certified public accountant duly registered and in good standing under the laws of the jurisdiction of my residence or principal office]. I have taken reasonable steps to verify that the Prospective Investor is an Accredited Investor based on [his/her] [income/net worth] (whether individual or together with [his/her] spouse) and, based on those steps, I have determined that the Prospective Investor is an Accredited Investor. The most recent date as of which I have made such determination is \_\_\_\_\_. To my knowledge after reasonable investigation, no facts, circumstances or events have arisen after that date that lead me to believe that the Prospective Investor has ceased to be an Accredited Investor. I acknowledge that the Company will rely on this letter in determining the Prospective Investor's eligibility to participate in the Offering and I consent to such reliance.

☐ (b) I cannot confirm the Prospective Investor's status as an Accredited Investor.

Once completed, please sign below and submit a copy of the countersigned letter to the Company by (a) emailing it in PDF form to [david.jonas@idwmh.com](mailto:david.jonas@idwmh.com) or (b) mailing it to IDW Media Holdings, Inc. 520 Broad Street, Newark, NJ 07102, Attn: Chief Executive Officer.

Sincerely,

**IDW MEDIA HOLDINGS, INC.**

By: \_\_\_\_\_

Davidi Jonas  
Chief Executive  
Officer  
Date:

Countersigned:

**[FIRM NAME]**

By: \_\_\_\_\_

Name:  
Title:

Date:

**cc: [NAME OF PROSPECTIVE INVESTOR]**

*(NOTE: If you prefer to use a different form of documentation to confirm the Prospective Investor's status as an Accredited Investor, please submit your alternative form of verification to the Company using one of the methods listed in the last full paragraph above. Note that if you use a different form of verification, it must be signed and dated and include, at a minimum: (a) confirmation of your status as [a registered broker-dealer/an SEC-registered investment adviser/a licensed attorney in good standing under the laws of the jurisdictions in which you are admitted to practice/a certified public accountant duly registered and in good standing under the laws of the jurisdiction of your residence or principal office]; (b) a statement that you have taken reasonable steps to verify that the Prospective Investor qualifies as an Accredited Investor based on [his/her] [income/net worth]; (c) a statement that, based on those steps, you have determined that the Prospective Investor is an Accredited Investor; (d) the date as of which you most recently made that determination; (e) a statement that, to your knowledge after reasonable investigation, no facts, circumstances or events have arisen after that date that lead you to believe that the Prospective Investor has ceased to be an Accredited Investor; and (f) an acknowledgement that the Company will rely on your letter in determining the Prospective Investor's eligibility to participate in the Offering and your consent to such reliance.)*