IDW Media Holdings, Inc.
A Delaware Corporation
14144 Ventura Blvd, Suite 210
Sherman Oaks, CA 91423

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SIC Code: 2721

Quarterly Report
For the Period Ending: 07/31/2024 (the "Reporting Period")

As of 07/31/2024 the number of shares outstanding of our Common Stock was:

- ☐ Class B Common Stock 26,145,734 shares (excluding 519,360 shares of Class B common stock held in treasury)

- ☐ Class C Common Stock 545,360 shares

As of 04/30/2024 the number of shares outstanding of our Common Stock was:

- ☐ Class B Common Stock 16,770,735 shares (excluding 519,360 shares of Class B common stock held in treasury)

- ☐ Class C Common Stock 545,360 shares

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

Item 1 Exact name of the issuer and the address of its principal executive offices.

The name and address of the issuer's principal executive office:

IDW Media Holdings, Inc.
14144 Ventura Blvd, Suite 210, Sherman Oaks, CA 91423
(323) 433-6670
http://www.idwmh.com

The address of the issuer's principal place of business:

14144 Ventura Blvd., Suite 210, Sherman Oaks, CA 91423

Item 2 Shares Outstanding.

Class B Common Stock (as of July 31, 2024)

Total shares authorized:	35,000,000
Total shares outstanding:	26,145,734 shares (excluding 519,360 shares in treasury)

Number of shares in the Public Float:	11,516,515
Number of beneficial shareholders owning at least 100 shares:	100+
Total number of shareholders of record:	100+

Class B Common Stock (as of October 31, 2023)

Total shares authorized:	20,000,000
Total shares outstanding:	13,690,431 shares (excluding 519,360 shares in treasury)

Number of shares in the Public Float:	7,757,966
Number of beneficial shareholders owning at least 100 shares:	98
Total number of shareholders of record:	108

Class B Common Stock (as of October 31, 2022)

Total shares authorized:	20,000,000
Total shares outstanding:	13,534,148 shares (excluding 519,360 shares in treasury)

Number of shares in the Public Float:	11,166,212
Number of beneficial shareholders owning at least 100 shares:	98
Total number of shareholders of record:	108

Class C Common Stock (as of July 31, 2024, October 31, 2023, and October 31, 2022)

Total shares authorized:	2,500,000
Total shares outstanding:	545,360

Preferred Stock (as of July 31, 2024, October 31, 2023, and October 31, 2022)

Total shares authorized:	500,000
Total shares outstanding:	0

Item 3 Interim Financial Statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	July 31, 2024 (unaudited)	October 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 5,918	$ 3,599
Trade accounts receivable, net	6,789	7,263
Inventory	5,345	5,604
Prepaid expenses and other current assets	3,164	2,569
Total current assets	21,216	19,035
Non-current assets		
Property and equipment, net	467	570
Operating lease right-of-use assets, net	659	876
Intangible assets, net	343	410
Goodwill	199	199
Television costs, net	1,605	1,608
Other assets	56	54
Total assets	**$ 24,545**	**$ 22,752**
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 1,883	$ 2,439
Accrued expenses	1,379	1,584
Deferred revenue	95	11
Operating lease obligations – current portion	316	297
Total current liabilities	3,673	4,331
Other liabilities		
Operating lease obligations – long term portion	374	613
Total liabilities	**4,047**	**4,944**
Stockholders' equity (see Note 3):		
Preferred stock, $.01 par value; authorized shares – 500; no shares issued at July 31, 2024 and October 31, 2023	-	-
Class B common stock, $0.01 par value; 35,000 and 20,000 shares authorized, 26,665 and 14,210 shares issued, and 26,146, and 13,690 shares outstanding at July 31, 2024 and October 31, 2023, respectively	260	135
Class C common stock, $0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at July 31, 2024 and October 31, 2023	5	5
Additional paid-in capital	108,814	104,243
Accumulated deficit	(87,385)	(86,379)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at July 31, 2024 and October 31, 2023	(1,196)	(1,196)
Total stockholders' equity	**20,498**	**17,808**
Total liabilities and stockholders' equity	**$ 24,545**	**$ 22,752**

See accompanying notes to condensed consolidated financial statements.

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

(in thousands, except per share data)	Three Months Ended July 31, 2024	Three Months Ended July 31, 2023	Nine Months Ended July 31, 2024	Nine Months Ended July 31, 2023
Revenues	$ 7,289	$ 6,256	$ 18,928	$ 18,336
Costs and expenses:				
Direct cost of revenues	4,095	3,738	10,545	10,086
Selling, general and administrative	2,999	3,421	9,170	12,772
Depreciation and amortization	81	610	238	898
Total costs and expenses	7,175	7,769	19,953	23,756
Income (loss) from operations	114	(1,513)	(1,025)	(5,420)
Interest income, net	9	15	29	45
Other income (expense), net	1	-	(11)	(49)
Net income (loss)	**$ 124**	**$ (1,498)**	**$ (1,007)**	**$ (5,424)**
Basic and diluted net earnings (loss) per share (see Note 2):				
Earnings (Loss) per share	$ 0.01	$ (0.11)	$ (0.07)	$ (0.41)
Weighted-average number of shares used in the calculation of basic and diluted earnings (loss) per share	17,603	13,295	14,956	13,096
Weighted-average number of shares used in the calculation of basic and diluted earnings (loss) per share	20,269	13,295	14,956	13,096

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended July 31, 2024 and 2023
(Unaudited)

(in thousands)	Class B Common Stock Number of Shares	Class B Common Stock Amount	Class C Common Stock Number of Shares	Class C Common Stock Amount	Additional Paid In Capital	Accumulated Deficit	Treasury Stock, at Cost Number of Shares	Treasury Stock, at Cost Amount	Total Stockholders' Equity
Balance April 30, 2024	17,290	$ 166	545	$ 5	$ 105,743	$ (87,509)	519	$ (1,196)	$ 17,209
Stock based compensation	-	-	-	-	165	-	-	-	165
Issuance of restricted stock	9,375	94	-	-	2,906	-	-	-	3,000
Net income	-	-	-	-	-	124	-	-	124
Balance July 31, 2024	**26,665**	**$ 260**	**545**	**$ 5**	**$ 108,814**	**$ (87,385)**	**519**	**$ (1,196)**	**$ 20,498**
Balance April 30, 2023	14,209	$ 135	545	$ 5	$ 104,996	$ (85,377)	519	$ (1,196)	$ 18,563
Stock based compensation	-	-	-	-	124	-	-	-	124
Net loss	-	-	-	-	-	(1,498)	-	-	(1,498)
Balance July 31, 2023	**14,209**	**$ 135**	**545**	**$ 5**	**$ 105,120**	**$ (86,875)**	**519**	**$ (1,196)**	**$ 17,189**

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended July 31, 2024 and 2023
(Unaudited)

(in thousands)	Class B Common Stock Number of Shares	Class B Common Stock Amount	Class C Common Stock Number of Shares	Class C Common Stock Amount	Additional Paid In Capital	Accumulated Deficit	Treasury Stock, at Cost Number of Shares	Treasury Stock, at Cost Amount	Total Stockholders' Equity
Balance October 31, 2023	14,210	$ 135	545	$ 5	$ 105,242	$ (86,378)	519	$ (1,196)	$ 17,808
Stock based compensation	-	-	-	-	697	-	-	-	697
Issuance of restricted stock	12,455	125	-	-	2,875	-	-	-	3,000
Net loss	-	-	-	-	-	(1,007)	-	-	(1,007)
Balance July 31, 2024	**26,665**	**$ 260**	**545**	**$ 5**	**$ 108,814**	**$ (87,385)**	**519**	**$ (1,196)**	**$ 20,498**
Balance October 31, 2022	14,053	$ 134	545	$ 5	$ 104,553	$ (81,451)	519	$ (1,196)	$ 22,045
Stock based compensation	-	-	-	-	567	-	-	-	567
Issuance of restricted stock	156	1	-	-		-	-	-	1
Net loss	-	-	-	-	-	(5,424)	-	-	(5,424)
Balance July 31, 2023	**14,209**	**$ 135**	**545**	**$ 5**	**$ 105,120**	**$ (86,875)**	**519**	**$ (1,196)**	**$ 17,189**

See accompanying notes to condensed consolidated financial statements.

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

(in thousands)	Nine Months Ended July 31, 2024	Nine Months Ended July 31, 2023
Operating activities:		
Net loss	$ (1,007)	$ (5,424)
Adjustments to reconcile net loss to net cash used in operating activities:		
Recoupment of television costs	(654)	(487)
Impairment of television costs	28	41
Depreciation and amortization	237	898
Loss on disposal of property and equipment	12	49
Bad debt expense	2	13
Stock based compensation	697	568
Amortization of operating lease right-of-use assets	217	210
Changes in operating assets and liabilities:		
Trade accounts receivable	433	(128)
Allowance for sales returns	39	(35)
Inventory	259	(979)
Prepaid expenses and other current assets	(597)	(27)
Television costs	629	339
Operating lease liability	(220)	(206)
Trade accounts payable	(556)	577
Accrued expenses	(205)	(1,477)
Production costs payable	-	(33)
Deferred revenue	84	54
Net cash used in operating activities	(602)	(6,047)
Investing activities:		
Capital expenditures	(79)	(390)
Net cash used in investing activities	(79)	(390)
Financing activities:		
Issuance of Class B Common Stock	3,000	-
Net cash provided by financing activities	3,000	-
Net increase in cash and cash equivalents	2,319	(6,437)
Cash and cash equivalents at beginning of period	3,599	10,014
Cash and cash equivalents at end of period	**$ 5,918**	**$ 3,577**

See accompanying notes to condensed consolidated financial statements.

IDW HOLDINGS, INC.
NOTES TO CONDENDED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED July 31, 2024 AND 2023
(Unaudited)

Note 1—Basis of Presentation and Summary of Significant Accounting Policies

Overview

IDW Media Holdings, Inc., a Delaware corporation, ("IDWMH" and together with its subsidiaries, collectively, the "Company") is a diversified media company with operations in publishing and television entertainment. The terms "Company," "we," "us," and "our" are used in this report to refer collectively to IDWMH and its subsidiaries through which various businesses are conducted.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all information and footnotes required by U.S. GAAP for complete financial statements. Certain information and footnote disclosures normally included in our annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. In the opinion of management, all adjustments (consisting principally of normal recurring accruals) considered necessary for a fair presentation have been included. Interim results of operations are not necessarily indicative of the results for the full year or for any future period. These financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto which were filed with the OTC Markets Group with our Annual Report for the fiscal year ended October 31, 2023. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. All amounts in these unaudited condensed consolidated financial statements and notes to the consolidated financial statements are reflected on a consolidated basis for all periods presented.

The Company's fiscal year ends on October 31st. Each reference below to a fiscal year refers to the fiscal year ending in the calendar year indicated (e.g., fiscal 2023 refers to the fiscal year ended October 31, 2023).

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates. The Company has considered information available to it as of the date of issuance of these unaudited condensed consolidated financial statements and is not aware of any specific events or circumstances that would require an update to its estimates or judgements, or an adjustment to the carrying value of its assets or liabilities. The accounting estimates and other matters assessed include, but were not limited to the allowance for credit losses, valuation of long-lived assets including intangible assets with finite useful lives and ultimate revenues for television costs, impairment of goodwill and other long-lived assets, and revenue recognition. These estimates may change as new events occur and additional information becomes available. Actual results could differ materially from these estimates.

Risks and Uncertainties

In November 2023, Yemen-based Houthi militia attacks on commercial ships transiting the Red Sea increased significantly, causing some vessels to detour around the tip of Africa. Since a significant portion of our products are printed by Asia-based companies, these detours have resulted in increased shipping times and costs. The Company has adapted by increasing the lead time before products are sent to printers. Widespread container-shipping detours are expected to extend well into the second half of 2024, and possibly into 2025. We continue to closely monitor the situation and work closely with our shipping partners to minimize the impact on operations.

Although the World Health Organization declared in May of 2023 that COVID-19 no longer constitutes a public health emergency, we continue to actively monitor the COVID-19 developments and potential impact on our employees, business and operations. The effects of COVID-19 did not have a material impact on our result of operations or financial condition for the three months ended April 30, 2024. However, given the evolution of the COVID-19 situation, and the global responses to curb its spread, we are not able to estimate the effects COVID-19 may have on our future results of operations or financial condition.

In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine. As a result of this action, various nations, including the United States of America, have instituted economic sanctions against the Russian Federation and Belarus. As the conflict enters the third year, sanctions remain, including the exclusion of Russian companies from the SWIFT international banking system. This has prevented us from entering into foreign license deals with Russian-based companies, and from hiring Russian-based freelancers. This has not had a significant impact on our financials.

Segment Information

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 280, *Segment Reporting,* establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company's chief operating decision maker is the Chief Executive Officer ("CEO"), who reviews the financial performance and the results of operations of the segments prepared in accordance with U.S. GAAP when making decisions about allocating resources and assessing performance of the Company (see Note 5).

The Company's principal business consists of the following segments:

i. IDWP 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; and

ii. 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.

In the ordinary course of business, the Company's reportable segments enter into transactions with one another. The most common types of intersegment transactions include IDWE obtaining rights to produce television series based on content created by IDWP. All intersegment transactions are eliminated in consolidation and, therefore, do not affect consolidated results.

Trade Accounts Receivable, Net

Effective November 1, 2023, the Company adopted ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, that changes the impairment model for most financial assets and certain other instruments. For receivables, loans and other instruments, entities will be required to use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowance for losses. For available-for-sale debt securities with unrealized losses, entities will measure credit losses in a manner similar to current practice, except the losses will be recognized as allowances instead of reductions in the amortized cost of the securities. In addition, an entity will have to disclose significantly more information about allowances, credit quality indicators and past due securities. The new provisions will be applied as a cumulative-effect adjustment to retained earnings. The adoption of the new standard didn't have a material effect on the Company unaudited condensed consolidated financial statements.

Trade accounts receivables are recorded at the invoiced amount and are generally unsecured as they are uncollateralized. The Company provides an allowance for doubtful accounts to reduce receivables to their estimated net realizable value. Judgment is exercised in establishing allowances and estimates are based on the customers' payment history and liquidity. Any amounts that were previously recognized as revenue and subsequently determined to be uncollectible are charged to bad debt expense included in selling, general and administrative expense in the accompanying unaudited condensed consolidated statements of operations. The Company had an allowance for credit losses of $0 as of July 31, 2024 and October 31, 2023.

Inventory

Inventory consists of IDWP's graphic novels and comic books, and creative costs for titles that have not yet gone on sale. Graphic novel and comic book inventory is stated at the lower of cost or net realizable value determined by the first in, first out method.

Long-Lived Assets, Including Definite-Lived Intangible Assets

Intangible assets, which consist of licensing contracts and capitalized software, are recorded at cost, and are amortized on a straight-line basis over their contractual or estimated useful lives, whichever is shorter from 5 – 7 years.

In accordance with ASC 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company tests the recoverability of its long-lived assets with finite useful lives whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Company tests for impairment based on the projected undiscounted cash flows to be derived from such assets. If the projected undiscounted future cash flows are less than the carrying value of the asset, the Company will record an impairment loss based on the difference between the estimated fair value and the carrying value of the asset. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows from such assets using an appropriate discount rate. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairments in future periods and such impairments could be material. There was no impairment loss of long-lived assets for the three or nine months ended July 31, 2024 and 2023.

Goodwill

Goodwill, which represents the excess of purchase prices over the fair value of nets assets acquired, is carried at cost. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment by applying a fair value-based test. Goodwill is evaluated for impairment on an annual basis at a level of reporting referred to as the reporting unit, and more frequently if adverse events or changes in circumstances indicate that the asset may be impaired.

Effective November 1, 2023, the Company adopted ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which simplifies the measurement of goodwill by eliminating the Step 2 impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The new guidance requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The adoption of the new standard didn't have a material effect on the Company's financial statements.

There was no impairment loss of goodwill for the three or nine months ended July 31, 2024 and 2023.

Television Costs

Television costs are stated at the lower of cost less accumulated amortization or fair value. The Company evaluates impairment by the fair value of television costs at the individual level by considering expected future revenue generation, when an event or change in circumstances indicates a change in the expected revenue of the television costs or that the fair value of a film or film group may be less than unamortized costs.

IDWE's business model contemplates the regular entry into agreements for the production of its television shows. The agreements provide for the rights and obligations related to the agreement including timing, delivery, and payments. IDWE capitalizes the resulting production costs under the agreements in production cost inventory as payments are made or when the products or services are delivered. IDWE also enters into agreements that allow for the recoupment of expenses previously recorded as cost of revenue that could not be reasonably estimated in prior periods. Amortization (recoupment of cost) of television costs during the three months ended July 31, 2024 and 2023 were recoupments of $251,000 and $165,000, respectively. Amortization (recoupment of cost) of television costs during the nine months ended July 31, 2024 and 2023 were recoupments of $654,000 and $487,000, respectively.

Revenue Recognition When Right of Return Exists

IDWP's book market distributor offers a right of return to retail customers with no expiration date in accordance with general industry practices. IDWP generally does not offer the right of return on the sale of comic books. Sales returns allowances represent a reserve for IDWP products that may be returned due to dating, competition or other marketing matters, or certain destruction in the field. Sales returns are generally estimated and recorded based on historical sales and returns experience and current trends that are expected to continue. As of July 31, 2024 and October 31, 2023, the Company's reserves for estimated returns were $153,000 and $114,000, respectively.

Deferred Revenue

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

Recognition of deferred revenue was $322,000 and $46,000 during the three months ended July 31, 2024, and 2023, respectively, and $527,000 and $165,000 during the nine months ended July 31, 2024, and 2023, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation granted to its employees in accordance with the fair value recognition provisions of ASC 718, *Stock Compensation*. Stock-based compensation expense is measured at the date of grant, based on the fair value of the award, and is recognized using the straight-line method over the employee's vesting period or requisite service period. Compensation for stock-based awards with vesting conditions other than service are recognized at the time that those conditions are achieved. Forfeitures are recognized as they are incurred. Stock-based compensation is included in selling, general and administrative expenses.

Concentration Risks

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and trade accounts receivable. The Company holds cash at major financial institutions, which often exceed Federal Deposit Insurance Corporation's insurance limits. Historically, the Company has not experienced any losses due to such concentration of credit risk.

IDWP has two significant customers, Penguin Random House ("PRH") and Scholastic Book Fairs ("Scholastic"), that pose a concentration risk.

Revenues from PRH, IDWP's book market and direct market distributor, represented 75.1% and 72.7% of IDW's total consolidated revenue for the three months ended July 31, 2024 and 2023, respectively, and 83.4% and 75.4% of IDW's total condensed consolidated revenue for the nine months ended July 31, 2024 and 2023, respectively. The receivable balances from PRH represented 69.0% and 72.4% of IDW's consolidated receivables at July 31, 2024 and October 31, 2023, respectively.

Revenues from Scholastic, a leading distributor of children's books, represented 12.2% and 15.0% of the total condensed consolidated revenue for the three months ended July 31, 2024 and 2023, respectively, and 4.7% and 9.5% of the total condensed consolidated revenue for the nine months ended July 31, 2024 and 2024, respectively. The receivable balances represented 13.1% and 3.3% of the total condensed consolidated receivables at July 31, 2024 and October 31, 2023, respectively.

IDWE has one significant customer, Fifth Season (formerly Endeavor Content LLC), that poses a concentration risk.

Revenue from Fifth Season, a leading production company, represented 0% and 0% of the total consolidated revenue for the three and nine months ended July 31, 2024 and 2023, respectively. The receivable balances from Fifth Season represented 5.6% and 11.9% of consolidated receivables at July 31, 2024 and October 31, 2023, respectively.

Contingencies

The Company accrues for loss contingencies when both (a) information available prior to issuance of the unaudited condensed consolidated financial statements indicates that it is probable that a liability had been incurred at the date of the unaudited condensed consolidated financial statements and (b) the amount of loss can reasonably be estimated. When the Company accrues for loss contingencies and the reasonable estimate of the loss is within a range, the Company records its best estimate within the range. When no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount in the range. The Company discloses an estimated possible loss or a range of loss when it is at least reasonably possible that a loss may have been incurred. Gain contingencies are not recorded until they are realized.

Fair Value of Financial Instruments

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

At July 31, 2024 and October 31, 2023, the carrying value of the Company's current assets of trade accounts receivable, inventory, prepaid expenses and other current assets, trade accounts payable, accrued expenses, production costs payable, and deferred revenue approximated fair value because of the short period of time to maturity. At July 31, 2024 and October 31, 2023, the carrying value of the Company's operating lease obligations approximate fair value as the interest rates related to the financial instruments approximate market yields.

Recently Issued Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standard, if currently adopted, would have a material effect on the accompanying unaudited condensed consolidated financial statements.

Note 2—Earnings (Loss) Per Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) allocated to common stockholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of calculating diluted earnings (loss) per common share, the denominator includes both the weighted-average number of shares of common stock outstanding during the period and the number of common stock equivalents if the inclusion of such common stock equivalents is dilutive. Dilutive common stock equivalents potentially include unvested Class B common stock and stock options and warrants using the treasury stock method. The following table summarizes the components of the earnings (loss) per common share calculation:

	Three Months Ended		Nine Months Ended	
(in thousands, except per share data)	**July 31, 2024**	**July 31, 2023**	**July 31, 2024**	**July 31, 2023**
Basic and diluted numerator				
Net income (loss) for the period	$ 124	$ (1,498)	$ (1,007)	$ (5,424)
Basic denominator				
Weighted-average common stock outstanding	17,603	13,295	14,956	13,096
Diluted denominator				
Weighted-average common stock outstanding	17,603	13,295	14,956	13,096
Unvested restricted Class B common stock	2,666	-	-	-
Total diluted denominator	20,269	13,295	14,956	13,096
Per share amount – Basic	$ 0.01	$ (0.11)	$ (0.07)	$ (0.41)
Per share amount – Diluted	$ 0.01	$ (0.11)	$ (0.07)	$ (0.41)

For the three months ended July 31, 2023 and the nine months ended July 31, 2024 and 2023, the Company incurred net losses which cannot be diluted; therefore, basic and diluted loss per common share is the same. For the three months ended July 31, 2024, the exercise prices of the stock options were greater than the average stock price for the period. As of July 31, 2024 and 2023, shares issuable which could potentially dilute future earnings were as follows:

	Three Months Ended		Nine Months Ended	
(in thousands)	**July 31, 2024**	**July 31, 2023**	**July 31, 2024**	**July 31, 2023**
Unvested Class B common stock	-	939	2,666	939
Stock Options	1,608	307	1,608	307
Warrants	-	188	-	188
Total	1,608	1,434	4,274	1,434

Note 3—Equity

Voting Privileges

Each holder of outstanding shares of Class B common stock is entitled to cast one-tenth of one vote for each share of Class B common stock held by such holder. Each holder of outstanding shares of Class C common stock is entitled to three votes for each share of Class C common stock held by such holder. Each series of preferred stock, if any are designated and issued, will have such number of shares, designations, preferences, voting powers, qualifications and special or relative rights or privileges as shall be determined by the Company's Board of Directors, which may include, among others, dividends, voting rights, and liquidation preferences.

Authorized Shares

On May 9, 2024, the Company's Board of Directors approved an increase to the number of authorized shares of Class B common stock, par value $0.01 per share, from 20.0 million shares to 35.0 million shares.

Issuance of Class B Common Stock

On May 15, 2024, the Company announced a non-brokered private placement pursuant to which the Company proposed to issue to certain existing shareholders shares of its Class B common stock at a price of $0.32 per share for a total of $2.3 million, with the right to accept investments of up to $3.0 million in its discretion. The initial round of the offering closed June 12, 2024 and the Company issued 6,076,572 shares for gross proceeds of $1,944,503. The following round of the offering closed July 5, 2024 and the Company issued 3,298,427 shares for gross proceeds of $1,055,497. The Company issued a total of 9,375,000 shares for total gross proceeds of $3.0 million.

Note 4—Stock Based Compensation

2019 Stock Option and Incentive Plan

On March 14, 2019, the Company's Board of Directors adopted the 2019 IDW Stock Option and Incentive Plan ("2019 Incentive Plan") to provide incentives to executive officers, employees, directors, and consultants of the Company and/or its subsidiaries originally and reserved 300,000 shares of Class B common stock for the grant of awards under the 2019 Incentive Plan, subject to adjustment. Incentives available under the 2019 Incentive Plan may include stock options, stock appreciation rights, limited stock appreciation rights, restricted stock, and deferred stock units. The number of shares reserved has been increased several times and is currently 2,550,000 shares. Options are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant; those options generally vest based on 3 years of continuous service and have 10-year contractual terms. As of July 31, 2024, 711,302 shares remained available to be awarded under the 2019 Incentive Plan.

On January 7, 2024, the Company issued options to Davidi Jones, its CEO, to acquire 1,545,454 shares of its Class B common stock at a price of $0.4342 per share. The options became or become exercisable as follows: (a) 230,308 on each of January 8, 2024, January 2, 2025, January 2, 2026, January 2, 2027, January 2, 2028 and January 2, 2029 and (b) 163,606 on January 2, 2030. If the options are exercised before they are vested (see discussion below), then the CEO will receive restricted shares of Class B common stock.

The options and/or restricted shares issued on the exercise of unvested options vest as follows: (1) 363,636 shares on the date that the Company's market capitalization (as defined) is equal to or over $25,000,000; (2) an additional 454,545 shares on the date that the market capitalization is equal to or over $50,000,000; and (3) an additional 727,273 shares on the date that the market capitalization is equal to or over $110,000,000.

The options have been assigned de minimis value due to the market price-related vesting requirements compared to current market capitalization. As such, the value of the options is not currently being expensed. The Company will continue to monitor market capitalization and value the options appropriately as conditions warrant.

All exercisability of the options and vesting of the options and restricted stock is subject to the CEO remaining in continuous service through and on such date or dates.

Restricted Stock

The fair value of restricted shares of the Company's Class B common stock is determined based on the closing price of the Company's Class B common stock on the grant date. Share awards generally vest on a graded basis over three years of service.

A summary of the status of the Company's grants of restricted shares of Class B common stock is presented below:

	Number of Non-vested Shares	Weighted Average Grant Date Fair Value
Outstanding at October 31, 2023	920,975	$ 1.84
Granted	3,080,304	0.23
Vested	(1,334,888)	0.54
Canceled / Forfeited	-	-
Non-vested shares at July 31, 2024	**2,666,391**	**$ 0.63**

On January 5, 2024, 41,475 restricted shares of the Company's Class B common stock were issued to current members of the Company's Board of Directors which vested immediately upon grant.

On January 7, 2024, 2,727,273 restricted shares of the Company's Class B common stock were issued to the Company's CEO and shall vest, contingent on the CEO's remaining in continuous service to the Company, in substantially equal amounts on March 31, 2024, March 31, 2025, and March 31, 2026. These shares were issued in lieu of cash compensation for his employment services over the vesting period.

On January 18, 2024, 153,660 restricted shares of the Company's Class B common stock were issued to current members of the Company's Board of Directors which vested immediately upon grant.

On April 25, 2024, 157,896 restricted shares of the Company's Class B common stock were issued to the Company's CFO and shall vest, contingent on the CFO's remaining in continuous service to the Company, in substantially equal amounts on March 31, 2024, March 31, 2025, and March 31, 2026.

Non-cash compensation for stock options and restricted stock issued to employees and non-employees included in selling, general and administrative expenses was $165,000 and $124,000 during the three months ended July 31, 2024 and 2023, respectively, and $697,000 and $568,000 during the nine months ended July 31, 2024 and 2023, respectively.

Note 5—Business Segment Information

The Company has the following reportable business segments: IDWP and IDWE.

The Company's reportable segments are distinguished by types of service, customers and methods used to provide their services. The operating results of these business segments are regularly reviewed by the Company's chief operating decision maker. The Company evaluates the performance of its business segments based primarily on operating income. The accounting policies of the segments are the same as the accounting policies of the Company as a whole.

Beginning in Fiscal 2024, the Company allocates its entire corporate overhead incurred by IDWMH to IDWP and IDWE, with 95% of IDWMH costs allocated to IDWP and 5% allocated to IDWE. The information for the three and nine months ended July 31, 2023 has been reclassified to conform to the current period presentation.

Operating results and assets for the business segments of the Company are as follows:

(in thousands)	IDWP	IDWE[(a)]	Total
Three months ended July 31, 2024			
Revenues	$ 7,323	$ (34)	**$ 7,289**
Income from operations	38	76	**114**
Net income	48	76	**124**
Three months ended July 31, 2023			
Revenues	$ 6,253	$ 3	**$ 6,256**
Loss from operations	(1,481)	(32)	**(1,513)**
Net loss	(1,474)	(24)	**(1,498)**

(in thousands)	IDWP	IDWE[(a)]	Total
Nine months ended July 31, 2024			
Revenues	$ 18,840	$ 88	**$ 18,928**
Income (loss) from operations	(1,281)	256	**(1,025)**
Net income (loss)	(1,258)	251	**(1,007)**
Nine months ended July 31, 2023			
Revenues	$ 18,272	$ 64	**$ 18,336**
Loss from operations	(4,409)	(1,011)	**(5,420)**
Net loss	(4,386)	(1,038)	**(5,424)**

(a) IDWE includes Thought Bubble LLC and Word Balloon LLC which consist of only television costs.

Total Assets

At July 31, 2024 total assets were $15,508,000 at IDWP, $2,317,000 at IDWE, and $6,720,000 at IDWMH.

At October 31, 2023 total assets were $15,133,000 at IDWP, $2,734,000 at IDWE, and $4,885,000 at IDWMH.

Note 6—Trade Accounts Receivable and Deferred Revenue

Trade accounts receivable consists of the following:

(in thousands)	July 31, 2024	October 31, 2023
Trade accounts receivable	$ 6,942	$ 7,377
Less allowance for sales returns	(153)	(114)
Trade accounts receivable, net	**$ 6,789**	**$ 7,263**

The allowance for credit losses was $0 as of July 31, 2024 and October 31, 2023.

The allowance for sales returns for the periods ended July 31, 2024 and October 31, 2023 are as follows:

(in thousands)	Nine Months Ended July 31, 2024	Year Ended October 31, 2023
Beginning balance	$ (114)	$ (110)
Charged to costs and expenses	(1,250)	(938)
Deductions from allowance	1,211	934
Ending balance	**$ (153)**	**$ (114)**

Changes in deferred revenue consist of the following:

(in thousands)	Nine Months Ended July 31, 2024	Year Ended October 31, 2023
Beginning balance	$ 11	$ -
Performance obligations satisfied during the period that were included in the deferred revenue balance at the beginning of the year	(11)	-
Increases due to invoicing prior to satisfaction of performance obligations	95	11
Ending balance	**$ 95**	**$ 11**

Contract liabilities are recorded as deferred revenue when customer payments are received in advance of the Company meeting all the revenue recognition criteria under ASC 606. Generally, the remaining performance obligations will be satisfied within twelve months after prepayment. During the nine months ended July 31, 2024, significant changes in the deferred revenue balances were the result of net cash received for comic books prior to their on-sale date.

Note 7— Inventory

Inventory consists of the following:

(in thousands)	July 31, 2024	October 31, 2023
Work in progress	$ 930	$ 713
Finished goods	4,415	4,891
Total	**$ 5,345**	**$ 5,604**

Note 8—Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

(in thousands)	July 31, 2024	October 31, 2023
Royalties and deposits	$ 2,965	$ 2,165
Insurance	59	275
Legal	23	20
Other prepaids	117	109
Total	**$ 3,164**	**$ 2,569**

Note 9—Property and Equipment

Property and equipment consist of the following:

(in thousands)	July 31, 2024	October 31, 2023
Equipment	$ 330	$ 398
Furniture and fixtures	305	305
Leasehold improvements	222	202
Total	857	905
Less accumulated depreciation	(390)	(335)
Property and equipment, net	**$ 467**	**$ 570**

Depreciation expense totaled $36,000 and $39,000 for the three months ended July 31, 2024 and 2023, respectively, and $114,000 and $123,000 for the nine months ended July 31, 2024 and 2023, respectively. During the nine months ended July 31, 2024, the Company disposed of computers, furniture, and other equipment taken out of service, resulting in the removal of $71,000 from gross property and equipment and $60,000 from accumulated depreciation and a loss on the disposal of $11,000 recorded in other expenses in the condensed consolidated statement of operations.

Note 10—Intangible Assets

Intangible assets consist of the following:

(in thousands)	Amortization Period	July 31, 2024	October 31, 2023
Licensing contracts	7 years	$ 893	$ 893
Software	5 years	652	548
Total amortized intangible assets		1,545	1,441
Database and app development costs		-	49
Total in-process intangible assets		-	49
Less accumulated amortization		(1,202)	(1,080)
Intangible assets, net		**$ 343**	**$ 410**

Amortization expense totaled $45,000 and $571,000 for the three months ended July 31, 2024 and 2023, respectively, and $123,000 and $775,000 for the nine months ended July 31, 2024 and 2023, respectively.

As of July 31, 2024, the estimated amortization expense for intangible assets for each of the succeeding three years is as follows (excludes in process intangible assets):

(in thousands)	
Fiscal years ending October 31:	
Rest of 2024	$ 47
2025	173
2026	107
2027	16
Total	**$ 343**

Note 11—Television Costs

Television costs consist of the following:

(in thousands)	July 31, 2024	October 31, 2023
In-production	$ -	$ -
In-development	1,605	1,608
Total	**$ 1,605**	**$ 1,608**

(in thousands)	Three Months Ended July 31, 2024	Three Months Ended July 31, 2023	Nine Months Ended July 31, 2024	Nine Months Ended July 31, 2023
Television cost (recoupment) amortization	$ (251)	$ (165)	(654)	(487)
Television cost impairments	21	21	28	62
Total	**$ (230)**	**$ (144)**	**(626)**	**(425)**

During the three months ended July 31, 2024, and 2023, the Company recouped $251,000 and $165,000, respectively, of costs previously expensed. During the nine months ended July 31, 2024, and 2023, the Company recouped $654,000 and $487,000, respectively, of costs previously expensed. Amortization expense for television costs is expected to be $0 over the remaining three months of fiscal 2024. As a result of management's period assessment of in development projects, $21,000 and $21,000 of write-offs were recorded during the three months ended July 31, 2024 and 2023, respectively, and $28,000 and $62,000 of write-offs were recorded during the nine months ended July 31, 2024 and 2023, respectively.

Note 12—Accrued Expenses

Accrued expenses consist of the following:

(in thousands)	July 31, 2024	October 31, 2023
Royalties	$ 598	$ 568
Residuals	125	21
Payroll, bonus, accrued vacation and payroll taxes	351	703
Coop advertising	78	106
Other	227	186
Total	**$ 1,379**	**$ 1,584**

The accrued payroll balance at July 31, 2024, and 2023 includes $25,000 and $360,000, respectively, of severance related to termination of the Company's former CEO on August 28, 2022. The Company expects to make these remaining severance payments through August 2024.

Note 13—Commitments

Lease Commitments

The Company has various lease agreements with remaining terms up to 3.0 years, including leases of office space and equipment. Some leases include options to purchase, terminate or extend for one or more years. These extension options are included in the lease term when it is reasonably certain that the option will be exercised.

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

The Company's operating leases do not provide an implicit rate that can readily be determined. Therefore, the Company estimated its incremental borrowing rate to discount the lease payments based on information available at either the implementation date of Topic 842 or at lease commencement for leases entered thereafter.

On April 5, 2022, the Company entered into an operating lease for 3,334 square feet of general office space at 2355 Northside Drive, Suite 140, San Diego, CA pursuant to a 39-month lease that commenced on June 1, 2022. The Company pays rent of $134,000 annually, subject to annual escalations of 3%. In August, 2024, the Company vacated the office with the intention of reducing costs compared to the remaining costs associated with the lease.

On June 27, 2022, the Company entered into an operating lease for 4,734 square feet of general office space at 14144 Ventura Blvd, Suite 210, Sherman Oaks, CA pursuant to a 60-month lease that commenced on August 1, 2022. The Company pays rent of $183,000 annually, subject to annual escalations of 3%.

On July 16, 2024, the Company entered into an operating lease for 1,012 square feet of general office space at 2831 Camino Del Rio S, Suite 203, San Diego, CA pursuant to a 24-month lease that commences on August 1, 2024. The Company pays rent of $28,000 annually, subject to annual escalations of 4%.

In addition, the Company is leasing various equipment under operating leases that expire through September 2025.

The Company's weighted-average remaining lease term relating to its operating leases is 2.53 years, with a weighted-average discount rate of 5.75% as of July 31, 2024.

The Company recognized lease expense for its operating leases of $84,000 and $91,000 for the three months ended July 31, 2024 and 2023, respectively, and $253,000 and $263,000 for the nine months ended July 31, 2024 and 2023, respectively. The cash paid under operating leases was $83,000 and $85,000 for the three months ended July 31, 2024 and 2023, respectively, and $254,000 and $254,000 for the nine months ended July 31, 2024 and 2023, respectively.

At July 31, 2024, the Company had a right-of-use-asset related to operating leases of $2,028,000 and accumulated amortization related to operating leases of $1,370,000, both of which are included as a component of operating lease right-of-use assets. At October 31, 2023, the Company had a right-of-use-asset related to operating leases of $2,028,000 and accumulated amortization related to operating leases of $1,152,000.

As of July 31, 2024, future minimum lease payments required under operating leases are as follows:

Maturity of Lease Liability (in thousands)	**Total**
Fiscal years ending October 31:	
Rest of 2024	$ 86
2025	320
2026	191
2027	147
Total minimum lease payments	744
Less: imputed interest	(54)
Present value of future minimum lease payments	**$ 690**
Current portion	**$ 316**
Long-term portion	**$ 374**

Note 14—Income Taxes

The Company recorded no income tax expense for the three and nine months ended July 31, 2024 and 2023 because the estimated annual effective tax rate was zero. In determining the estimated annual effective income tax rate, the Company analyzes various factors, including projections of the Company's annual earnings and taxing jurisdictions in which the earnings will be generated, the impact of state and local income taxes, the ability to use tax credits and net operating loss carry forwards, and available tax planning alternatives.

As of July 31, 2024, and October 31, 2023, the Company provided a full valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that its deferred tax assets will not be realized.

Note 15—Related Party Transactions

On April 5, 2022, the Company entered into an employment agreement with Howard S. Jonas, Chairman of the Board, which provides, among other things, the following: (i) an annual base salary of $400,000 for a term of five years (the "Initial Term") that was paid through the issuance of 1,104,972 restricted shares of Class B Common Stock with the value of the shares based upon the closing price of Class B Common Stock on the NYSE American on April 4, 2022, the trading day immediately preceding the issuance equal to $2 million representing Howard S. Jonas' base salary for the entire Initial Term; (ii) such shares shall vest, contingent on Howard S. Jonas' remaining in continuous service to the Company, in substantially equal amounts on April 5, 2023, April 5, 2024, April 5, 2025, April 5, 2026 and April 5, 2027; (iii) if Howard S. Jonas' employment is terminated without cause (as such term is defined the Employment Agreement), or if Howard S. Jonas resigns for good reason (as such term is defined the Employment Agreement) or upon Howard S. Jonas's death or disability (as such term is defined in the Employment Agreement) and upon other conditions set forth in the Employment Agreement, Howard S. Jonas will be entitled to (1) severance in the amount equal to twelve (12) months of any cash portion of his base salary; and (2) any restrictions with respect to any equity grants shall lapse, and any unvested equity grants in the Company or its subsidiaries shall vest. The Company and Howard S. Jonas also entered into a Restricted Stock Agreement on April 5, 2022 in connection with the issuance to him of such 1,104,972 restricted shares of Class B Common Stock.

In connection with Allan I. Grafman's election as Chief Executive Officer, the Company entered into an Employment Agreement, dated August 21, 2022, with Mr. Grafman that provides, among other things: (i) an annual base salary of $410,000 per year, (ii) an annual bonus of $50,000, in addition to being eligible to receive an annual discretionary bonus, (iii) pursuant to the IDW Media Holdings, Inc. 2019 Stock Option and Incentive Plan, as amended and restated, a grant of Incentive Stock Options ("Options") to purchase 67,671 shares of the Company's Class B Common Stock (which represents one-half of one percent (0.5%) of the issued and outstanding stock of the Company) with the exercise price of all Options being $1.77 per share, the closing price of the Class B Common Stock on the trading day immediately prior to grant. The Options shall vest (i) with respect to one-fourth (1/4) of the underlying shares on the six-month anniversary of the Effective Date and (ii) in equal tranches (in each case, rounded to a whole number of shares) of the underlying shares on each quarterly anniversary of the six-month anniversary, and all unvested Options shall vest on the day immediately preceding the second anniversary of the Effective Date. Mr. Grafman served as a director of the Company from May 2019 through August 2022 and as an *Ex-Officio* (non-voting) member of the Board from August 2022 through March 2023. The Employment Agreement was terminated in connection with a reduction in force. Upon termination, all unvested options granted pursuant to the Option Agreement were terminated.

The Company leases office space on a month-to-month basis and receives consulting services from an affiliate of the Company's Chairman and principal stockholder. The Company incurred $1,000 and $2,000 of expenses for these services in the three months ended July 31, 2024 and 2023, respectively, and $4,000 and $5,000 for the nine months ended July 31, 2024 and 2023, respectively.

Note 16—Subsequent Events

The Company has evaluated subsequent events through September 12, 2024, the date on which the unaudited condensed consolidated financial statements were issued. There were no material subsequent events that require recognition or additional disclosures in these unaudited condensed consolidated financial statements.

Item 4 Management's Discussion and Analysis or Plan of Operation

The following information should be read in conjunction with accompanying unaudited condensed consolidated financial statements and the associated notes thereto of this report, and our Management's Discussion and Analysis of Financial Condition and Results of Operations which were filed with the OTC Markets Group with our Annual Report for the fiscal year ended October 31, 2023.

OVERVIEW

We were incorporated in the State of Delaware in May 2009.

In 2009, IDT Corporation, our former parent corporation, completed a tax-free spinoff of the Company through a pro rata distribution of our common stock to IDT's stockholders.

Our Class B common stock is quoted on the OTCQB Venture Market of the OTC Markets.

Our principal businesses consist of:

- 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; and

- 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.

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 as well as creating content from licensed franchises.

IDWE leverages IDWP original IP 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.

Reclassification of prior year presentation

Beginning with the three months ended January 31, 2024, all IDWMH costs are allocated to IDWP and IDWE. Prior year allocations of IDWMH overhead have been reclassified to conform to the current year's presentation.

Business Description

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*), Sega (*Sonic*), Toho (*Godzilla*) 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"); and

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. 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.

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 *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).

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.

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*.

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.

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

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 revenues represented 100% and 99.9% of our consolidated revenues in the three months ended July 31, 2024 and 2023, respectively and 99.5% and 99.7% in the nine months ended July 31, 2024 and 2023, respectively.

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.

IDWE has developed and/or produced a number of series for television:

- *Locke & Key* premiered on Netflix on February 7, 2020. The show is based on the critically acclaimed graphic novels of the same name of Joe Hill and Gabriel Rodriguez published by IDWP. Season two premiered October 22, 2021, landing in the Top 10 on Netflix's global TV charts in over 81 countries, and season three premiered August 10, 2022 on Netflix.

- *Surfside Girls* is based on the Top Shelf graphic novel of the same name and premiered on August 19, 2022 on Apple TV+. All ten episodes of the live action kids' series premiered in over 80 countries worldwide on the Apple TV platform.

Some historical series include:

- *Wynonna Earp* which aired four seasons on SyFy from 2016 to 2021. The show was created by Emily Andras and starred Melanie Scrofano and was based on the IDWP comics of Beau Smith of the same name. Cineflix Studios is the co-producer and global distributor for the series. On February 8, 2024, the streaming service Tubi announced a new 90-minute scripted special, expected to premiere in 2024.

- *V Wars* debuted on Netflix on December 5, 2019. The 10-episode vampire thriller stars Ian Somerhalder and was produced by High Park Entertainment. The series was based upon Jonathan Maberry's IDWP comic book series of the same name. Some streaming rights reverted back to IDWE in 2022; as a result, we will be exploring opportunities to monetize the past season and potential opportunities to continue the story with a new partner.

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

In the past 24 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")

- *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

Business Model

While in the past, IDWE focused on television development and financing production opportunities, a broadening of our strategic goals has evolved to focus on lower risk investments as well as developing IP for feature film and podcast opportunities. As was the case with *Surfside Girls*, IDWE provided co-studio services which enabled us to utilize our studio partners' infrastructure to support the needs of productions while reducing our own risk. We have also diversified our position by acting as non-writing executive producers on current and future projects which allows us to secure fees for our services while minimizing costs.

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.

Due to the Writers Guild of America and Screen Actors Guild strikes in 2023, nearly all film & television production halted for the majority of 2023. 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. While the strikes had minimal impact in the current fiscal period, 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. Both strikes ended on November 9, 2023.

IDWE's revenues represented 0% and 0.1% of our consolidated revenues in the three months ended July 31, 2024 and 2023, respectively and 0.5% and 0.3% in the nine months ended July 31, 2024 and 2023, respectively.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses as well as the disclosure of contingent assets and liabilities. Critical accounting policies are those that require application of management's most subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. Our critical accounting policies include those related to the valuation of long-lived assets including intangible assets with finite useful lives and ultimate revenues for television costs. Management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. See Note 1 to the consolidated financial statements included our Annual Report filed on January 29, 2024 for a full description of our significant accounting policies.

Results of Operations

We evaluate the performance of our operating business segments based primarily on (loss) income from operations. Accordingly, the income and expense line items below loss from operations are only included in our discussion of the unaudited condensed consolidated results of operations.

IDWP

(in thousands)			**Change**	
Three months ended July 31,	**2024**	**2023**	**$**	**%**
Revenues	$ 7,323	$ 6,253	$ 1,070	17.1%
Direct cost of revenues	4,290	3,879	(411)	(10.6)%
Selling, general and administrative	2,915	3,247	332	10.2%
Depreciation and amortization	80	608	528	86.8%
Income (loss) from operations	**$ 38**	**$ (1,481)**	**$ 1,519**	**102.6%**

(in thousands)			**Change**	
Nine months ended July 31,	**2024**	**2023**	**$**	**%**
Revenues	$ 18,840	$ 18,272	$ 568	3.1%
Direct cost of revenues	11,037	10,351	(686)	(6.6)%
Selling, general and administrative	8,852	11,443	2,591	22.6%
Depreciation and amortization	232	887	655	73.8%
Loss from operations	**$ (1,281)**	**$ (4,409)**	**$ 3,128**	**70.9%**

Revenues. IDWP revenues increased by $1,070,000 in the three months ended July 31, 2024, compared to the three months ended July 31, 2023, due to increases in comic book market publishing revenue of $505,000 driven by *Teenage Mutant Ninja Turtles #1, Teenage Mutant Ninja Turtles Re-Evolution #2,* and *Teenage Mutant Ninja Turtles Alpha*, book market publishing revenue of $448,000 driven by *Teenage Mutant Ninja Turtles: The Last* Ronin, direct billing revenue of $171,000 driven mostly by increased orders from Scholastic Book Fairs, licensing and royalty revenues of $80,000, and digital sales of $51,000, offset by an increase in sales returns and discounts on book sales of $185,000.

IDWP revenues increased by $568,000 in the nine months ended July 31, 2024, compared to the nine months ended July 31, 2023, due to increases in book market publishing revenue of $1,247,000 driven by *Teenage Mutant Ninja Turtles: The Last Ronin* and *Teenage Mutant Ninja Turtles: Lost Years*, comic book market publishing revenue of $717,000 driven by *Teenage Mutant Ninja Turtles Re-Evolution #1,Teenage Mutant Ninja Turtles #1,* and *Teenage Mutant Ninja Turtles Re-Evolution #2,* and direct-to-consumer sales of $427,000 due primarily to increased marketing efforts, offset by an increase in sales returns and discounts on book sales of 706,000, and decreases in direct billing revenue of $504,000, games revenue of $307,000 due to the lack of games activity in the current period, and digital sales of $306,000 driven by a decrease in Amazon and Comixology activity

Direct cost of revenues. IDWP direct cost of revenues increased by $411,000 in the three months ended July 31, 2024, compared to the three months ended July 31, 2023, due to increases in publishing printing costs of $167,000 driven primarily by increased inbound shipping costs, creative costs of $153,000, and royalty and licensing costs of $91,000. Royalty expense as a percentage of sales is dependent on product and title mix as different revenue streams and titles have different royalty rates.

IDWP direct cost of revenues increased by $686,000 in the nine months ended July 31, 2024, compared to the nine months ended July 31, 2023, due to increases in publishing printing costs of $469,000 due primarily to write downs and write offs of slow-moving inventory, creative costs of $251,000, licensing costs of $146,000 due primarily to the outsourcing of foreign licensing management, and royalty expense of $27,000, offset by decreases in games printing costs of $207,000 due to no current games activity. Royalty expense as a percentage of sales is dependent on product and title mix as different revenue streams and titles have different royalty rates.

Gross Margin. IDWP gross margin increased to 41.4% for the three months ended July 31, 2024, compared to 38.0% for the three months ended July 31, 2023. Gross margin for the nine months ended July 31, 2024 decreased to 41.4% compared to 43.4% for the nine months ended July 31, 2023. The changes are primarily due to the reasons set forth in the direct cost of revenues discussion above, specifically write downs and write offs of slowing-moving inventory.

Selling, General and Administrative. IDWP selling, general and administrative expenses decreased by $332,000 in the three months ended July 31, 2024, compared to the three months ended July 31, 2023, due to decreases in salaries and benefits of $253,000 due primarily to the reduction in force associated with changes in leadership positions and other team members in April, 2024 and direct-to-consumer costs of $208,000 due to decreases in shipping costs, offset by increases in legal and consulting fees of $105,000, and other net charges of $24,000.

IDWP selling, general and administrative expenses decreased by $2,591,000 in the nine months ended July 31, 2024, compared to the nine months ended July 31, 2023, primarily due to decreases in overhead allocations of $1,668,000, salaries and benefits of $713,000, direct-to-consumer costs of $265,000 due to decreases in shipping costs, severance of $144,000, marketing expenses of $70,000 due mostly to decreased convention costs, and IT costs of $51,000 due to reduction of licenses related to reductions in force, offset by increases in legal and consulting fees of $168,000 due to outside counsel costs related to recent reductions in force, occupancy expenses of $91,000 due mostly to changes in internal allocation methodology, travel expenses of $46,000, and other net charges of $15,000. The decreases in overhead, salaries and benefits, and severance are also directly related to the reduction in force on April 27, 2023.

As a percentage of IDWP revenues, selling, general and administrative expenses were 40.0% in the three months ended July 31, 2024, compared to 49.0% in the three months ended July 31, 2023, and 47.3% in the nine months ended July 31, 2024, compared to 48.7% in the nine months ended July 31, 2023.

IDWE

(in thousands) **Three months ended July 31,**	**2024**	**2023**	**Change $**	**Change %**
Revenues	$ (34)	$ 3	$ (37)	(1,233.3)%
Direct recoupment of cost of revenues	(195)	(141)	54	38.3%
Selling, general and administrative	84	174	90	51.7%
Depreciation and amortization	1	2	1	50.0%
Income (loss) from operations	**$ 76**	**$ (32)**	**$ 108**	**337.5%**

(in thousands) **Nine months ended July 31,**	**2024**	**2023**	**Change $**	**Change %**
Revenues	$ 88	$ 64	$ 24	37.5%
Recoupment of cost of revenues	(492)	(265)	227	85.7%
Selling, general and administrative	318	1,329	1,011	76.1%
Depreciation and amortization	6	11	5	45.5%
Income (loss) from operations	**$ 256**	**$ (1,011)**	**$ 1,267**	**125.3%**

Revenues. IDWE revenues decreased by $37,000 in the three months ended July 31, 2024, compared to the three months ended July 31, 2023. Negative revenue in the three months ended July 31, 2024 consisted of an adjustment to revenue previously recorded in the three months ended April 30, 2024. Revenue for the three months ended July 31, 2023 consisted of optioned project revenue.

IDWE revenues increased by $24,000 in the nine months ended July 31, 2024, compared to the nine months ended July 31, 2023. Revenues in the nine months ended July 31, 2024 and 2023 both consisted of optioned project revenue.

Recoupment of costs of revenues. IDWE direct cost of revenues consists primarily of the amortization of production costs that were capitalized during the production of the television episodes and direct costs related to revenue recognized during related periods. Direct recoupment of costs consists of recoupment of expenses previously recorded as cost of revenue that could not be reasonably estimated in prior periods.

IDWE direct cost of revenues decreased by $54,000 in the three months ended July 31, 2024, compared to the three months ended July 31, 2023. The amortized television costs for the three months ended July 31, 2024 included cost recoupment from *Wynonna* Earp of $251,000, offset by residuals of $35,000 and television cost impairments of $21,000. The amortized television costs for the three months ended July 31, 2023, included cost recoupment from *Wynonna* Earp of $165,000, offset by television cost impairments of $20,00, and residuals of $4,000.

IDWE direct cost of revenues decreased by $227,000 in the nine months ended July 31, 2024, compared to the nine months ended July 31, 2023. The amortized television costs for the nine months ended July 31, 2024, included cost recoupment from *Wynonna* Earp of $654,000, offset by residuals of $134,000, and television cost impairments of $28,000. The amortized television costs for the nine months ended July 31, 2023, included cost recoupment from *Wynonna* Earp of $487,000 and a tax credit of $7,000, offset by residuals of $168,000, and television cost impairments of $61,000.

Gross Margin. IDWE gross margin was (473.5)% for the three months ended July 31, 2024, compared to 4800.0% for the three months ended July 31, 2023, and 659.1% for the nine months ended July 31, 2024, compared to 514.1% for the nine months ended July 31, 2023. These gross margin figures are aligned with the explanations provided for revenues and direct cost of revenues.

Selling, General and Administrative. IDWE selling, general and administrative expenses decreased by $90,000 during the three months ended July 31, 2024, compared to the three months ended July 31, 2023 primarily due to decreases in salaries and benefits of $43,000, legal and consulting expenses of $32,000 due primarily to a reduced reliance on outside counsel, occupancy expenses of $12,000 due mostly to changes in internal allocation methodology, and other net charges of $3,000. The decreases in salaries and benefits and overhead are directly related to the reduction in force on April 27, 2023.

IDWE selling, general and administrative expenses decreased by $1,011,000 during the nine months ended July 31, 2024, compared to the nine months ended July 31, 2023 primarily due to decreases in salaries and benefits of $562,000, overhead allocation of $208,000, legal and consulting expenses of $113,000 due primarily to a reduced reliance on outside counsel, occupancy expenses of $48,000 due mostly to changes in internal allocation methodology, IT costs of $19,000, and other net charges of $61,000. The decreases in salaries and benefits and overhead are directly related to the reduction in force on April 27, 2023.

Consolidated Net Income (Loss) IDW Media Holdings, Inc.

(in thousands)			**Change**	
Three months ended July 31,	**2024**	**2023**	**$**	**%**
Income (loss) from operations	$ 114	$ (1,513)	$ 1,627	107.5%
Interest income, net	9	15	(5)	(33.3)%
Other income, net	1	-	-	-
Net income (loss)	**$ 124**	**$ (1,498)**	**$ 1,622**	**108.3%**

(in thousands)			Change	
Nine months ended July 31,	**2024**	**2023**	**$**	**%**
Loss from operations	$ (1,025)	$ (5,420)	$ 4,395	81.1%
Interest income, net	29	45	(16)	(35.6)%
Other expense, net	(11)	(49)	38	77.6%
Net loss	**$ (1,007)**	**$ (5,424)**	**$ 4,417**	**81.4%**

Loss from operations. Loss from operations decreased by $1,627,000 in the three months ended July 31, 2024 compared to the three months ended July 31, 2023, due to positive changes in operational performance from IDWP of $1,320,000 and IDWE of $97,000, and a decrease in corporate overhead of $210,000. These changes are described in the separate segment analyses above.

Loss from operations decreased by $4,395,000 in the nine months ended July 31, 2024 compared to the nine months ended July 31, 2023, due to a decrease in corporate overhead of $2,728,000 and positive changes in operational performance from IDWE of $1,130,000 and IDWP of $537,000. These changes are described in the separate segment analyses above.

Interest income, net. Interest income earned on bank deposits was $9,000 in the three months ended July 31, 2024 compared to $15,000 in the three months ended July 31, 2023.

Interest income was $29,000 in the nine months ended July 31, 2024 compared to $45,000 in the nine months ended July 31, 2023 due to interest income earned on the ERC cash received in the nine months ended July 31, 2023.

Other income (expense), net. Other income due to the disposal of property and equipment was $1,000 in the three months ended July 31, 2024 compared to $0 for the three months ended July 31, 2023.

Other expense due to the loss on the disposal of property and equipment was $11,000 in the nine months ended July 31, 2024 compared to $49,000 in the nine months ended July 31, 2023.

Liquidity and Capital Resources

General

At July 31, 2024, the Company had cash and cash equivalents of $5,918,000 and working capital (current assets in excess of current liabilities) of $17,543,000, compared to cash of $3,599,000 and working capital of $14,703,000 at October 31, 2023. The increase in cash is primarily a result of the proceeds received from the rights offering described in Note 3.

We anticipate that our expected cash flow from operations during the next twelve months together with our working capital, including the balance of cash and cash equivalents held as of July 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, primarily as a result of reductions in force in April 2023, April 2024, and August 2024 will result in future positive operating cash flow.

We satisfy our cash requirements primarily through cash provided by the Company's operating activities, which fluctuates each quarter. Additionally, in the three months ended July 31, 2024, the Company received $3.0 million in proceeds from a non-brokered private placement which proceeds are intended to be used to finance growth opportunities, including acquiring new publishing licenses.

(in thousands)	Nine months ended July 31, 2024		Nine months ended July 31, 2023	
Cash flows (used in) provided by:				
Operating activities	$	(602)	$	(6,047)
Investing activities		(79)		(390)
Financing activities		3,000		-
Net increase (decrease) in cash and cash equivalents	**$**	**2,319**	**$**	**(6,437)**

Operating Activities

Cash used in operating activities was $602,000 for the nine months ended July 31, 2024, compared to cash used in operating activities of $6,047,000 in the nine months ended July 31, 2023. For the nine months ended July 31, 2024, net decrease in cash was primarily a result of the net loss for the period of $1,007,000, adjusted for non-cash items included in the determination of net loss, and $13,000 of cash inflow related to the effect of changes in operating assets and liabilities. Reduction in cash expenditures for the nine months ended July 31, 2024 compared to the nine months ended July 31, 2023 was primarily due to reduced salaries and benefits.

For the nine months ended July 31, 2023, net use of cash for operations was primarily a result of the net loss for the period of $5,424,000, adjusted for non-cash items included in the determination of net loss, offset by $2,246,000 cash outflow related to the effect of changes in operating assets and liabilities. Cash flows generated at IDWE vary widely year to year due to timing of productions.

Investing Activities

Our capital expenditures were approximately $79,000 and $390,000 in the nine months ended July 31, 2024, and 2023, respectively.

Financing Activities

On May 15, 2024, the Company announced a non-brokered private placement pursuant to which the Company proposed to issue to certain existing shareholders shares of its Class B common stock at a price of $0.32 per share for a total of $2.3 million, with the right to accept investments of up to $3.0 million in its discretion. The initial round of the offering closed June 12, 2024 and the Company issued 6,076,572 shares for gross proceeds of $1,944,503. The follow on round of the offering closed July 5, 2024 and the Company issued 3,298,427 for gross proceeds of $1,055,497. The Company issued a total of 9,375,000 shares for total gross proceeds of $3.0 million.

Recent Accounting Pronouncements

For a description of recently issued accounting pronouncements, including the respective dates of adoption, and expected effects on our results of operations and financial condition, see Note 1 to the unaudited condensed consolidated financial statements included in this report.

Changes in Trade Accounts Receivables and Allowance for Credit Losses

Trade accounts receivable increased to approximately $6,789,000 at July 31, 2024, compared to $7,263,000 at October 31, 2023 principally due to increased sales volume with PRH, current sales with Scholastic Book Fairs, and current recoupment of expenses from Cineflex related to international sales of Wynonna Earp. The allowance for credit losses as a percentage of gross trade accounts receivable was 0% at July 31, 2024 and October 31, 2023, reflecting the Company's collectible receivable experience.

Off-Balance Sheet Arrangements

We do not have any "off-balance sheet arrangements," as defined in relevant SEC regulations that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Other Sources and Uses of Resources

Where appropriate, we evaluate strategic investments and acquisitions to complement, expand, and/or enter into new businesses. In considering acquisitions and investments, we search for opportunities to profitably grow our existing businesses, to add qualitatively to the range of businesses in our portfolio, and to achieve operational synergies. At this time, we cannot guarantee that we will be presented with acquisition opportunities that meet our return-on-investment criteria, or that our efforts to make acquisitions that meet our criteria will be successful.

In the fourth quarter of fiscal 2020 we paid "pull down" costs pursuant to a previously announced, multi-year agreement with Cineflix related to international sales of Wynonna Earp. Specifically, under this agreement, IDWE purchased the distribution rights to seasons one and two of *Wynonna Earp* from the current licensor (Netflix) and had agreed to transfer those rights to Cineflix. Cineflix is now the international distributor of all four seasons of *Wynonna Earp*. Due to changes in competition as well as the COVID-19 pandemic, the Cineflix deal did not contribute revenue and operating cash flow in fiscal year 2021 at the levels originally anticipated at the inception of the deal, however we began recouping some of our cash outlays in the third quarter of 2022 from international distribution sales of all four seasons of *Wynonna Earp*, which continued through the three and nine months ended July 31, 2024.

Dividends

We have never declared or paid any cash dividends on our capital stock. The Company does not currently anticipate paying any cash dividends in the foreseeable future and is using cash flows to invest in the growth of the business.

Item 5 Legal Proceedings.

The Company is currently involved in three separate matters involving former employees alleging wrongful termination, discrimination, and harassment. We believe each claim to be without merit and have engaged counsel to defend the Company, and are acting in accordance with the terms of our Employment Practices liability insurance. The Company currently believes each matter will be resolved without material negative impact on the Company

Item 6 Defaults upon senior securities.

None

Item 7 Other information.

None

Item 8 Exhibits.

None

Item 9 Certifications.

I, Davidi Jonas, certify that:

1. I have reviewed this quarterly disclosure statement of IDW Media Holdings, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 12, 2024

/s/ Davidi Jonas
Chief Executive Officer

I, Andrew DeBaker, certify that:

1. I have reviewed this quarterly disclosure statement of IDW Media Holdings, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: September 12, 2024

/s/ Andrew DeBaker
Chief Financial Officer