

The Goodheart-Willcox Company, Inc.
Condensed Financial Information of the Second Quarter of Fiscal 2025 Ending October 31, 2024
(Unaudited)

| Period Ended October 31 (in Thousands, except share data): | 2024 Three Months Ended | 2023 Three Months Ended | 2024 Six Months Ended | 2023 Six Months Ended |
|---|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Net Sales | \$19,350 | \$15,609 | \$37,746 | \$32,548 |
| Cost of Goods Sold | 2,130 | 1,623 | 4,130 | 3,499 |
| Gross Profit | 17,220 | 13,986 | 33,616 | 29,049 |
| Operating Expenses | 10,769 | 9,104 | 19,721 | 18,178 |
| Operating Profit | 6,451 | 4,882 | 13,895 | 10,871 |
| Other Income (net) | 897 | 562 | 1,768 | 1,014 |
| Income Before Income Taxes | 7,348 | 5,444 | 15,663 | 11,885 |
| Income Taxes | 1,740 | 1,053 | 3,647 | 2,296 |
| Net Income (Loss) | \$5,608 | \$4,391 | \$12,016 | \$9,589 |
| Other Comprehensive Income (Loss) | 76 | 204 | 402 | 341 |
| Total Comprehensive Income | \$5,684 | \$4,595 | \$12,418 | \$9,930 |
| Income per Common Share | \$13.81 | \$11.24 | \$29.64 | \$24.59 |
| Average Number of Shares Outstanding | 406,076 | 390,584 | 405,411 | 389,919 |
| Selected Balance Sheet Data: | October 31, 2024 | | April 30, 2024 | |
| Total Current Assets | \$104,093 | | \$84,085 | |
| Total Property & Equipment, net | 4,427 | | 4,333 | |
| Total Assets | 132,182 | | 110,988 | |
| Total Current Liabilities | 33,340 | | 35,956 | |
| Total Long-Term Liabilities | 55,182 | | 44,748 | |
| Total Stockholders' Equity | 43,660 | | 30,284 | |
| Supplemental Data: | Three Months Ended | | Six Months Ended | |
| | 2024 | 2023 | 2024 | 2023 |
| Subscription Revenue Deferred | \$15,062 | \$10,038 | \$26,561 | \$21,055 |
| Subscription Revenue Recognized | \$6,434 | \$5,937 | \$12,558 | \$11,625 |

The above unaudited interim financial information is derived from the Company's financial statements which, in the opinion of management, reflect all adjustments necessary to present fairly the Company's financial position as of October 31, 2024 and its results of operations for the three months ended October 31, 2024 and 2023, respectively, and have been prepared in conformity with the accounting principles reflected in the financial statements and related notes included in the Company's annual report for the fiscal year ended April 30, 2024. Certain information and disclosures normally included in annual financial statements and related notes prepared in accordance with U.S. GAAP have been condensed or omitted.

Historically the Company has experienced its highest level of sales in the first and second quarters and its lowest level of sales in the fourth quarter. The seasonal and cyclical nature of selling products such as textbooks and supplements into the educational market with two separate semesters, coupled with the introduction of new and revised products published for the next calendar/copyright year, affects the operational results of the Company. Thus, the results of operations for the periods above are not necessarily indicative of the results of operations for the respective full fiscal years.

The Company sells digital instructional content by multi-year subscriptions. The Supplemental Data presents *Subscription Revenue Deferred* as sales invoiced to customers to be recognized in future periods, and *Subscription Revenue Recognized* as subscription revenue recognized during the respective current periods shown.