UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: **March 31, 2024**
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file no. **1-33741**

DallasNews CORPORATION

(Exact name of registrant as specified in its charter)

Texas	**38-3765318**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P. O. Box 224866, Dallas, Texas 75222-4866	**(214) 977-8869**
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

Former name, former address and former fiscal year, if changed since last report.
None

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Series A Common Stock, $0.01 par value	DALN	The Nasdaq Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large Accelerated Filer: ☐	Accelerated Filer: ☐	Non-Accelerated Filer: ☑	Smaller Reporting Company: ☑	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

Shares of Common Stock outstanding at May 10, 2024: 5,352,490 shares (consisting of 4,737,852 shares of Series A Common Stock and 614,638 shares of Series B Common Stock).

DALLASNEWS CORPORATION

FORM 10-Q

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PART I

Item 1. Financial Information

DallasNews Corporation and Subsidiaries
Consolidated Statements of Operations

In thousands, except share and per share amounts (unaudited)	*Three Months Ended March 31,* 2024	2023
Net Operating Revenue:		
Advertising and marketing services	$ 11,646	$ 15,309
Circulation	16,300	16,011
Printing, distribution and other	3,156	3,882
Total net operating revenue	31,102	35,202
Operating Costs and Expense:		
Employee compensation and benefits	16,117	17,373
Other production, distribution and operating costs	15,059	18,028
Newsprint, ink and other supplies	1,284	2,184
Depreciation	398	373
Total operating costs and expense	32,858	37,958
Operating loss	(1,756)	(2,756)
Other income, net	611	362
Loss Before Income Taxes	(1,145)	(2,394)
Income tax provision	218	232
Net Loss	$ (1,363)	$ (2,626)
Per Share Basis		
Net loss		
Basic	$ (0.25)	$ (0.49)
Number of common shares used in the per share calculation:		
Basic	5,352,490	5,352,490

See the accompanying Notes to the Consolidated Financial Statements.

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DallasNews Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)

In thousands (unaudited)	*Three Months Ended March 31,* 2024	2023
Net Loss	$ (1,363)	$ (2,626)
Other Comprehensive Income (Loss), Net of Tax:		
Amortization of actuarial (gains) losses	102	(10)
Total other comprehensive income (loss), net of tax	102	(10)
Total Comprehensive Loss	$ (1,261)	$ (2,636)

See the accompanying Notes to the Consolidated Financial Statements.

DallasNews Corporation and Subsidiaries
Consolidated Balance Sheets

In thousands, except share amounts (unaudited)	*March 31, 2024*	*December 31, 2023*
Assets		
Current assets:		
Cash and cash equivalents	$ 7,946	$ 11,697
Short-term investments	10,478	10,781
Accounts receivable (net of allowance of $218 and $207 at March 31, 2024 and December 31, 2023, respectively)	8,582	9,923
Inventories	1,621	1,930
Prepaids and other current assets	4,887	2,602
Total current assets	33,514	36,933
Property, plant and equipment, at cost	307,502	307,436
Less accumulated depreciation	(300,735)	(300,337)
Property, plant and equipment, net	6,767	7,099
Operating lease right-of-use assets	15,652	16,141
Deferred income taxes, net	260	271
Other assets	1,785	1,790
Total assets	$ 57,978	$ 62,234
Liabilities and Shareholders’ Equity		
Current liabilities:		
Accounts payable	$ 3,660	$ 3,963
Accrued compensation and benefits	4,465	3,901
Other accrued expense	3,413	6,548
Contract liabilities	10,593	9,511
Total current liabilities	22,131	23,923
Long-term pension liabilities	16,766	17,353
Long-term operating lease liabilities	16,356	16,924
Other post-employment benefits	991	996
Other liabilities	37	80
Total liabilities	56,281	59,276
Contingent liabilities (see Note 9)		
Shareholders’ equity:		
Preferred stock, $0.01 par value; Authorized 2,000,000 shares; none issued	—	—
Common stock, $0.01 par value; Authorized 31,250,000 shares		
Series A: issued 5,216,317 at March 31, 2024 and December 31, 2023	52	52
Series B: issued 614,638 at March 31, 2024 and December 31, 2023	6	6
Treasury stock, Series A, at cost; 478,465 shares held at March 31, 2024 and December 31, 2023	(13,443)	(13,443)
Additional paid-in capital	494,563	494,563
Accumulated other comprehensive loss	(40,145)	(40,247)
Accumulated deficit	(439,336)	(437,973)
Total shareholders’ equity	1,697	2,958
Total liabilities and shareholders’ equity	$ 57,978	$ 62,234

See the accompanying Notes to the Consolidated Financial Statements.

DallasNews Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity

	Three Months Ended March 31, 2024 and 2023								
	Common Stock				Treasury Stock				
In thousands, except share and per share amounts (unaudited)	**Shares Series A**	**Shares Series B**	**Amount**	**Additional Paid-in Capital**	**Shares Series A**	**Amount**	**Accumulated Other Comprehensive Loss**	**Accumulated Deficit**	**Total**
Balance at December 31, 2022	5,216,237	614,718	$ 58	$ 494,563	(478,465)	$ (13,443)	$ (41,380)	$ (427,435)	$ 12,363
Net loss	—	—	—	—	—	—	—	(2,626)	(2,626)
Other comprehensive loss	—	—	—	—	—	—	(10)	—	(10)
Dividends declared ($0.16 per share)	—	—	—	—	—	—	—	(856)	(856)
Balance at March 31, 2023	5,216,237	614,718	$ 58	$ 494,563	(478,465)	$ (13,443)	$ (41,390)	$ (430,917)	$ 8,871
Balance at December 31, 2023	5,216,317	614,638	$ 58	$ 494,563	(478,465)	$ (13,443)	$ (40,247)	$ (437,973)	$ 2,958
Net loss	—	—	—	—	—	—	—	(1,363)	(1,363)
Other comprehensive income	—	—	—	—	—	—	102	—	102
Balance at March 31, 2024	5,216,317	614,638	$ 58	$ 494,563	(478,465)	$ (13,443)	$ (40,145)	$ (439,336)	$ 1,697

See the accompanying Notes to the Consolidated Financial Statements.

DallasNews Corporation and Subsidiaries
Consolidated Statements of Cash Flows

In thousands (unaudited)	*Three Months Ended March 31,* 2024	2023
Operating Activities		
Net loss	$ (1,363)	$ (2,626)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation	398	373
Net periodic pension and other post-employment benefit	(474)	(225)
Bad debt expense	74	8
Deferred income taxes	11	(11)
Gain on short-term investments	(111)	—
Provision, interest and penalties for uncertain tax positions	—	2
Changes in working capital and other operating assets and liabilities:		
Accounts receivable	1,267	2,411
Inventories, prepaids and other current assets	(1,976)	(1,636)
Other assets	5	4
Accounts payable	(303)	(723)
Compensation and benefit obligations	564	398
Other accrued expenses	(2,366)	(363)
Contract liabilities	1,082	1,428
Other post-employment benefits	(16)	(15)
Net cash used for operating activities	(3,208)	(975)
Investing Activities		
Purchases of assets	(101)	(236)
Purchases of short-term investments	(9,909)	(10,500)
Maturities of short-term investments	10,323	—
Net cash provided by (used for) investing activities	313	(10,736)
Financing Activities		
Dividends paid	(856)	(856)
Net cash used for financing activities	(856)	(856)
Net decrease in cash and cash equivalents	(3,751)	(12,567)
Cash and cash equivalents, beginning of period	11,697	27,825
Cash and cash equivalents, end of period	$ 7,946	$ 15,258
Supplemental Disclosures		
Income tax paid, net	$ 5	$ 2
Noncash investing and financing activities:		
Dividends payable	—	856

See the accompanying Notes to the Consolidated Financial Statements.

DallasNews Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

Note 1: Basis of Presentation and Recently Issued Accounting Standards

Description of Business. DallasNews Corporation and its subsidiaries are referred to collectively herein as "DallasNews" or the "Company." DallasNews was formed in February 2008 through a spin-off from its former parent company and is registered on The Nasdaq Stock Market LLC (Nasdaq trading symbol: DALN). DallasNews is the Dallas-based holding company of *The Dallas Morning News* and Medium Giant.

The Company operates *The Dallas Morning News* (dallasnews.com), Texas' leading newspaper and winner of nine Pulitzer Prizes. These operations generate revenue from sales of advertising within the Company's newspaper and digital platforms, subscriptions and retail sales of its newspaper, commercial printing and distribution services primarily related to national newspapers.

In addition, the Company has a full-service agency, Medium Giant, with capabilities including strategy, creative and media management with a focus on strategic and digital marketing, and data intelligence that provide a measurable return on investment to its clients.

As of March 31, 2024, the Company had 531 employees, a headcount decrease of 121 or 18.6 percent when compared to March 31, 2023, primarily resulting from the 2023 Voluntary Severance Program participants that left the Company in the first quarter. In the three months ended March 31, 2024, the Company paid $2,454 of related severance that was included in other accrued expense in the Consolidated Balance Sheet as of December 31, 2023.

Basis of Presentation. The interim consolidated financial statements included herein are unaudited; however, they include adjustments of a normal recurring nature which, in the Company's opinion, are necessary to present fairly the consolidated financial information as of and for the periods indicated in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to interim periods. All intercompany balances and transactions have been eliminated in consolidation. The Company consolidates its majority owned subsidiaries over which the Company exercises control. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023. All dollar amounts presented herein, except share and per share amounts, are in thousands, unless the context indicates otherwise.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net operating revenues and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

Areas where estimates are used include valuation allowances for credit losses, fair value measurements, pension plan assets, pension and other post-employment benefit obligation assumptions, income taxes, leases, self-insured liabilities, and assumptions related to long-lived assets impairment review. Estimates are based on past experience and other considerations reasonable under the circumstances. Actual results may differ from these estimates.

Segment Presentation. Based on the Company's structure and organizational chart, the Company's chief operating decision-maker (the "CODM") is its Chief Executive Officer, Grant S. Moise. Based on how the Company's CODM makes decisions about allocating resources and assessing performance, the Company determined it has one reportable segment.

New Accounting Pronouncements. The Financial Accounting Standards Board ("FASB") issued the following accounting pronouncements and guidance, which may be applicable to the Company but have not yet become effective.

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07– *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This update requires an entity to disclose, on an annual and interim basis, significant segment expenses. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures in ASC 280. The guidance is effective retrospectively for annual periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of the adoption on its financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09 – *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* This update requires an entity to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. Additionally, the guidance requires an entity to disclose annual income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and disaggregate the information by jurisdiction based on a quantitative threshold. The guidance also requires an entity to disclose income tax expense (benefit) disaggregated by federal (national), state and foreign. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The amendments should be applied on a prospective basis although retrospective application is permitted. The Company is currently evaluating the impact of the adoption on its financial statement disclosures.

Note 2: Revenue

Revenue Recognition

Revenue is recognized when obligations under the terms of a contract with the Company's customer are satisfied. This occurs when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services, typically at contract price or determined by stand-alone selling price. The Company has an estimated allowance for credits, refunds and similar obligations. Sales tax collected concurrent with revenue-producing activities are excluded from revenue.

The table below sets forth revenue disaggregated by revenue source.

	Three Months Ended March 31,	
	2024	***2023***
Advertising and Marketing Services		
Print advertising	$ 5,639	$ 9,296
Digital advertising and marketing services	6,007	6,013
Total	$ 11,646	$ 15,309
Circulation		
Print circulation	$ 11,756	$ 12,381
Digital circulation	4,544	3,630
Total	$ 16,300	$ 16,011
Printing, Distribution and Other	$ 3,156	$ 3,882
Total Revenue	**$ 31,102**	**$ 35,202**

Advertising and Marketing Services

Advertising and marketing services revenue is recognized when an ad or service is complete and delivered based on the contract price. Payment is typically received within 30 to 60 days after the customer is billed. Longer-term contracts often include multiple performance obligations, digital and other forms of advertising, and a single performance obligation containing a bundle of services that are not distinct but provided to maximize a customer's marketing plan. When the Company has a longer-term contract, revenue is recognized over time as the ads or services are delivered. For contracts with over time revenue recognition the company is providing a series of services and recognizes revenue by 1) using a time-based method of measuring progress of delivery over time, or 2) as each distinct performance obligation (typically ads or impressions) are delivered on a monthly basis. In addition, certain digital advertising revenue related to website access is recognized over time, based on the customers' monthly rate. The Company typically extends credit to advertising and marketing services customers, although for certain advertising campaigns the customer may pay in advance.

Print advertising is primarily comprised of display and classified advertising revenue. Display revenue results from sales of advertising space within the Company's core newspaper to local, regional or national businesses with local operations, affiliates or resellers. Classified revenue, which includes automotive, real estate, employment, obituaries and other, results from sales of advertising space in the classified and other sections of the Company's newspaper. At the end of August 2023, the Company ended its program to distribute preprinted advertisements through the mail or through third-party distributors to households in targeted areas, and discontinued print-only editions of the Company's niche publications.

Digital advertising and marketing services revenue consists of strategic marketing services, consulting, branding, paid media strategy and management, creative services, search optimization, direct mail, the sale of promotional materials, and subscriptions to the Company's multi-channel marketing solutions cloud-based software and services. In addition, it includes digital sales of banner, classified and native advertisements on the Company's news websites, social media platforms and mobile apps, as well as targeted and multi-channel (programmatic) advertising placed on third-party platforms.

For ads placed on certain third-party platforms, the Company must evaluate and use judgment to determine whether it is acting as the principal, where revenue is reported on a gross basis, or acting as the agent, where revenue is reported on a net basis. Generally, the Company reports advertising revenue for ads placed on third-party platforms on a net basis, meaning the amount recorded to revenue is the amount billed to the customer net of amounts paid to the publisher of the third-party platforms. The Company is acting as the agent because the publisher controls the advertising inventory. The Company will record certain arrangements gross when it controls the inventory or it has latitude in establishing price or it determines that advertising campaign management, targeting or other actions provide significant value added service to the customer.

Barter advertising transactions are recognized at estimated fair value based on the negotiated contract price and the range of prices for similar advertising from customers unrelated to the barter transaction. The Company expenses barter costs as incurred, which is independent from the timing of revenue recognition.

Circulation

Print circulation revenue is generated primarily by selling home delivery subscriptions, including premium publications, and from single copy sales to non-subscribers. Home delivery revenue is recognized over the subscription period based on the days of actual delivery over the total subscription days and single copy revenue is recognized at a point in time when the paper is purchased. Revenue is directly reduced for any non-payment for the grace period of home delivery subscriptions where the Company recorded revenue for newspapers delivered after a subscription expired.

Digital circulation revenue is generated by digital-only subscriptions and is recognized over the subscription period based on daily or monthly access to the content in the subscription period.

Payment of circulation fees is typically received in advance and deferred over the subscription period. There is little judgment required for valuation or timing of circulation revenue recognition.

Printing, Distribution and Other

Printing, distribution and other revenue is primarily generated from printing and distribution of other newspapers, as well as mailed advertisements for business customers. Printing, distribution and other revenue is recognized at a point in time when the product or service is delivered, which requires little judgment to determine. The Company typically extends credit to printing and distribution customers.

Contract Liabilities

Deferred revenue is recorded when cash payments are received in advance of the Company's performance, including amounts which are refundable. The Company's primary sources of deferred revenue are from circulation subscriptions and advertising paid in advance of the service provided. These up-front payments are recorded upon receipt as contract liabilities in the Consolidated Balance Sheets and the revenue is recognized when the Company's obligations under the terms of the contract are satisfied. In the three months ended March 31, 2024, the Company recognized $6,144 of revenue that was included in the contract liabilities balance as of December 31, 2023. The Company typically recognizes deferred revenue within 1 to 12 months.

Practical Expedients and Exemptions

The Company generally expenses sales commissions and circulation acquisition costs when incurred because the amortization period would have been one year or less. These costs are recorded within employee compensation and benefits expense and other production, distribution and operating costs expense, respectively.

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less and contracts for which revenue is recognized at the amount invoiced for services performed.

Note 3: Financial Instruments and Accounts Receivable, Net

Short-Term Investments. All of the Company's short-term investments consist of Certificates of Deposit ("CD's") with original maturities of more than 90 days but one year or less. All short-term investments are classified as held-to-maturity, valued at amortized cost, which approximates fair value, and are considered Level 2 investments. As of March 31, 2024, the Company had $10,478 of short-term investments. In the three months ended March 31, 2024 and 2023, the Company recorded $111 and $0, respectively, of interest income from the Company's investment in CD's, included in other income, net in the Consolidated Statements of Operations.

Accounts Receivable, Net. Accounts receivable are reported net of the allowance for credit losses calculated based on customer category. For example, trade receivables for advertising customers are evaluated separately from trade receivables from single copy sales. For all trade receivables, the reserve percentage considers the Company's historical loss experience and is applied to each customer category based on aging. In addition, each category has specific reserves for at risk accounts that vary based on the nature of the underlying trade receivables. The calculation of the allowance considers current economic, industry and customer-specific conditions such as high-risk accounts, bankruptcies and other aging specific reserves. The collectability of the Company's trade receivables depends on a variety of factors, including trends in local, regional or national economic conditions that affect its customers' ability to pay. Accounts are written-off after all collection efforts fail; generally, after one year has expired. Expense for such uncollectible amounts is included in other production, distribution and operating costs. Credit terms are customary.

The table below sets forth changes in the allowance for credit losses.

	Three Months Ended March 31,	
	2024	***2023***
Beginning balance	$ 207	$ 490
Current period provision	74	8
Write-offs and reclassifications	(93)	(105)
Recoveries of amounts previously written-off	30	3
Ending balance	$ 218	$ 396

For the three months ended March 31, 2024 and 2023, the Company recorded $74 and $8, respectively, of bad debt expense, included in other production, distribution and operating costs in the Consolidated Statements of Operations. The reduction in required reserves was primarily due to lower accounts receivable in the three months ended March 31, 2024, compared to the corresponding prior year period.

Note 4: Leases

Lease Accounting

The Company has various operating leases primarily for office space and other distribution centers, some of which include escalating lease payments and options to extend or terminate the lease. The Company's leases have remaining terms of less than 1 year to 10 years. The Company determines if a contract is a lease at the inception of the arrangement.

Operating lease right-of-use assets and liabilities are recognized at commencement date of lease agreements greater than one year based on the present value of lease payments over the lease term. In determining the present value of lease payments, the implicit rate was not readily determinable in the Company's lease agreements. Therefore, the Company used an estimated secured incremental borrowing rate, based on the Company's credit rating, adjusted for the weighted average term of each lease. Lease expense is recognized on a straight-line basis over the lease term and variable lease costs are expensed as incurred. For leases with terms of 12 months or less, no asset or liability is recorded and lease expense is recognized on a straight-line basis over the lease term. The exercise of lease renewal options are at the Company's sole discretion and options are recognized when it is reasonably certain the Company will exercise the option. The recognized right-of-use assets and lease liabilities as calculated do not assume renewal options. The Company does not have lease agreements with residual value guarantees, sale leaseback terms or material restrictive covenants. Additionally, the Company does not separately identify lease and nonlease components, such as maintenance costs. As of March 31, 2024, the Company did not have any significant operating leases that have not yet commenced.

The Company has various subleases with distributors, for distribution center space, with varying remaining lease terms of less than one year to two years and are cancellable with notice by either party. Sublease income is included in printing, distribution and other revenue in the Consolidated Statements of Operations. As of March 31, 2024, sublease income is expected to approximate $225 for the remainder of 2024 and $35 in 2025.

The table below sets forth supplemental Consolidated Balance Sheet information for the Company's leases.

	Classification	March 31, 2024	December 31, 2023
Assets			
Operating	Operating lease right-of-use assets	$ 15,652	$ 16,141
Liabilities			
Operating			
Current	Other accrued expense	$ 1,875	$ 1,809
Noncurrent	Long-term operating lease liabilities	16,356	16,924
Total lease liabilities		$ 18,231	$ 18,733
Lease Term and Discount Rate			
Operating leases			
Weighted average remaining lease term (years)		8.5	8.7
Weighted average discount rate (%)		7.7	7.7

The table below sets forth components of lease cost and supplemental cash flow information for the Company's leases.

	Three Months Ended March 31,	
	2024	2023
Lease Cost		
Operating lease cost	$ 847	$ 985
Short-term lease cost	10	6
Variable lease cost	143	189
Sublease income	(83)	(257)
Total lease cost	$ 917	$ 923
Supplemental Cash Flow Information		
Cash paid for operating leases included in operating activities	$ 850	$ 1,019
Right-of-use assets obtained in exchange for operating lease liabilities	—	810

The table below sets forth the remaining maturities of the Company's lease liabilities as of March 31, 2024.

Years Ending December 31,	Operating Leases
2024	$ 2,323
2025	3,504
2026	2,732
2027	2,377
2028	2,348
Thereafter	11,994
Total lease payments	25,278
Less: imputed interest	7,047
Total lease liabilities	$ 18,231

Note 5: Income Taxes

The Company calculated the income tax provision for the 2024 and 2023 interim periods using an estimated annual effective tax rate based on its expected annual loss before income taxes, adjusted for permanent differences, which it applied to the year-to-date loss before income taxes and specific events that are discretely recognized as they occur.

The Company recognized an income tax provision of $218 and $232 for the three months ended March 31, 2024 and 2023, respectively, due to the effect of the Texas franchise tax. Effective income tax rates were (19.0) percent and (9.7) percent for the three months ended March 31, 2024 and 2023, respectively.

Note 6: Pension and Other Retirement Plans

Defined Benefit Plans. The Company sponsors the DallasNews Pension Plans (the "Pension Plans"), which provide benefits to approximately 1,340 current and former employees of the Company. DallasNews Pension Plan I provides benefits to certain current and former employees primarily employed with *The Dallas Morning News* or the DallasNews corporate offices. DallasNews Pension Plan II provides benefits to certain former employees of The Providence Journal Company. This obligation was retained by the Company upon the sale of the newspaper operations of *The Providence Journal*. No additional benefits are accruing under the DallasNews Pension Plans, as future benefits were frozen.

No contributions are required to the DallasNews Pension Plans in 2024 under the applicable tax and labor laws governing pension plan funding; however, certain events or circumstances that in most instances are beyond the Company's control could result in future mandatory contributions. The Company continues to evaluate the feasibility of de-risking strategies based on the economic benefits to the Company.

Net Periodic Pension Benefit

The Company's estimates of net periodic pension expense or benefit are based on the expected return on plan assets, interest on the projected benefit obligations and the amortization of actuarial gains and losses that are deferred in accumulated other comprehensive loss. Participation in and accrual of new benefits to participants has been frozen since 2007 and, accordingly, on-going service costs are not a component of net periodic pension benefit. For 2023, there were no unrecognized gains (losses) to amortize due to the total unrecognized gain (loss) falling below the amortization threshold.

The table below sets forth components of net periodic pension benefit, which is included in other income, net in the Consolidated Statements of Operations.

	Three Months Ended March 31,	
	2024	*2023*
Interest cost	$ 1,882	$ 1,993
Expected return on plans' assets	(2,468)	(2,219)
Amortization of actuarial loss	109	—
Net periodic pension benefit	$ (477)	$ (226)

Defined Contribution Plans. The DallasNews Savings Plan (the "Savings Plan"), a defined contribution 401(k) plan, covers substantially all employees of DallasNews. Participants may elect to contribute a portion of their pretax compensation as provided by the Savings Plan and the Internal Revenue Code. Employees can contribute up to 100 percent of their annual eligible compensation less required withholdings and deductions up to statutory limits. The Company provides an ongoing dollar-for-dollar match of eligible employee contributions, up to 1.5 percent of the employees' compensation. Aggregate expense for matching contributions to the Savings Plan was $169 and $201 for the three months ended March 31, 2024 and 2023, respectively.

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Note 7: Shareholders' Equity

Dividends. On December 7, 2023, the Company's board of directors declared a $0.16 per share dividend to shareholders of record as of the close of business on February 9, 2024, paid on March 1, 2024.

Outstanding Shares. The Company had Series A and Series B common stock outstanding of 4,737,852 and 614,638, respectively, net of treasury shares at March 31, 2024 and December 31, 2023.

Accumulated Other Comprehensive Loss. Accumulated other comprehensive loss consists of actuarial gains and losses attributable to the DallasNews Pension Plans, gains and losses resulting from Pension Plans' amendments and other actuarial experience attributable to other post-employment benefit ("OPEB") plans. The Company records amortization of the components of accumulated other comprehensive loss in other income, net in its Consolidated Statements of Operations. Gains and losses are amortized over the weighted average remaining life expectancy of the OPEB plans and Pension Plans' participants.

The table below sets forth the changes in accumulated other comprehensive loss, net of tax, as presented in the Company's consolidated financial statements.

	Three Months Ended March 31,					
	2024			*2023*		
	Total	**Defined benefit pension plans**	**Other post-employment benefit plans**	**Total**	**Defined benefit pension plans**	**Other post-employment benefit plans**
Balance, beginning of period	$ (40,247)	$ (40,578)	$ 331	$ (41,380)	$ (41,777)	$ 397
Amortization	102	109	(7)	(10)	—	(10)
Balance, end of period	$ (40,145)	$ (40,469)	$ 324	$ (41,390)	$ (41,777)	$ 387

Note 8: Earnings Per Share

The table below sets forth the net loss available to common shareholders and weighted average shares used for calculating basic earnings per share ("EPS"). The Company's Series A and Series B common stock equally share in the distributed and undistributed earnings.

	Three Months Ended March 31,	
	2024	*2023*
Earnings (Numerator)		
Net loss available to common shareholders	$ (1,363)	$ (2,626)
Shares (Denominator)		
Weighted average common shares outstanding (basic)	5,352,490	5,352,490
Loss Per Share		
Basic	$ (0.25)	$ (0.49)

There were no options or RSUs outstanding as of March 31, 2024 and 2023, that would result in dilution of shares or the calculation of EPS under the two-class method as prescribed under ASC 260 – *Earnings Per Share*.

Note 9: Contingencies

Legal proceedings. From time to time, the Company is involved in a variety of claims, lawsuits and other disputes arising in the ordinary course of business. Management routinely assesses the likelihood of adverse judgments or outcomes in these matters, as well as the ranges of probable losses to the extent losses are reasonably estimable. Accruals for contingencies are recorded when, in the judgment of management, adverse judgments or outcomes are probable and the financial impact, should an adverse outcome occur, is reasonably estimable. The determination of likely outcomes of litigation matters relates to factors that include, but are not limited to, past experience and other evidence, interpretation of relevant laws or regulations and the specifics and status of each matter. Predicting the outcome of claims and litigation and estimating related costs and financial exposure involves substantial uncertainties that could cause actual results to vary materially from estimates and accruals. In the opinion of management, liabilities, if any, arising from other currently existing claims against the Company would not have a material adverse effect on DallasNews' results of operations, liquidity or financial condition.

Note 10: Subsequent Events

The Company evaluates subsequent events at the date of the consolidated balance sheet as well as conditions that arise after the balance sheet date but before the consolidated financial statements are issued. To the extent any events and conditions exist, disclosures are made regarding the nature of events and the estimated financial effects for those events and conditions.

In May 2024, the Company terminated its short-term investments of $9,909 in CD's without penalty, increasing available cash and cash equivalents, which will be reflected in the Consolidated Balance Sheet as of June 30, 2024.

On May 14, 2024, the Company announced it will streamline its printing operations, currently located in Plano, Texas, into a smaller, leased facility, and expects to make capital investments of approximately $8,000 in a more efficient press and related equipment. The Company has entered into a letter of intent for a five-year lease for a 67,600 square-foot facility located in Carrollton, Texas. This transition will allow the Company to keep its operations in North Texas and continue to produce a seven-day print edition for the foreseeable future. The new facility is expected to be operational in early 2025, and until then, all operations will remain in the current facility. Once the transition is completed, the Company expects to benefit from annual expense savings of approximately $5,000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

DallasNews Corporation ("DallasNews" or the "Company") intends for the discussion of its financial condition and results of operations that follows to provide information that will assist in understanding its financial statements, the changes in certain key items in those statements from period to period, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect its financial statements. The following information should be read in conjunction with the Company's consolidated financial statements and related notes filed as part of this report. All dollar amounts presented herein, except share and per share amounts, are in thousands, unless the context indicates otherwise.

This section and other parts of this Quarterly Report on Form 10-Q contain certain forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements. See *Forward-Looking Statements* of this Quarterly Report for further discussion.

OVERVIEW

DallasNews Corporation and its subsidiaries are referred to collectively herein as "DallasNews" or the "Company." DallasNews was formed in February 2008 through a spin-off from its former parent company and is registered on The Nasdaq Stock Market LLC (Nasdaq trading symbol: DALN). DallasNews is the Dallas-based holding company of *The Dallas Morning News* and Medium Giant.

The Company operates *The Dallas Morning News* (*dallasnews.com*), Texas' leading newspaper and winner of nine Pulitzer Prizes. These operations generate revenue from sales of advertising within the Company's newspaper and digital platforms, subscriptions and retail sales of its newspaper, commercial printing and distribution services primarily related to national newspapers.

In addition, the Company has a full-service agency, Medium Giant, with capabilities including strategy, creative and media management with a focus on strategic and digital marketing, and data intelligence that provide a measurable return on investment to its clients.

The Company and its business partners are subject to risks and uncertainties caused by factors beyond its control, including macroeconomic factors such as inflation. If inflation remains at current levels, or increases, for an extended period, certain operating costs could increase or advertiser spending could be impacted. If a pandemic were to affect a significant number of the workforce employed in printing operations, the Company may experience delays or be unable to produce, print and deliver its publications and other third-party print publications on a timely basis. The Company continues to evaluate for any future material impacts on its consolidated financial statements.

In the first quarter of 2023, the Company invested $10,500 in Certificates of Deposit ("CD's"). In the first quarter of 2024, $10,000 matured and the Company reinvested $9,909 in CD's with original maturities of more than 90 days but one year or less; see Note 3 – Financial Instruments and Accounts Receivable, Net for additional information.

RESULTS OF OPERATIONS

Consolidated Results of Operations (unaudited)

This section contains discussion and analysis of net operating revenue, operating costs and expense and other information relevant to an understanding of results of operations for the three months ended March 31, 2024 and 2023. Based on how the Company's chief operating decision-maker makes decisions about allocating resources and assessing performance, the Company determined it has one reportable segment.

The table below sets forth the components of the Company's operating loss.

	Three Months Ended March 31,		
	2024	*Percentage Change*	*2023*
Advertising and marketing services	$ 11,646	(23.9) %	$ 15,309
Circulation	16,300	1.8 %	16,011
Printing, distribution and other	3,156	(18.7) %	3,882
Total Net Operating Revenue	31,102	(11.6) %	35,202
Total Operating Costs and Expense	32,858	(13.4) %	37,958
Operating Loss	**$ (1,756)**	**36.3 %**	**$ (2,756)**

Traditionally, the Company's primary revenues are generated from advertising within its core newspaper, related websites, and from subscription and single copy sales of its printed newspaper. As a result of competitive and economic conditions, the newspaper industry has faced a significant revenue decline over the past decade. Therefore, the Company has sought to diversify its revenues through development and investment in new product offerings, increased circulation rates and leveraging of its existing assets to offer cost efficient commercial printing and distribution services. The Company continually evaluates the overall performance of its core products to ensure existing assets are deployed adequately to maximize return.

The Company's advertising revenue from its core newspaper continues to be adversely affected by the shift of advertiser spending to other forms of media and the increased accessibility of free online news content, as well as news content from other sources, which resulted in declines in advertising and paid print circulation volumes and revenue. Decreases in print advertising categories are indicative of continuing trends by advertisers towards digital platforms, which are widely available from many sources. In the current environment, companies are allocating more of their advertising spending towards programmatic channels that provide digital advertising on multiple platforms with enhanced technology for targeted delivery and measurement. In addition, preprint advertising continues to experience a secular decline across the industry and may eventually become obsolete. In the third quarter of 2023, the Company made the strategic decision to exit its shared mail program to deliver weekly preprints and inserts, as discussed below.

In response to the decline in print revenue, the Company built agency capabilities, including strategy, creative and media management with a focus on strategic and digital marketing, and data intelligence that provide a measurable return on investment to its clients. The Company leverages its news content to improve engagement on the Company's digital platforms that results in increased digital subscriptions and associated revenue. The Company also continues to diversify its revenue base by leveraging the available capacity of its existing assets to provide print and distribution services for newspapers and other customers requiring these services, by introducing new advertising and marketing services products, and by increasing circulation prices.

Because of declining print circulation, the Company has developed broad digital strategies designed to provide readers with multiple platforms for obtaining online access to local news. The Company continues to obtain additional key demographic data from readers, which allows the Company to provide content desired by readers and to modify marketing and distribution strategies to target and reach audiences valued by advertisers. The Company has access to programmatic digital advertising platforms that provide digital ad placement and targeting efficiencies and increases utilization of digital inventory within the Company's websites. Additionally, in order to optimize owned and operated digital advertising revenue, the Company has adopted a holistic yield management approach powered by real-time bidding technologies and data analysis to ensure the optimal mix of direct sales and programmatic ad sales is achieved.

Advertising and marketing services revenue

Advertising and marketing services revenue was 37.4 percent and 43.5 percent of total revenue for the three months ended March 31, 2024 and 2023, respectively.

	Three Months Ended March 31,		
	2024	Percentage Change	2023
Print advertising	$ 5,639	(39.3) %	$ 9,296
Digital advertising and marketing services	6,007	(0.1) %	6,013
Advertising and Marketing Services	**$ 11,646**	**(23.9) %**	**$ 15,309**

Print advertising

Print advertising is primarily comprised of display and classified advertising revenue, which primarily represents sales of advertising space within the Company's core newspaper. Print advertising revenue decreased $3,657 in the three months ended March 31, 2024, primarily due to the Company ending its program to distribute preprinted advertisements through the mail or through third-party distributors to households in targeted areas, at the end of August 2023. Display and classified advertising revenue was flat compared to the prior year period.

Digital advertising and marketing services

Digital advertising and marketing services revenue consists of strategic marketing services, consulting, branding, paid media strategy and management, creative services, search optimization, direct mail, the sale of promotional materials, and subscriptions to the Company's multi-channel marketing solutions cloud-based software and services. In addition, it includes digital sales of banner, classified and native advertisements on the Company's news websites, social media platforms and mobile apps, as well as targeted and multi-channel (programmatic) advertising placed on third-party platforms. Revenue was flat in the three months ended March 31, 2024, primarily due to an increase in employment advertising on *dallasnews.com*, offset by a decline in marketing services revenue resulting from certain contracts ending and new contracts slower to start than expected.

Circulation revenue

Circulation revenue was 52.4 percent and 45.5 percent of total revenue for the three months ended March 31, 2024 and 2023, respectively.

	Three Months Ended March 31,		
	2024	Percentage Change	2023
Print circulation	$ 11,756	(5.0) %	$ 12,381
Digital circulation	4,544	25.2 %	3,630
Circulation	**$ 16,300**	**1.8 %**	**$ 16,011**

Print circulation

Revenue decreased $625 or 5.0 percent in the three months ended March 31, 2024, primarily driven by a decline in print subscribers of 8,896 or 11.7 percent when compared to March 31, 2023, partially offset by rates increasing approximately 7.1 percent.

Digital circulation

Revenue increased $914 or 25.2 percent in the three months ended March 31, 2024. Digital-only subscriptions decreased 6,616 or 9.6 percent when compared to March 31, 2023, primarily due to a change in strategy from volume to pricing. The Company reduced its introductory offer in the third quarter of 2023 from three months to one month. This change is improving the revenue trajectory from digital subscriptions but negatively impacts volume in the short term.

Printing, distribution and other revenue

Printing, distribution and other revenue was 10.2 percent and 11.0 percent of total revenue for the three months ended March 31, 2024 and 2023, respectively.

	Three Months Ended March 31,		
	2024	Percentage Change	2023
Printing, Distribution and Other	**$ 3,156**	**(18.7) %**	**$ 3,882**

Revenue decreased in the three months ended March 31, 2024, primarily due to declines in revenue from commercial printing and distribution, and mailed advertisements for business customers.

Operating Costs and Expense

The table below sets forth the components of the Company's operating costs and expense.

	Three Months Ended March 31,		
	2024	Percentage Change	2023
Employee compensation and benefits	$ 16,117	(7.2) %	$ 17,373
Other production, distribution and operating costs	15,059	(16.5) %	18,028
Newsprint, ink and other supplies	1,284	(41.2) %	2,184
Depreciation	398	6.7 %	373
Total Operating Costs and Expense	**$ 32,858**	**(13.4) %**	**$ 37,958**

Employee compensation and benefits – The Company continues to implement measures to optimize its workforce and evaluate strategies to reduce risk associated with future obligations for employee benefit plans. Employee compensation and benefits decreased $1,256 in the three months ended March 31, 2024, primarily due to a headcount decrease of 121 or 18.6 percent when compared to March 31, 2023, resulting from the 2023 Voluntary Severance Program participants and additional first quarter headcount reductions.

Other production, distribution and operating costs – Expense decreased $2,969 in the three months ended March 31, 2024, primarily due to reduced distribution expense associated with lower circulation, including discontinuing print-only editions of the Company's niche publications and ending its program to distribute preprinted advertisements.

Newsprint, ink and other supplies – Expense decreased $900 in the three months ended March 31, 2024, due to reduced newsprint pricing and lower circulation. Newsprint consumption for the three months ended March 31, 2024 and 2023, approximated 1,190 and 1,774 metric tons, respectively, at an average cost per metric ton of $674 and $824, respectively.

Depreciation – Expense increased slightly in the three months ended March 31, 2024, primarily due to production related assets that were put in-service, causing a higher depreciable asset base.

Other

The table below sets forth the other components of the Company's results of operations.

	Three Months Ended March 31,		
	2024	Percentage Change	2023
Other income, net	$ 611	68.8 %	$ 362
Income tax provision	$ 218	(6.0) %	$ 232

Other income, net – Other income, net includes net periodic pension and other post-employment benefit, and interest income.

Net periodic pension and other post-employment benefit was $474 and $225 for the three months ended March 31, 2024 and 2023, respectively.

In the three months ended March 31, 2024 and 2023, the Company recorded $111 and $0, respectively, of interest income from the Company's investment in CD's.

Income tax provision – The Company recognized an income tax provision of $218 and $232 for the three months ended March 31, 2024 and 2023, respectively, due to the effect of the Texas franchise tax. Effective income tax rates were (19.0) percent and (9.7) percent for the three months ended March 31, 2024 and 2023, respectively.

Legal proceedings – From time to time, the Company is involved in a variety of claims, lawsuits and other disputes arising in the ordinary course of business. Management routinely assesses the likelihood of adverse judgments or outcomes in these matters, as well as the ranges of probable losses to the extent losses are reasonably estimable. Accruals for contingencies are recorded when, in the judgment of management, adverse judgments or outcomes are probable and the financial impact, should an adverse outcome occur, is reasonably estimable. The determination of likely outcomes of litigation matters relates to factors that include, but are not limited to, past experience and other evidence, interpretation of relevant laws or regulations and the specifics and status of each matter. Predicting the outcome of claims and litigation and estimating related costs and financial exposure involves substantial uncertainties that could cause actual results to vary materially from estimates and accruals. In the opinion of management, liabilities, if any, arising from other currently existing claims against the Company would not have a material adverse effect on DallasNews' results of operations, liquidity or financial condition.

Liquidity and Capital Resources

The Company’s cash and cash equivalents as of March 31, 2024 and December 31, 2023, were $7,946 and $11,697, respectively. As of March 31, 2024, the Company had $10,478 of short-term investments in CD’s, as discussed below.

The Company intends to hold the majority of existing cash for purposes of future investment opportunities, potential return of capital to shareholders and for contingency purposes. While the Company expects to have cash flow and expense reduction measures in place to help offset future revenue declines, the Company does expect to use cash to fund operating activities and capital spending.

The future approval of dividends is dependent upon available cash after considering future operating and investing requirements and cannot be guaranteed. The Company continues to have a board-authorized repurchase authority. However, the agreement to repurchase the Company’s stock expired and was not renewed.

The following discusses the changes in cash flows by operating, investing and financing activities.

Operating Cash Flows

Net cash used for operating activities for the three months ended March 31, 2024 and 2023, was $3,208 and $975, respectively. Cash flows used for operating activities increased by $2,233 during the three months ended March 31, 2024, when compared to the prior year period, primarily due to severance payments to 2023 Voluntary Severance Program participants that left the Company in the first quarter.

Investing Cash Flows

Net cash provided by (used for) investing activities was $313 and $(10,736) for the three months ended March 31, 2024 and 2023, respectively. In the first quarter of 2023, the Company invested $10,500 in CD’s. In the first quarter of 2024, $10,000 matured and the Company reinvested $9,909 in CD’s with original maturities of one year or less. The Company received cash proceeds of $323 in the first quarter from the return on the Company’s investment in CD’s. Cash flows used for investing activities also included $101 and $236 of capital spending in 2024 and 2023, respectively.

Financing Cash Flows

Net cash used for financing activities was $856 for the three months ended March 31, 2024 and 2023, all attributable to dividend payments.

Financing Arrangements

None.

Contractual Obligations

The Company has contractual obligations for operating leases, primarily for office space and other distribution centers, some of which include escalating lease payments. See Note 4 – Leases for future lease payments by year.

Under the applicable tax and labor laws governing pension plan funding, no contributions to the DallasNews Pension Plans are required in 2024.

On December 7, 2023, the Company’s board of directors declared a $0.16 per share dividend to shareholders of record as of the close of business on February 9, 2024, paid on March 1, 2024.

Additional information related to the Company’s contractual obligations is available in Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 6, 2024, with the Securities and Exchange Commission (“SEC”).

Critical Accounting Policies and Estimates

No material changes were made to the Company's critical accounting policies as set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations", included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2023.

Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q concerning DallasNews Corporation's planned transition of print operations, expected capital investments and expense savings related to the transition, the Company's business outlook or future economic performance, revenues, expenses, cash balance, capital expenditures, investments, impairments, business initiatives, pension plan contributions and obligations, working capital, dividends, future financings, and other financial and non-financial items that are not historical facts are "forward-looking statements" as the term is defined under applicable federal securities laws. Words such as "anticipate," "assume," "believe," "can," "could," "estimate," "forecast," "intend," "expect," "may," "project," "plan," "seek," "should," "target," "will," "would" and their opposites and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those set forth in forward-looking statements. Such risks, trends and uncertainties are, in most instances, beyond the Company's control, and include changes in advertising demand and other economic conditions; volatility in the North Texas real estate market; consumers' tastes; newsprint and distribution prices; program costs; the Company's ability to successfully execute the Return to Growth Plan; the success of the Company's digital strategy; labor relations; cybersecurity incidents; and technological obsolescence. Among other risks, there can be no guarantee that the board of directors will approve dividends in the future or that the Company's financial projections are accurate, as well as other risks described in the Company's Annual Report on Form 10-K and in the Company's other public disclosures and filings with the Securities and Exchange Commission. Forward-looking statements, which are as of the date of this filing, are not updated to reflect events or circumstances after the date of the statement.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are controls that are designed to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, management is required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures is also based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

The Company's management, with the participation of its Chief Executive Officer and Principal Financial Officer, evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, as of March 31, 2024, management concluded that the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the first fiscal quarter ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

Item 1. Legal Proceedings

A number of legal proceedings are pending against DallasNews. In the opinion of management, liabilities, if any, arising from these legal proceedings would not have a material adverse effect on DallasNews' results of operations, liquidity or financial condition. See Note 9 – Contingencies for additional information.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of the Company's equity securities during the period covered by this report.

Issuer Purchases of Equity Securities

The Company continues to have a board-authorized repurchase authority. However, the agreement to repurchase the Company's stock expired and was not renewed.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits marked with an asterisk (*) are incorporated by reference to documents previously filed by the Company with the SEC, as indicated. In accordance with Regulation S-T, the XBRL-related information marked with a double asterisk (**) in Exhibit No. 101 to this Quarterly Report on Form 10-Q is deemed filed. Exhibits marked with three asterisks (***) are furnished with this report. All other documents are filed with this report. Exhibits marked with a tilde (~) are management contracts, compensatory plan contracts or arrangements filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

Exhibit Number	Description	
3.1 *	Certificate of Formation of A. H. Belo Corporation (successor to A. H. Belo Texas, Inc.) (Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2018)	
3.2 *	Certificate of Merger (Delaware) of A. H. Belo Corporation with and into A. H. Belo Texas, Inc. (Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 2, 2018 (Securities and Exchange Commission File No. 001-33741) (the "July 2, 2018 Form 8-K"))	
3.3 *	Certificate of Merger (Texas) of A. H. Belo Corporation with and into A. H. Belo Texas, Inc. (Exhibit 3.4 to the July 2, 2018 Form 8-K)	
3.4 *	Certificate of Amendment to Certificate of Formation effective June 8, 2021 (Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 8, 2021 (Securities and Exchange Commission File No. 001-33741))	
3.5 *	Certificate of Amendment to Certificate of Formation (changing Company name to DallasNews Corporation) effective June 29, 2021 (Exhibit 3.1 to the Company's Current Report of Form 8-K filed with the Securities and Exchange Commission on June 30, 2021 (Securities and Exchange Commission File No. 001-33741) (the "June 30, 2021 Form 8-K"))	
3.6 *	Certificate of Correction to Certificate of Amendment (Exhibit 3.2 to the June 30, 2021 Form 8-K)	
3.7 *	Amended and Restated Bylaws of DallasNews Corporation (Exhibit 3.3 to the June 30, 2021 Form 8-K)	
10.1	Compensatory plans and arrangements:	
	~ (1) *	Amended and Restated DallasNews Corporation Incentive Compensation Plan, dated February 29, 2024 (Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 1, 2024 (Securities and Exchange Commission File No. 001-33741) (the "March 1, 2024 Form 8-K"))
	~ (2) *	Discretionary Cash Bonus Policy, adopted February 29, 2024 (Exhibit 10.1 to the March 1, 2024 Form 8-K)
	~ (3)	Form of Incentive Compensation Plan and Cash Bonus Policy Letter
31.1		Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2		Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32 ***		Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS **		Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH **		Inline XBRL Taxonomy Extension Schema Document
101.CAL**		Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**		Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**		Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**		Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 **		Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DALLASNEWS CORPORATION

By: /s/ Catherine G. Collins
Catherine G. Collins
Chief Financial Officer
(Principal Financial Officer)

Dated: May 15, 2024

EXHIBIT INDEX

Exhibit Number	Description
10.1(3)	Form of Incentive Compensation Plan and Cash Bonus Policy Letter
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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101.PRE **	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 **	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

In accordance with Regulation S-T, the XBRL-related information marked with a double asterisk (**) in Exhibit No. 101 to this Quarterly Report on Form 10-Q is deemed filed. Exhibits marked with three asterisks (***) are furnished with this report. All other documents are filed with this report.

DallasNews CORPORATION

TO: __________ DATE: _____________

FROM: ___________________

RE: 202[X] Compensation

You are a participant in the Amended and Restated DallasNews Corporation's Incentive Compensation Plan ("ICP") for 202[X]. The ICP is designed to provide a competitive level of compensation to senior executives of the DallasNews Corporation (the "Company"). The ICP is administered by the Compensation and Management Development Committee (the "Committee") of the Board of Directors (the "Board") and annual bonus awards are made under the DallasNews Corporation Discretionary Cash Bonus Policy (the "Policy"). The plan year is January 1 through December 31 (the "Plan Year").

As a participant under the ICP and the Policy, the Committee has approved for you the following:

Base annual salary	$_______
Annual Bonus Target	$_______
Cash Long-Term Incentives Target	$_______

Please see Appendix A for a complete description of the bonus plan design. Your 202[X] Individual Objectives are to be submitted to the Committee for approval by the end of January 202[X].

The Evidence of Grant in Appendix B contains additional information pertaining to the Cash Long-Term Incentives that have been granted to you.

Please note that your participation in the ICP is subject to the fully executed binding arbitration agreement that the Company has on file for you.

The Committee's decisions, taken collectively, are an essential investment in DallasNews Corporation's future and underscore the Board's commitment to the transformation you are helping lead. The directors and Management Committee are grateful for your steady and deep belief in DallasNews Corporation's purposes.

DallasNews Corporation Discretionary Cash Bonus Policy
202[X] Bonus Plan Design

OVERVIEW

ANNUAL BONUS OPPORTUNITY

Your annual bonus opportunity is based __% on financial objectives and __% on individual objectives.

You are receiving specific information about your annual bonus opportunity, including how much your bonus will be if the established individual objectives provided below are met or exceeded. At the end of the performance year, actual results are compared to the performance objectives and your bonus will be determined accordingly in the Board's (or Committee's sole and absolute discretion.

TARGET BONUS

Your target bonus is stated as a dollar amount.

Individual Objectives

Individual Objectives are developed at the beginning of the applicable performance year and reflect the key objectives to be achieved by you during such year. These Individual Objectives must be expressed both as specific, quantifiable measures of performance in relation to key operating decisions for your business unit (e.g., sales, expense management, customer satisfaction, service levels, project completion) and as qualitative measures such as management and talent development. Individual Objectives may also have target dates for completion.

Award Calculation

The calculation of any award under the Policy is performed in the first few months following the end of the Plan Year.

- Your supervisor will rate the performance on each Individual Objective from __% of target. However, the maximum aggregate payout for all individual objectives cannot exceed __%.
- Financial achievement of financial targets will be calculated by the Finance department after the full year financials have been prepared. [The following Achievement Range and Payout Range will be applied.]

Revenue-related targets

Threshold	Achievement Range	Payout Range
Minimum	___%	___%
Target	___%	___%
Maximum	___%	___%

Expense-related targets

Threshold	Achievement Range	Payout Range
Minimum	___%	___%
Target	___%	___%
Maximum	___%	___%

TIME AND FORM OF PAYMENT

Any bonus payable to a participant pursuant to the ICP shall be paid in a single lump sum. Bonuses will be paid in March after the earnings release for the 202[X] performance-year, provided you are employed on such date.

TAX WITHHOLDING

The Company will withhold from any payment to you all federal, state, city or other taxes as may be required to be withheld pursuant to any law or governmental regulation or ruling.

RESPONSIBILITIES UNDER THE PLAN

As a participant in the Policy you and your supervisor have specific responsibilities:

YOUR RESPONSIBILITIES

- *Record Keeping* – You are responsible to keep information related to the listed objectives reflecting your completion of each objective. This information will be reviewed by your supervisor, along with the supervisor's corresponding notes, as part of the process to determine how successfully you achieved your Individual Objectives.

- *Modifications to Objectives* – Circumstances change and an Individual Objective may be adjusted by your supervisors throughout the Plan Year to reflect those changes. Any change must be approved in writing by your Management Committee leader. You are responsible to be sure your supervisor is made aware of any circumstances which suggests your Individual Objectives should be adjusted when impact to the Objectives is recognized, not when the Objectives become due.

SUPERVISOR'S RESPONSIBILITIES

- *Plan Documentation* – The supervisor will communicate the Policy details to each participant at or near the beginning of the Plan Year, and complete and distribute the completed Individuals Objectives template.

- *Record Keeping* – The supervisor will keep information related to the Individual Objectives for each participant in the Policy. This information, along with information collected by the individual Plan participants, will be used by your supervisor to determine how successfully each participant achieves his or her objectives.

- *Modifications to Objectives* – In the event an Individual Objective is no longer relevant due to a change in the Company's priorities, the supervisor may modify in writing an Individual Objective and submit to their Management Committee leader for written approval. These modifications must be done timely during the Plan Year and in writing and not after the objectives becomes due.

- *Assignment of Objectives* – Individual Objectives should include goals that reflect achievement beyond the typical expectations associated with the participant's job and responsibilities.

BOARD AND COMMITTEE DISCRETION

The Committee may, in its discretion, modify any of the performance objectives provided above. Further, the Board (or the Committee), in its sole and absolute discretion, reserves the right to modify, amend, or terminate the annual bonus opportunity at any time for any reason.

DallasNews Corporation Cash Long-Term Incentive
202[X] Evidence of Grant

Participant: ____________

Date of Grant: ____________

You have been granted a cash long-term incentive ("Cash LTI") for 202[X], payable if you meet certain requirements. This Evidence of Grant sets forth the terms and conditions of your Cash LTI, including the requirements that you must meet in order to receive payment of your Cash LTI, as determined in the sole discretion of the Company and subject to the terms of the ICP.

Cash Long-Term Incentive Grant

Target Amount of Cash LTI:	$________
Vesting:	$________ *([50]% of total grant)* will become vested on or before December 31, 202[X], provided you have remained in the continuous employ of the Company and its subsidiaries up to and through such vesting date, except as prrovided in the termination guidelines below. $_________ *([50]% of total grant)* will become vested on or before December 31, 202[X], provided you have remained in the continuous employ of the Company and its subsidiaries up to and through such vesting date, except as prrovided in the termination guidelines below.
Payment date:	The portion of your Cash LTI that becomes vested on a scheduled vesting date will be paid in a cash lump sum as soon as practical following such vesting date.

Termination of Employment
Your right, if any, to a payout with respect to your Cash LTI upon your termination of employment with the Company and its subsidiaries is set forth in the termination guidelines below.

Tax Withholding
The Company will withhold from any payment to you all federal, state, city or other taxes as may be required to be withheld pursuant to any law or governmental regulation or ruling.

General Information
Your right to receive a Cash LTI grant or any payment with respect thereto will not be transferrable or assignable by you, other than with respect to a transfer upon your death by will or the laws of descent and distribution if you are entitled to payment of a vested portion of your Cash LTI that has not been paid as of the date of your death.

Nothing contained in this Evidence of Grant will confer upon you any right to be employed by or remain employed by the Company or any of its subsidiaries or affiliates, or limit or affect in any manner the right of the Company and its subsidiaries and affiliates to terminate your employment or modify your compensation.

This document will in all respects be interpreted, governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws rules.

The following guidelines will determine the effect of a Cash LTI grant recipient's termination of employment on his or her unpaid Cash LTI, subject to the terms of the ICP.

Termination Reason **All Participants** **(Regardless of Retirement[1] Eligibility)**	**Cash LTIs**
Discharge for Cause[2]	Unvested Cash LTI is forfeited immediately
Death or Long-Term Disability[3]	Unvested Cash LTIs fully vest and are paid as soon as practicable

Termination Reason **Participants Who Are Not Retirement1 Eligible**	**Cash LTIs**
Voluntary Resignation	Unvested Cash LTI is forfeited immediately
Discharge Without Cause2	Unvested Cash LTI is forfeited immediately

Termination Reason **Retirement1 Eligible Participants** **(Age 55+ and 7-Years of Service)**	**Cash LTIs**
Voluntary Resignation	Unvested Cash LTIs fully vest and are paid as soon as practicable
Discharge Without Cause2	Unvested Cash LTIs fully vest and are paid as soon as practicable

1 Retirement means that you have incurred a separation from service within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), other than due to death, long-term disability or discharge for cause, after attaining age 55 and completing seven years of service as determined under the DallasNews Corporation Savings Plan.
2 Cause is determined by the Committee.
3 Long-Term Disability means disability within the meaning of Section 409A of the Code.

If you have any questions regarding these termination guidelines, please contact _______________ at ________________.

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Grant S. Moise, Chief Executive Officer of DallasNews Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DallasNews Corporation;

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

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Grant S. Moise
Grant S. Moise
Chief Executive Officer

Date: May 15, 2024

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Catherine G. Collins, Chief Financial Officer of DallasNews Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DallasNews Corporation;

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

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Catherine G. Collins
Catherine G. Collins
Chief Financial Officer

Date: May 15, 2024

Exhibit 32

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

In connection with the Quarterly Report of DallasNews Corporation (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Grant S. Moise, Chief Executive Officer of the Company, and Catherine G. Collins, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Grant S. Moise
Grant S. Moise
Chief Executive Officer

Date: May 15, 2024

By: /s/ Catherine G. Collins
Catherine G. Collins
Chief Financial Officer

Date: May 15, 2024