KEW MEDIA GROUP

KEW MEDIA GROUP Releases Financial Results for Third Quarter of 2017

Company is on Track to Meet 2017 Pro Forma Adjusted EBITDA[1] Forecast
As well, Net Cost Savings Guidance Achieved

Toronto, ON, November 9, 2017 – KEW MEDIA GROUP INC. ("KEW MEDIA", "KEW" or the "Company") (TSX:KEW and KEW.WT) today released its financial results for the three and nine month periods ended September 30, 2017 ("Q3 2017"). KEW MEDIA's unaudited condensed interim financial statements along with its Management's Discussion and Analysis for the three and nine-month periods ended September 30, 2017 are available on the Company's website at http://www.kewmedia.com/financialinfo.php and under the Company's profile at www.sedar.com.

Q3 2017 Highlights

Revenue:	$43.3 million
Gross Profit:	$11.7 million
Adjusted EBITDA[1]:	$2.3 million
Net Loss:	$2.3 million, or $0.20 per share

Segmented Results:	Production	Distribution
Revenue:	$29.5 million	$13.8 million
Gross Profit:	$7.4 million	$4.3 million
Operating Profit:	$2.8 million	$3.1 million

KEW MEDIA's Q3 2017 results reflect the seasonal nature of the Company's business, under which the majority of revenue and profitability in the Distribution segment are generated in the first and fourth quarters. Q3 2017's revenue of $43.3 million is comprised of $29.5 million from Production and $13.8 million from Distribution. The total revenue, as well as the gross profit of $11.7 million and the gross margin percentage of 27.0% are consistent with the Company's expectations. The Company expects Adjusted EBITDA[1] for 2017 to meet its pro-forma forecast of $19.1 million.

Q3 2017's gross profit was $7.4 million from Production and $4.3 million from Distribution, with segmented gross margin percentages of 25.1% and 30.8% respectively. These margins are consistent with the Company's expectations.

[1] Adjusted EBITDA is EBITDA excluding certain items to better analyze trends in performance. These adjustments result in a truer economic representation on a comparative basis. Adjusted EBITDA is calculated as EBITDA excluding transaction costs, loss on change in fair value of financial liabilities, corporate reorganization costs, non-recurring exceptional costs and the proportion of Adjusted EBITDA attributable to non-controlling interests. See "Non-IFRS Measures" and "Forward-Looking Statements" below in this press release.

Q3 2017's Adjusted EBITDA[1] after non-controlling interests was $2.3 million, which was marginally ahead of the Company's initial expectations due to the timing of certain distribution revenue contracts. The net loss in the quarter was $2.3 million, or $0.20 per share.

The Company noted that its nine-month financial results reflect he operations of the companies acquired pursuant to its Qualifying Acquisition ("QA") from March 20, 2017, the date of completion of the QA, being a period of six months and 11 days only. Further, the Company has noted in its MD&A a range of timing and seasonality considerations related to its March, June and September Interim Financial Statements. Readers of these Interim Financial Statements and the MD&A are therefore cautioned about extrapolating the results for the March 31, June 30 and September 30 quarterly periods, into annual expectations**.**

In order to give investors a better understanding of the Company's performance for the nine months ended September 30, 2017, inclusive of the assets acquired in the QA, KEW also includes below unaudited pro forma results ("Pro Forma YTD Q3 2017") that reflect the pro forma results of operations of these assets from January 1, 2017 to September 30, 2017. These accumulated and constructed results reflect, in part, unaudited pro-forma results for the first quarter of 2017 set out in KEW's news release dated June 29, 2017 and the disclosures below should be read in conjunction with that release.

Pro Forma YTD Q3 2017 Highlights

Revenue:	$165.8 million	
Gross Profit:	$40.7 million	
Adjusted EBITDA[1]:	$12.9 million	
Net Loss:	$8.1 million	
Segmented Results:	<u>Production</u>	<u>Distribution</u>
Revenue:	$111.8 million	$54.0 million
Gross Profit:	$25.8 million	$14.9 million
Operating Profit:	$10.9 million	$10.4 million

"KEW's assets continued to deliver in the third quarter," said Steven Silver, Chief Executive Officer of KEW MEDIA. "We posted solid financial results that were in line with our expectations, and we saw ongoing benefits from our integrated business model. We are also very excited about the acquisition of TCB Media Rights, completed subsequent to the quarter-end. The acquisition of TCB, a premier distributor of non-scripted content, complements our existing platform and expands the scope and depth of our distribution. We continue to evaluate a steady pipeline of other strategic acquisitions that could enhance our portfolio."

KEW MEDIA's balance sheet as at September 30, 2017 continued to be strong. The Company had approximately $24.9 million in cash, with approximately $13.1 million of available borrowings and shareholders' equity of $88.6 million. On August 2, 2017, the Company closed a new five-year, US$100 million credit facility, with an additional US$25 million accordion feature. Accordingly, KEW is well positioned to strategically add to its asset base.

Target Achieved on Net Cost Savings Initiatives

KEW MEDIA also announced today that it has reorganized the operations of KEW Distribution to combine its film and television acquisition, marketing, sales and operations teams.

The total cost of the reorganization is expected to be approximately $3.5 million, the majority of which are employee termination costs. The annualised cost savings of the reorganisation is estimated to be within a range of $2.5-$3.0 million. This includes $0.8 million in salary and benefits incurred in the quarter ended September 30, 2017. As the Corporation is not expected to incur these costs on a continuing basis, they are separately disclosed in the Adjusted EBITDA calculation. The Corporation expects to incur the balance of the costs in the upcoming Q4, with the payment of the costs predominantly spread over FY18.

As part of the reorganization, we have reached an agreement in principle with John Schmidt that will see him step down from his role as CEO of the previous Content Group and Kew Distribution. Mr Schmidt will remain with Kew in an ongoing consultancy capacity and as a member of the Board of Directors, and will focus on a number of key strategic initiatives across the Group.

Conference Call

A conference call for analysts and interested listeners will be held Friday, November 10, 2017 at 9:00 a.m. (ET). The dial-in numbers for participants are 800 761 5415 in North America, 0800 496 1454 in the United Kingdom, and +1 303 223 0118 elsewhere.

In the event of difficulty in accessing the conference call with the above numbers, the backup numbers are 647 722 6866 in Canada and +44 208 196 2140 in the UK.

A replay of the call will be available until 11:59 pm ET, on December 10, 2017. To access the replay, call (416) 626 4100 or (800) 558 5253, and enter reservation number 21861312. A transcript of the call will be posted on the Company's website.

Forward-Looking Statements

This news release may include forward-looking statements. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward-looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Company's objectives and priorities for 2017 and beyond, and strategies or further actions with respect to the Company, its business operations, financial performance and condition. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions and are identified by words such as "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Company's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors.

The forward-looking information contained in this news release is presented for the purpose of assisting readers in understanding the Company's business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes. A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward-looking statements contained in this *news release, including, among other factors, those referenced in the section entitled "Risk Factors" in the Company's annual information form for the year ended December 31, 2016, a copy of which is available on the SEDAR website at www.sedar.com under the Company's profile. Forward-looking statements contained in this news release are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Company considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company. Readers are cautioned to consider these and other factors carefully when making decisions with respect to the Company and not place undue reliance on forward-looking statements. Circumstances affecting the Company may change rapidly. Except as may be expressly required by applicable law, KEW MEDIA does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.*

Non-IFRS Measures

This news release contains references to certain measures that do not have a standardized meaning under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management's perspective. Accordingly, non-IFRS measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. The Company believes that non-IFRS measures, specifically EBITDA and Adjusted EBITDA, are frequently used by securities analysts, investors and other interested parties as measures of financial performance and to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures. Please see the Company's management's discussion and analysis for the three and nine months ended September 30, 2017 for a detailed description of these measures and a reconciliation of these measures to the nearest IFRS measure.

Accounting Constructs and Unaudited Status of Financial Information

The financial information included in this release related to the unaudited pro-forma results for the three months ended 31 March, 2017, and therefore incorporated into the unaudited pro-forma results for the nine months ended 30 September, 2017, are not required for any regulatory purpose and are provided for additional shareholder guidance only. The financial information for the three months ended 31 March, 2017, is neither audited or IFRS audit reviewed. Where possible the information has been constructed by management from available audited or audit reviewed financial statements. Where no audited or audit reviewed information has been available, additional management accounting information has been utilised to construct the financial information.

About KEW MEDIA GROUP INC.

KEW MEDIA GROUP is a leading publicly-listed content company that produces and distributes multi-genre content worldwide. Companies included in the KEW family are the production companies: Architect Films, Bristow Global Media, Campfire Film & Television, Collins Avenue Productions, Frantic Films, Jigsaw Productions, Media Headquarters, Our House Media and Spirit Digital Media; and the distribution companies: Content Media Corporation (now re-branded KEW MEDIA) and TCB Media Rights.

With primary offices in London, Los Angeles, New York and Toronto, the KEW MEDIA GROUP companies develop, produce and distribute more than 1,000 hours of content every year, as well as distribute a library of more than 10,000 hours, to almost every available viewing platform internationally. KEW aspires to offer great content from all over the world to viewers of all ages and tastes. We promote transparency, equality, respect, and inclusiveness and plan to grow with the benefit of people from a wide range of perspectives and backgrounds.

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