KEW MEDIA GROUP Reports Financial Results for First Quarter of 2018

– Results in Line with Management Expectations and Consistent with Recently Issued 2018 Adjusted EBITDA[1] Guidance of Approximately $26.5 Million

Toronto, ON, May 15, 2018 – KEW MEDIA GROUP INC. (“KEW MEDIA”, “KEW” or the “Company”) (TSX:KEW and KEW.WT) today released its financial results for the three-month period ended March 31, 2018 (“Q1 2018”). KEW MEDIA’s unaudited financial statements along with its Management’s Discussion and Analysis for Q1 2018 are available on the Company’s website at http://www.kewmedia.com/financialinfo.php and under the Company’s profile at www.sedar.com.

Q1 2018 Financial Highlights

Revenue:	$39.8 million
Gross Profit:	$12.8 million
Adjusted EBITDA[1]:	$2.5 million
Net Loss:	$0.2 million, or $0.06 per share
Adjusted Net Income[2]:	$1.9 million, or $0.16 per share

Segmented Results:	Production	Distribution
Revenue:	$24.1 million	$15.7 million
Gross Profit:	$6.1 million	$6.7 million
Operating Profit:	$1.0 million	$4.1 million

KEW MEDIA’s Q1 2018 financial results were in line with expectations, and management continues to anticipate 2018 Adjusted EBITDA[1] of approximately $26.5 million. As highlighted in the Company’s April 2, 2018 news release announcing its Q4 2017 results, management expects to generate the bulk of 2018 revenue and Adjusted EBITDA[1] in the second half of the year as production activity ramps up over the summer months, with the majority of related revenue coming in the third and fourth quarters. In addition, KEW MEDIA should benefit from a full year’s contribution from both Sienna Films and TCB Media Rights, as well as approximately six months’ contribution from Essential Quail Media Group (“EQ”).

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[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 includes the add-backs made to calculate the adjusted net income and additionally add-backs for interest expense, net of interest income, depreciation and any non-cash amortization (to the extent not added in to adjusted net income). See “Non-IFRS Measures” and “Forward-Looking Statements” below in this press release.

[2] Adjusted net income is profit or loss before other items and income tax expenses, excluding certain items to better analyze trends in performance and present a truer economic representation on a comparative basis. Adjusted net profit includes add-backs for items such as transaction costs, reorganization and non-recurring exceptional costs, stock-based compensation, non-cash other intangibles amortization and realized gain/loss on the change in fair value of financial liabilities. See “Non-IFRS Measures” and “Forward-Looking Statements” below in this press release.

"We were pleased to exceed our 2017 Adjusted EBITDA[1] guidance of $19.1 million. KEW MEDIA is on track to deliver a second year of strong financial performance in 2018, with anticipated Adjusted EBITDA[1] of $26.5 million, bolstered by the pending closing of the EQ acquisition in early July," said Steven Silver, Chief Executive Officer of KEW MEDIA. "Upon that closing, and within a little over a year, we will have completed nine corporate acquisitions resulting in a portfolio of fourteen unique businesses. From a standing start, we have built a cohesive and increasingly integrated operation that we expect to grow in 2018, while continuing to pursue further accretive and strategically important corporate acquisitions."

Q1 2018's revenue of $39.8 million was comprised of $24.1 million from Production and $15.7 million from Distribution. Gross profit was $12.8 million and gross margin percentage was 32.2%. Gross margin percentage was higher compared to an average quarter due to some higher-margin revenues being achieved in both the Production and Distribution divisions.

Gross profit in Q1 2018 was $6.1 million from Production and $6.7 million from Distribution, with segmented gross margin percentages of 25.5% and 42.4% respectively. As noted above, these margin percentages were higher than in an average quarter. Adjusted EBITDA[1] after non-controlling interests in Q1 2018 was $2.5 million, which was consistent with the Company's expectations given the anticipated timing of production and sales. The net loss in the quarter was $0.2 million, or $0.06 per share. Adjusted Net Income[2] was $1.9 million, or $0.16 per share.

Acquisition of EQ and Related Matters

KEW expects to have approximately $40 million of available liquidity under its corporate loan facility in addition to its cash resources prior to closing the EQ acquisition. KEW will pay approximately $20 million of the closing consideration for the EQ acquisition in cash and $10 million in KEW shares issued at $10 per share.

Following closing, the Company will continue to have a strong balance sheet, with approximately $20 million in loan availability and additional cash resources for working capital and other corporate purposes. KEW expects to then have approximately $60 million to $65 million of net debt. With annualized Adjusted EBITDA[1] estimated to be approximately $31.5 million, the Company's net debt to Adjusted EBITDA[1] ratio would be approximately 2:1 times, which KEW expects to reduce within a relatively short period of time through the positive cash flow expected during the latter part of 2018 and into 2019.

Outlook[3]

[3] The statements set out in the Outlook section regarding KEW's Adjusted EBITDA[1] margins in 2018, and the other noted assumptions contained in the section, are based on management's current strategies and assessment of the outlook for the business. These statements constitute forward-looking information for purposes of applicable Canadian securities legislation and readers are cautioned that KEW's actual result may vary from these forward-looking statements and that variation could be material. See "Forward Looking Statements" for a description of the assumptions and risks associated with these forward-looking statements.

In 2018, KEW MEDIA's results will reflect the first full year of trading from the eight acquisitions completed since March 2017, in addition to approximately six months' anticipated contribution from EQ.

Excluding the EQ acquisition, Kew expects Adjusted EBITDA[1] of approximately $21.5 million for the year ended December 31, 2018. This expectation reflects the previously announced additional corporate overhead to build out the Company's infrastructure and to position it for further growth by acquisition, as previously disclosed. No additional corporate overhead will be required for the EQ acquisition, and KEW is developing a platform capable of absorbing further corporate acquisitions. In addition, KEW MEDIA expects an Adjusted EBITDA[1] contribution of approximately $5 million from EQ in the six-month period following closing of the acquisition, resulting in a total of approximately $26.5 million of Adjusted EBITDA[1] for the year ended December 31, 2018.

As in FY 17, the Company expects the timing of quarterly Adjusted EBITDA[1] to fluctuate throughout the year. As previously disclosed, KEW expects a significantly stronger second half of FY 18. More specifically, the Company anticipates approximately 20% of Adjusted EBITDA to be achieved in the first half of the year, with the balance in the second half, which will include a full six months of TCB, Essential and Sienna. Further, the Company believes it has good visibility, particularly in its production segment based on shows ordered and the expected dates of delivery, but also in its distribution segment based on contractual sales to date and the segment's slate of titles being delivered in the second half of the year.

Conference Call

A conference call for analysts and interested listeners will be held Wednesday, May 16, 2018 at 9:00 a.m. (ET). The dial-in numbers for participants are 416 981 9011 in Canada, 888 754 4437 elsewhere in North America and 0800 496 0827 in the United Kingdom.

In the event of difficulty in accessing the conference call with the above numbers, the backup numbers are 647 722 9148 in Canada and +44 203 300 0079 in the UK.

A replay of the call will be available until 11:59 pm ET, on June 15, 2018. To access the replay, call 416 626 4100 in Canada, 800 558 5253 elsewhere in North America or +4408700003081 in the United Kingdom and enter reservation number 21888800. 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 2018 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.*

In particular, the statements set out in the Outlook section of this press release regarding our expected revenue and Adjusted EBITDA margins in 2018, organic revenue growth in 2018, seasonality of revenue in 2018 and future growth and enhanced margins from growing the base business and further acquisitions, constitute forward-looking statements. These statements are based on management's current strategies, assumptions concerning growth and assessment of the outlook for the business. In particular, such statements assume that: (i) our production companies will continue to develop, produce and deliver successful productions in a manner consistent with past experience;(ii) we will continue to acquire and distribute content in a manner consistent with past experience; (iii) our operating and overhead costs will be within budget; (iv) that the companies we acquired on the QA and since the QA will meet or exceed our performance expectations; and (v) we will make future acquisitions that contribute to organic growth and enhanced margins. We consider the foregoing assumptions to be reasonable in the circumstances, given the time period for such outlook however, readers are cautioned that KEW's actual result may vary from these forward-looking statements and that variation could be material. 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, 2017, 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 months ended

March 31, 2018 for a detailed description of these measures and a reconciliation of these measures to the nearest IFRS measure.

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, Sienna Films 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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