



## **KEW MEDIA GROUP ANNOUNCES ACQUISITION OF SIENNA FILMS**

*Scripted Production Company Represents a Complementary Platform Asset*

**Toronto, ON, November 13, 2017** – KEW MEDIA GROUP Inc. (“KEW MEDIA”, “KEW” or the “Company”) (TSX:KEW and KEW.WT) today announced the acquisition of Sienna Films Inc. (“Sienna”), an established Toronto-based production company.

Sienna, founded by celebrated producers Jennifer Kawaja and Julia Sereny, brings an impressive and diverse production slate to KEW, as well as a robust development pipeline. Sienna is known for scripted television series with international appeal including *Cardinal* (now in production on season 2 and 3 – aired on CTV in Canada, Hulu in the U.S. and BBC4 in the UK); *Ransom* (now in production on season 2 – aired on Global Television in Canada and CBS in the U.S.); *Combat Hospital* (for Global Television in Canada and ABC in the U.S.); and *Diamonds* (for CBC in Canada and ABC in the U.S.) As well, Sienna is known for critically acclaimed and award-winning feature films including *Touch of Pink* (Sony) and *How She Move* (Paramount).

This acquisition, KEW’s second since its QA in March 2017, marks the Company’s entry into the production of scripted programming, and represents a highly complementary and strategic addition to KEW’s asset base. Sienna introduces a strong new mix of content into the Company, laying a solid foundation for continued scripted growth. The acquisition is expected to be accretive to KEW’s earnings over the next twelve months.

KEW MEDIA paid consideration on closing of \$3 million for Sienna, comprising \$2,580,000 in cash and \$420,000 in Class B Shares, representing a multiple of 2.7 times estimated annual trailing Adjusted EBITDA of \$1.1 million.

The Sienna vendors can earn up to an additional \$3 million in contingent consideration based on Sienna’s Adjusted EBITDA in 2017, 2018 and 2019. The Sienna vendors can earn (a) \$600,000 of the contingent consideration if the FY17 Adjusted EBITDA is a minimum of \$1.1 million (representing a multiple of 3.3x) (b) an additional \$1.2 million of the contingent consideration if the combined Adjusted EBITDA for FY17 and FY18 is \$2.42 million (representing an average multiple of 4x) or FY 18 Adjusted EBITDA exceeds \$1.32 million (representing a multiple of 3.6x FY 18 Adjusted EBITDA) (c) a further \$1.2 million if the Adjusted EBITDA for FY 2019 exceeds \$1.58 million (representing a multiple of 3.8x FY 2019 Adjusted EBITDA ). If any of the contingent consideration payments in either (a), (b) or (c) above are not achieved and the combined Adjusted EBITDA for FY17, FY18 and FY19 is a minimum of \$4,004,000 the Sienna vendors would be entitled to the full \$3 million contingent consideration less any amounts paid in FY 17 and FY 18

(representing an average multiple of 4.5x). The above multiples would be reduced if Sienna exceeds the minimum EBITDA targets.

“Jennifer and Julia have built an exceptional company through creative and innovative work and have proven time and again the ability to develop and deliver quality content,” said KEW CEO Steven Silver. “We welcome these two truly great professionals into our group.”

“As independent content producers who have devoted our careers to compelling and meaningful stories for a range of audiences, the opportunity to be part of KEW MEDIA’s strong international platform is extremely exciting,” said Sienna’s co-founders Kawaja and Sereny.

### **Non-IFRS Measures**

*This news release contains references to EBITDA and Adjusted EBITDA. EBITDA is calculated as net income or loss, before interest expense, net of interest income, income tax expense and depreciation. Adjusted EBITDA is calculated as EBITDA excluding transaction, reorganization and exceptional costs, gain/loss on change in fair value of financial liabilities and the proportion of Adjusted EBITDA attributable to non-controlling interests. These non-IFRS measures do not have standardized meanings 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 and 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.*

### **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. Statements regarding the expected contribution of Sienna to KEW’s earnings over the next 12 months constitute forward-looking statements. 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](http://www.sedar.com) under the Company’s profile. In particular, Sienna may not perform as expected over the next 12 months and generate the earnings expected by the Company.*

*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.*

### **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.

### **About Sienna Films Inc.**

Sienna is an award-winning production company run by founders Jennifer Kawaja and Julia Sereny. Sienna develops and produces feature films and television series for international audiences. Their feature films have been box office successes and played to festival acclaim from TIFF to Sundance and to Berlin. Sienna’s TV series have garnered top ratings in Canada and abroad with their most recent, *Cardinal*, topping ratings in Canada, the UK and France. Upcoming, they have several features and television series in the final phases of international packaging and financing, with Canadian-Irish co-production *Sweetness in the Belly* to shoot in March 2018.

### **Contact:**

KEW MEDIA GROUP INC.

Steven Silver, Founder & Chief Executive Officer

Phone: 647-956-1965

Email: [Investors@kewmedia.com](mailto:Investors@kewmedia.com)