

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Media Central Corporation Inc. (formerly IntellaEquity Inc.) (the "Issuer").

Trading Symbol: FLYY

Number of Outstanding Listed Securities: 328,726,427

Date: May 31, 2020

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*On May 5, 2020 the Issuer* announced impressive revenue growth from the launch of its programmatic advertising initiative across its wholly owned properties NOW Magazine ("NOW") and the Georgia Straight ("*Straight*"). The AI-led programmatic advertising solution is one part of the Company's latest initiatives in its efforts to monetize its growing audience of 6.5 million influential consumers through technology.

In March 2020, MediaCentral expanded its ad inventory to include more diverse display and programmatic formats. As a result new ad units were created leading to a surge in ad impressions being served at both NOW Magazine, with an increase of 405% (4,494,026 in March 2020, 22,694,713 in April 2020) and the *Straight* with an increase of 25% (19,935,762 in March 2020, 24,846,567 in April 2020)<sup>1</sup>. This strategic move resulted in NOW and the *Straight* combined, reporting a significant increase of +389%<sup>1</sup> in programmatic ad revenue in April 2020.

Since acquiring its iconic urban publications NOW in November 2019 and the *Straight* in February 2020, the Company has executed an aggressive digital transformation strategy to migrate the titles into profitable, leading-edge digital platforms. The Company's investment in developing and promoting high-quality content from omnichannel distribution and expansion to developing new trending verticals like esports and psychedelics has driven previously announced double-digit user growth month-over-month across all properties. As MediaCentral's audience reach accelerates, the Company has initiated new technology-based revenue streams to monetize its readers.

"Our digital advertising revenues are projected to dramatically surpass our legacy ad model as we move forward with our tech-heavy strategy. We are leveraging the latest technology to optimize bottom line growth, while ensuring our readers have the best possible experience. Programmatic ads are successful because they use machine learning to ensure consumer demand ad placements, driven by data, in real time," said Anton Tikhomirov Senior Vice President, Technology and Architecture of MediaCentral. "We have seen impressive growth from our programmatic ads and are excited for this continued trajectory as we move forward with supplementary digital revenue drivers."

In addition to the programmatic advertising initiative, MediaCentral recently announced its foray into affiliate marketing as another digital revenue stream.

The Company has also moved forward with the implementation of a new proprietary marketing automation software. This software will unite all MediaCentral's publications and digital assets and will allow the Company to collect first-party data including behavioral information in one centralized location. As a result, MediaCentral will be able to improve the user experience through content personalization, increase traffic to all properties

through cross-promotion, and enhance solutions for advertisers by providing access to highly segmented demographic data.

“We are taking an audience-centric approach to growth. The implementation of this latest technology will enable MediaCentral to leverage data to better serve our audience with relevant content that speaks directly to them. As a result, audience engagement on MCC properties will increase, providing advertisers with more diverse opportunities to strategically make an impression and promote their brands,” said Tikhomirov.

The introduction of affiliate marketing, marketing automation software and programmatic advertising provides attractive opportunities for advertisers looking to target MediaCentral’s premium audience of 6.5 million urban, educated and affluent consumers and situates the Company to successfully capitalize on the US\$333 billion digital advertising<sup>2</sup> industry.

MediaCentral is actively searching for synergistic and accretive acquisition opportunities to further expand the Company’s reach across North America as it continues to execute its strategy to consolidate, digitize and monetize over 100 independent urban publications and their audiences.

On May 8<sup>th</sup>, 2020 the Issuer released full year financial statements and Management Discussion & Analysis for the 2019 year, ending December 31, 2019.

On May 12<sup>th</sup>, 2020 the Issuer released month-end data showcasing rising digital interaction across all of its wholly owned properties. Toronto’s NOW Magazine (“NOW” or “NOW Magazine”), Vancouver’s Georgia Straight (“the *Straight*”) and cannabis-specialty platform Canncentral.com (“Canncentral”) all reporting impressive month-over-month user, session and pageview growth for the second month in a row.

Comparing Google Analytics from March 2020 to April 2020, NOW Magazine expanded: users by 57 per cent, sessions by 56 per cent and pageviews by 49 per cent<sup>1</sup>. The *Straight* also reported increased digital interactions with users and sessions both up by 46 per cent and a 35 per cent<sup>2</sup> upsurge in pageviews. Canncentral, which launched in fall 2019, continues to skyrocket with more cannabis enthusiasts engaging on the digital platform each month. In April, the cannabis lifestyle platform grew: users by 126 per cent, sessions by 120 per cent and pageviews by 94 per cent<sup>3</sup>.

“For the second month in a row, our digital publications are demonstrating rapid growth. We can attribute this to our technology team, strategic investment in upgrades, cross-pollinating our readers between publications and 24/7 quality omnichannel approach to publishing,” said Brian Kalish, CEO of MediaCentral. “We’ve invested in enhancing and digitizing our titles from introducing new content verticals like psychedelics and esports, to intensifying our social media presence, to launching a very well received podcast at NOW. Our efforts have successfully resulted in our ever-expanding audience spending more time on our digital platforms. This accelerates opportunities to monetize our properties as we look to tap into a vast \$333 billion digital advertising industry.”

Since taking ownership of the iconic urban publications NOW and the *Straight* in November 2019 and February 2020 respectively, the Company has invested in transforming the legacy publications into leading digital platforms. Recent announcements include the launch of new technology-based upgrades that will allow MediaCentral to monetize its existing audience including introducing affiliate marketing, automated marketing and programmatic advertising.

“We are thrilled with the progress we are making in transforming NOW and the *Straight* into modern media brands. This proves we are on track with our mission to amass an influential audience of 100 million consumers by consolidating, uniting and digitizing over 100 independent urban publications across North America. We are actively searching for synergistic and accretive acquisition opportunities to continue to grow our dedicated audience as we move forward in building a profitable and innovative digital publishing house,” said Kalish.

In addition to acquiring existing urban publications the Company plans to build new digital sites to expand its audience further. In April, MediaCentral announced the beta-testing of its fourth property, a digital site dedicated to the burgeoning esports and egaming industry.

## Summary of audience growth comparing March 2020 to April 2020

- NOW Magazine
  - Users: From 1,138,594 to 1,791,520; 57.34% increase
  - Sessions: From 1,441,757 to 2,257,844; 56.60% increase
  - Pageviews: From 1,833,238 to 2,732,942; 49.08% increase
- The *Straight*
  - Users: From 1,697,040 to 2,483,901; 46.37% increase
  - Sessions: From 2,229,411 to 3,262,637; 46.35% increase
  - Pageviews: From 3,064,664 to 4,137,408; 35% increase

*\*Users are defined as the number of unique visitors to a web site based on browser cookies.*

On May 12<sup>th</sup>, 2020 the Issuer reports that its Board of Directors has approved the settlement of \$90,400 of debt through the issuance of common shares of the Company (the "Debt Settlement"). Pursuant to the Debt Settlement, MediaCentral will issue 1,205,333 common shares of the Company (the "Shares") at a deemed price of \$0.075 per Share to certain creditors ("Creditors") of the Company.

The Company has also granted options to purchase 200,000 common shares to an employee of the Company for a period of five years from the date of the grant. The options have an exercise price of \$0.10 per share and are fully vested upon issuance.

The Share issuance is subject to Regulatory and Exchange approvals and will be subject to a standard hold period expiring on the date that is four months and one day from the date of issue. The option grant is made under, and subject to, the terms and the Company's Stock Option Plan.

The Company is also extending the expiry date of a group of its warrants. It currently has 40,150,000 warrants set to expire on July 30, 2020. These warrants were issued on July 30, 2019 for a period of one year with an exercise price of \$0.30 per whole warrant. The expiry date of those warrants is being extended by one year to July 30, 2021. The original exercise price of \$0.30 per whole warrants will not change.

On May 14<sup>th</sup>, 2020 the Issuer announced notable growth in print readership for its wholly owned property NOW Magazine ("NOW" or "NOW Magazine") as reported in the Spring 2020 Vividata Study. Released on May 5<sup>th</sup>, Vividata's Spring 2020 Study showcases NOW's print readership at 1,776,000 monthly readers compared to 1,636,000 monthly readers reported in February 5<sup>th</sup> in Vividata's Winter 2020 Study<sup>1</sup>. This represents an impressive 9.3 per cent audience growth within a three-month period.

NOW's audience growth also extends online at nowtoronto.com. As shared in a recent release announcing exponential growth across all MediaCentral brands, NOW's digital audience has increased by double-digit percentages month-over-month since earlier this year. During a three-month period from February 1, 2020 to April 30, 2020, monthly users spiked by over one million from 736,282 to 1,791,520<sup>2</sup>, at an increase of 143 per cent.

Since acquiring NOW in November 2019, and the Company's Vancouver-based flagship title the *Straight* in February 2020, MediaCentral has executed an aggressive strategy to grow and digitize its audience while introducing new opportunities to monetize the publications. In recent months, the Company has implemented new digital revenue streams through technology-based innovations including affiliate marketing, automated marketing and programmatic advertising.

MediaCentral is actively searching for synergistic and accretive acquisition opportunities to further expand the Company's reach across North America as the Company continues to execute its plan to consolidate, unify and monetize over 100 independent urban publications and their audiences.

On May 21<sup>st</sup>, 2020 the Issuer announced the launch of AdCentralDirect ("ACD") an in-house mobile and cross-channel demand side platform (DSP) agency that connects digital advertising inventory through one interface.

AdCentralDirect will immediately provide brands access to advertising inventory on the digital platforms of MediaCentral's iconic publications NOW Magazine ("NOW" or "NOW Magazine") and Georgia Straight ("the Straight"), the Company's cannabis-specialty platform Canncentral.com ("Canncentral") and ECentralSports.com ("Ecentral"), its digital esports and egaming title. As AdCentralDirect evolves, it will look to unite additional independent alternative publications under its umbrella creating an attractive solution for advertisers looking to connect to influential consumers across the country.

"Over the next two years, AdCentralDirect intends to be one of the most effective solutions for brands looking to digitally maximize their presence in the market. In addition to optimizing our own digital ad inventory, this proprietary platform will also bring other local publications together, allowing marketers the opportunity to connect with publishers directly while increasing their CPM rate," said Anton Tikhomirov, SVP of Technology and Architecture at MediaCentral. "This venture creates a material and incremental revenue channel for our existing titles, one that previously did not exist at NOW or the Straight before we acquired them over the past six months."

AdCentralDirect will provide brands the opportunity to strategically target consumers through display advertising, video content, social media, email and push notifications, while allowing them to monitor their advertising campaigns performance in real time. Brands will have the choice to manage campaigns directly through AdCentralDirect's proprietary platform or leverage the agency's team of professional experts to execute for them, depending on the level of support they require. With Chrome and other browsers phasing out third-party cookies due to privacy rights, the ability for AdCentralDirect to offer advertisers MediaCentral's first-party data will become increasingly valuable. AdCentralDirect will leverage MediaCentral's information, gleaned from its 6.5 million monthly readers, to help advertisers more effectively target audiences through psychographics and demographics, by location and device, providing a smart solution for brands looking to connect with the Company's influential audience.

The launch of AdCentralDirect will tap into the growing programmatic advertising market, which exceeded \$100 billion for the first time in 2019 and is projected to grow to \$147 billion in 2021, according to a forecast from Publicis Groupe media agency Zenith. MediaCentral anticipates that AdCentralDirect will deliver over \$5 million in programmatic sales from its existing digital titles between 2020 and 2021 with forecasted costs to achieve these sales being approximately \$100,000 in CAPEX plus expected commissions of 35 per cent.

"The launch of AdCentralDirect is exactly the kind of inventive thinking that is going to propel our titles into modern, profitable media brands. AdCentralDirect provides us with a built-in revenue driver as we continue our mission to amass an influential audience of 100 million consumers by consolidating, uniting, and digitizing over 100 independent urban publications across North America. This is an important step as we move forward in building a leading, profitable digital publishing house," said Brian Kalish, CEO of MediaCentral.

AdCentralDirect is expected to be operational in June 2020.

2. Provide a general overview and discussion of the activities of management.  
*In addition to the activities described above, management has been working to offset the impact that the COVID-19 Global Pandemic has had on its sales and workforce, which began effecting the Company on or about the week of March 13, 2020.*
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
n/a
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

n/a

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

n/a

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

n/a

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

n/a

8. Describe the acquisition of new customers or loss of customers.

*The Company is a publisher and derives its revenues almost entirely from print and digital advertising, where customers are both acquired and lost weekly and monthly.*

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

n/a

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*The Company and two of its wholly owned subsidiaries: NOW Central Communications and the Vancouver Free Press have laid off or have effected a 10% - 20% cut in hours, to 38 employees as a result of the COVID-19 Global Pandemic's impact on the Company's consolidated sales.*

11. Report on any labour disputes and resolutions of those disputes if applicable.

*The Company's wholly owned subsidiary: NOW Central Communications Inc., ("NCC") is by virtue of the acquisition of NOW Communications Inc., a party to a Collective Agreement ("CA") with Unifor, Local 87-M. The current CA expired on December 31, 2019. The Ontario Ministry of Labour released a "No Board" Report to the parties on February 3, 2020 and the parties have been in a strike or lock-out position since February 20, 2020. NCC has been negotiating with Unifor, Local 87-M in an attempt to arrive at new terms and conditions of a collective agreement and those negotiations are currently being rescheduled to coincide with the loosening of restrictions brought on by the COVID-19 Global Pandemic .*

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the

proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

*The Issuer's wholly owned subsidiary: Canncentral Inc. had on March 25, 2020, received a Statement of Defence and counter claim of \$50,000.00, further to a \$250,000.00 plus customary costs, Claim which the Issuer filed in Ontario Superior Court of Justice for breach of contract against NOW Communications Inc. ("NCI") for work provided by NCI that preceded the Issuers acquisition of the assets of NCI, a transaction which closed on November 29, 2019.*

*The Issuer received a Statement of Claim served on or around March 18, 2020 and prepared on February 19, 2020, from Bullet Daily Media Group Inc., a previous vendor in the amount of \$7,500.00 for breach of contract. The Claim was filed in the Toronto Small Claims Court division of the Ontario Superior Court of Justice. The Issuer had prepared a Statement of Defence and Counter Claim, after which the Statement of Claim served by Bullet Daily Media Group Inc. was abandoned. The Company expects no further action in this matter.*

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*n/a*

14. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
Common Shares	1,205,333	Shares issued for debt at \$0.075/share	N/A
Stock Options	200,000	Issued at \$0.10 with 5 year expiry	N/A

On May 12, 2020 the Issuer amended the expiry date of 40,150,000 warrants. The expiry date has been extended by one year, from July 30<sup>th</sup> 2020 to July 30<sup>th</sup> 2021. No change was made to the exercise price.

15. Provide details of any loans to or by Related Persons.

*n/a*

16. Provide details of any changes in directors, officers or committee members.

*n/a*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*The Company is a publisher and derives its revenues almost entirely from print and digital advertising which market has been and continues to be in a constant state of flux. The effects of the COVID-19 Global Pandemic have negatively affected the Company's sales and cash flows.*

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 4, 2020.

Brian Kalish

Name of Director or Senior Officer

“signed” \_\_\_\_\_

Signature

CEO and Director

Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer Media Central Corporation Inc.	May, 2020	YY/MM/D 2020/06/04
Issuer Address 27 Roytec Road		
City/Province/Postal Code Vaughan, ON L4L 8E3	Issuer Fax No. 416-704-1995	Issuer Telephone No. 905-338-0220
Contact Name Catherine Beckett	Contact Position Manager Corporate Affairs	Contact Telephone No. 416-642-1807