



## AN OPEN LETTER TO SHAREHOLDERS FROM THE CEO

- *Over the past eight months we have emerged as the largest publisher of alternative titles in Canada, serving ~6.5 million readers each month<sup>1</sup>*
- *Prior to the COVID-19 pandemic, we were forecasting an annual consolidated run rate of approximately C\$7 million in revenues with anticipated gross margins of 65%, up from C\$0 in October 2019*
- *Based on trading volume and price many shareholders who have been with us from the beginning may have realized ROIs ranging from approximately 50% to 200%*

**TORONTO, ON., June 09, 2020-** [Media Central Corporation Inc. \(CSE: FLYY, FSE: 3AT\)](#) ("MediaCentral" or the "Company") today releases an open letter to shareholders from the Company's Chief Executive Officer.

### Dear Shareholders,

With the primary mission of MediaCentral being the acquisition, development and monetization of the hundreds of millions of readers of alternative titles from across the United States and Canada, I would like to take this opportunity to review and share with you the state of your enterprise.

### Corporate Developments:

- **October 28, 2019:** The Company began trading on the Canadian Securities Exchange by way of an RTO, predicated on a Cannabis platform that had: \$0 in revenue and zero people engaging with it.
  - Canncentral is now performing amazingly well, generating month-over-month double digit growth, and is poised to stand alone as a profit centre.
- **November 29, 2019:** We closed our acquisition of Toronto's iconic 40 year old [NOW Magazine](#).
  - From February 1, 2020 to April 30, 2020 we have grown our digital traffic by over one million monthly users from 736,282 to 1,791,520. A rate of +143%.
  - Our print edition also continues to thrive. The Spring 2020 Vividata Study reports an audience increase of nearly 10% with an impressive 96% pick-up rate, despite the social distancing fear brought on by the pandemic.
- **February 29, 2020:** We closed our acquisition of Vancouver's pioneering 53-year old [Georgia Straight](#).
  - The Straight continues to embrace digitization and increase its audience size. In April 2020 we realized a month-over-month increase in digital audience size of 46%.
- **May 2020:** We launched ECentralSports, our new digital platform for all things esports and egaming, and are quickly establishing lucrative affiliate partnerships with which to monetize our readership by.

### Immediate Corporate Impact:

- We are now the largest publisher of alternative titles in Canada, serving approximately 6.5 million readers each month, accross Canada's two largest English-speaking markets.<sup>1</sup>
  - Prior to the government initiated emergency measures related to the COVID-19 pandemic, we had expected an annual consolidated run rate of approximately C\$7 million in revenue, with a forecasted gross margins of 65%, up from C\$0 four months earlier.
- Based on trading volume and price many shareholders who have been with us from the beginning may have realized ROIs ranging from approximately 50% to 200%.

### Challenges and Opportunities:

Aside from the typical challenges associated with acquiring and digesting acquisitions at the pace we've enjoyed; and the general switch in operating paradigm – i.e., moving from being a legacy publisher, and evolving as an omnichannel digital publisher - the COVID-19 pandemic which effectively brought North America to a standstill around March 13, 2020 has provided its own unique set of challenges and opportunities:

- Since the beginning of the COVID-19 Pandemic in March of 2020, we have trimmed nearly \$300,000 a month in costs, while continuing to publish and grow our readership.
  - We expect, after the Pandemic abates, to maintain more than half of these cuts, which, when ad revenue rebounds, should create a profitable business for us.
- We have implemented a new omnichannel approach to publishing, one that merges: Editorial with Marketing and Sales. This is a fundamental change in how the legacy titles we purchased had been operating for the past 40 to 50 years.

#### Looking ahead: On-going corporate initiatives

- We are actively vetting and valuing several potential acquisitions. As we increase our audience through acquisition, we increase our opportunities to monetize through our digital advertising, affiliate marketing and more.
- We are constantly adapting our verticals.
  - We have re-focused editorial categories at [NOW Magazine](#) and the [Straight](#) to ensure we're capturing our readers requirements around new markets, e.g., eliminating a focus on venues and arts and instead driving a focus on health, education, finance and esports.
  - We launched a Psychedelics category at Canncentral.com, which we expect ultimately to spin off as a standalone title.
- We will further expand the Affiliate sales and marketing programs announced in May 2020.
- We will begin commercializing AdCentralDirect.com, our new proprietary tech-driven agency solution opening revenue channels for us, also announced in May 2020.
- We have hired:
  - A new VP Business Development and Integration to focus on omnichannel publishing and monetizing our rapidly growing audience.
  - A new experienced Editor to manage Canncentral.com and ECentralSports.com.

#### Concluding remarks:

Like other media companies and businesses in general, we have experienced significant volatility in our marketplace over the past 17 weeks; we are navigating, and staying the course. The speed at which we have been digitizing and integrating our now four titles is unprecedented – we have acquired legacy publications that operated on outdated business models, and are briskly introducing them into the 21st-century, during a pandemic, within just months of their purchase; all on a shoe string budget, all in an environment where we and our peers have seen the retreat of approximately 80% of our revenue.

It is actually thrilling to watch how we are beginning to integrate ideas and the convergence that will come as a result of the hard work of our people. Our award- winning writers and editors and newly minted marketers and salespeople have opportunities in front of them now, that simply did not exist before, and they are seizing the moment.

While many of our shareholders are on our communications list, some may not be. For those of you who are not, I encourage you to subscribe through [www.mediacentralcorp.com](http://www.mediacentralcorp.com) and in the interim if you haven't been following the news as we release it, these will link you to stories which speak to our success:

- [Press releases](#)
- [In the news](#)
- [Investor news](#)

Thank you,

**Brian Kalish**  
 Director, Chief Executive Officer

-END-

**Source:**

<sup>1</sup> Internal tabulation of print and digital readership subscriptions across all Media Central owned platforms using: Vividata and Google analytics.

**About Media Central Corporation Inc.**

Media Central Corporation Inc. (CSE: FLYY, FSE: 3AT) is an alternative media company situated to acquire and develop high-quality publishing assets starting with the recent acquisition of Vancouver Free Press Corp., the purchase of NOW Communications Inc. and the launch of digital cannabis platform CannCentral.com. MediaCentral is consolidating and digitally monetizing the over 100 million coveted and premium consumers of the approximately 100 alternative urban publications across North America, creating the most powerful audience of influencers.

[www.mediacentralcorp.com](http://www.mediacentralcorp.com)

Instagram: [@mediacentralcorp](https://www.instagram.com/mediacentralcorp)

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release may include, but are not limited to, statements with respect to internal expectations, expectations with respect to estimated margins, cost structures, and cost structures in the media industry. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the media industry generally, income tax and regulatory matters; the ability of MediaCentral to implement its business strategies; competition; currency and interest rate fluctuations and other risks.

Readers are cautioned that the foregoing list is not exhaustive and should carefully review the various risks and uncertainties identified in the Company's filings on SEDAR. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

The forward-looking statements included in this news release are made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

SOURCE: Media Central Corporation Inc.

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