



WONDERFILM

Wonderfilm Media Corp. Releases Summer Update

Vancouver, BC, July 09, 2019 (GLOBE NEWSWIRE) -- via NEWMEDIAWIRE -- The Wonderfilm Media Corporation (TSXV: WNDR) (OTC: WDRFF), (“Wonderfilm” or the “Company”) is pleased to release an in-depth investor update from Wonderfilm CEO, Kirk Shaw:

Dear Shareholders,

It is an exciting time at Wonderfilm as the Company transitions from a Production Company into an entertainment industry giant. Some of the recent highlights include:

- At the moment, we have 17 films with a combined \$75-\$90 million of production budgets “locked in” with actors such as John Travolta, Nicholas Cage, Guy Pearce, Ryan Phillippe, Kellan Lutz, Anne Heche, Thomas Jane, Cuba Gooding Jr., Ron Pearlman, Shia LaBeoufe, Terrance Howard, Dustin Hoffman, Steven Segal and MMA legends, Tito Ortiz and Chuck Lidell. We plan on sharing more movie details as the projects develop in the coming days, weeks and months.
- The Company has forged a working relationship with Chinese billionaire Dr. Bruno Wu, who brings with him 25 movie packages. Dr. Wu also has full access to iQiyi, one of the world’s largest video platforms that has 500 million active monthly viewers.
- Wonderfilm is preparing the launch of its own streaming movie channel into 100 million homes later this year.
- We have established a joint venture with Grapevine Logic with near future aspirations to acquire an equity stake. Their unique A.I. technology provides us with a social media reach of 3.2 billion subscribers.
- New acquisition of the Esports company ‘Starbury Media’ which will be organizing and hosting exclusive Esports events in the US and China on site and online. Esports is proving to be the most dramatically emerging industry in 2019.
- As far as capital raising, the Company is closing a \$2 million financing deal this summer.
- Last, with great pleasure, we have been working with OTCMarkets.com and in the very near future, Wonderfilm will be up-listing to the US OTCQB market.

Wonderfilm's goal is to pioneer a new way to develop, finance and distribute media content. Our experienced management team knows how to develop and choose what films to produce, while mixing in a well known celebrity on a modest budget. Every once in a while, one of our productions will hit a financial home run, but that is not the only way Wonderfilm makes money.

How Exactly Does Wonderfilm Make Money?

I should make a point to our investors that Wonderfilm's internal measure of success is not solely the profitability of individual films, but rather whether or not a particular movie project gets financed and produced. Revenue is generated through sales of our own films and at times third-party films through Wonderfilm Global. The average film is pre-sold for \$5M with Wonderfilm gaining \$500,000 to \$750,000 per sale as its commission. Wonderfilm Global expects to sell between 10 to 12 third party films this year generating roughly \$6M in commission income for the Company.

A further revenue source is generated from theatrical sales through a 50/50 upside split, once the minimum sales threshold is met. An example would be a film sold for \$5M that does \$20M in box office sales, Wonderfilm would be entitled to 50% of the \$15M generated above the guaranteed \$5M.

Beyond distribution, fees are charged directly to each Wonderfilm project, ranging from \$100k to \$500k based upon the film's total budget. These fees are included in the production budget and are paid to Wonderfilm.

Online streaming Wonderfilm's catalog will be an additional revenue source. We have entered into an agreement with one of the largest streaming platforms in the world. More details on this will be available early fall.

The recent acquisitions either augment or add to the existing revenue streams as we integrate them into our business model, which in turn should increase shareholder value, build revenue and forge strategic partnerships. Wonderfilm Global is a big step up. Launching our in-house media distribution arm at the Cannes Film festival with a second North American introduction to the market slated for the Toronto Film Festival, represents a massive win for Wonderfilm. This changes how the Company does business while providing direct control over the exploitation of its films, its growing library and its new revenue stream from fees charged to other producers to distribute their films. It's a sea change for our production business model with Wonderfilm Global working for us, keeping several million dollars in fees and unrealized profit within Wonderfilm.

Dr. Bruno Wu:

Perhaps the strongest asset Wonderfilm gained recently is working with Dr. Wu and his growth resources that stretch around the globe. One of China's most influential people, Dr. Wu is a media and entertainment pioneer. He built China's largest private media conglomeration and was recently appointed the vice chairman for the US/China trade relations.

Dr. Wu has identified Wonderfilm as the media company outside China that he wants to partner with to bring global distribution to his operations in China, while providing Wonderfilm with 25 packaged movies as well as many large sports assets to be integrated into our core business. This includes dedicated access to his event management company Sun New Light (owned by Sun Media Group), which

is one of the largest event management companies in China known for hosting the world's largest music festival with over 840,000 paying attendees.

The Movie Streaming Channel will be a unique offering for a Company like Wonderfilm. Movie fans will be able to vote, play trivia, and connect in many different ways with other movie goers to enrich their obsessions with movies and TV. There will even be eventual interaction with their favorite celebrities or directors themselves. Utilizing Grapevine's A.I. tech will allow for the true marriage of social media and online streaming as the media space continues to see broad strokes of M&A activity, in search of consumer data.

We are very excited about our recently announced "Amityville 1974" project as it is our first theatrical feature and expected to be a major revenue producing franchise in the future. Adjusted for inflation the original Amityville Horror took in over \$300 million, with 2005's remake topping \$95 million. Casey La Scala (Donnie Darko, The Remaining) will direct from a script he wrote. Jeff Bowler and Shaun Redick (Get Out/ Blackkklansman) will produce for Wonderfilm. Todd Garner (Tag/Mortal Kombat) will also produce. Kirk Shaw, Bret Saxon, Yvette Yates, and Dan Grodnik will be Executive Producers. Wonderfilm's new sister distribution company, Wonderfilm Global headed by Christian De Gallegos, is handling worldwide sales at TIFF, while currently negotiating with domestic theatrical distributors.

Shareholders participate as we evolve. Our core business is growing. We have added a proven successful feature film component while building out a foreign sales system, including having direct release access to the lucrative Asian market. We have added a streaming broadcast component to further monetize our content creation and our growing library of productions. The Company is expanding its core business to include Esports promotion, production and distribution and through strategic partnerships access to one of the largest social media companies in the US. Only conglomerates like Disney or Universal can provide this marketing power within their basic structure for the exploitation of content.

All of us at Wonderfilm are working hard to build something unique and successful. We will continue to keep shareholders up to date the Company's story continues to develop. Thank you for believing in us and being a part of Wonderfilm's bright future.

Sincerely,
Kirk Shaw (Wonderfilm CEO)

About Wonderfilm Media

Wonderfilm is a leading publicly traded (TSX Venture Exchange) entertainment company with offices in Beverly Hills, Vancouver, Canada and Seoul, South Korea. Wonderfilm's main business is the production of high-quality feature films and episodic television that offer international appeal through the Company's guiding philosophy of bringing new financing solutions to an entertainment industry increasingly looking for funding and co-production alternatives. Wonderfilm is a producer and distributor only for the projects disclosed. The legal ownership of movie productions is held in a special purpose legal entity held at arm's length to the Company to facilitate for the qualification of various levels of domestic and foreign government tax credit incentives that are customary in the film and production business.

Cautionary Statements

This press release contains forward-looking statements that are subject to substantial risks, uncertainties and assumptions. All statements other than statements of historical fact contained in this press release are forward-looking statements. These statements often include words such as “believe,” “expect,” “target,” “anticipate,” “forecast,” “intend,” “plan,” “projects,” “seek,” “will,” “may” or similar expressions. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Wonderfilm’s control and Wonderfilm’s actual results could well differ materially from those stated or implied in forward-looking statements due to many various factors.

Although Wonderfilm believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee that the events and circumstances reflected in the forward-looking statements will be achieved or occur. The timing of events and circumstances and actual results could differ materially from those projected in the forward-looking statements. Accordingly, one should not place undue reliance on forward-looking statements. All such reflect the date made only. Wonderfilm undertakes no obligation to update or publicly revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For further details, please see the Company’s documents filed on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

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