

RESEARCH UPDATE

August 24, 2017

WRIT Media ("WRIT") – \$0.32/share

Rating: STRONG BUY

18-Month Price Target: \$2.45/Share



This is our first update for investors on WRIT Media, Inc which we initiated with a STRONG BUY rating published on May 22, 2017 at \$0.11/share. Our update is below. The initial coverage follows the update.

UPDATE: In our initial coverage on May 22, 2017 the stock was trading at \$0.11/share. At the close of business yesterday WRIT was priced at \$0.32/share, an increase of roughly 200% since the initiation of our coverage just 3 months ago.

In our initial research, we outlined for investors some of the key benchmarks that WRIT was expected to accomplish over an 18 month time frame. One of those benchmarks was a successful beta test of its blockchain technology, which in fact occurred and was announced by the Company on June 5, 2017.

A second key benchmark was stated to be the increase in the number wallets or users. We would like to now slightly adjust this initial benchmark by focusing on the number of users who have opened wallets and are actually using the system to mine coin, versus those who have just opened wallets – as this appears to be the Company's early focus for the generation of revenue.

Coin mining began to produce revenue to the Company in the quarter ending March 31st 2017 of approximately \$11,000. We did not expect this to occur during the Beta testing, so we are pleased to see revenue begin for the Company's Pelecoin product.

During the quarter ending June 30, 2017 WRIT generated \$64,985 in revenue, a fivefold increase over the previous quarter, this represents roughly six weeks of production (half of the quarter) and was produced with 29 miners on the system who were using mining "rigs" – or computers designed specifically for crypto currency mining that typically use 6 video graphic cards.

We estimate that during the quarter that will end on September 30th, the Pelecoin system will have an average of 100 mining rigs in service during this quarter. Our calculations lead us to estimate the revenue for the Company during this

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period could be as much as \$125,000. Rig count is expected to continue grow steadily over the next several quarters according to management. As the number of “rigs” increases so does the total coin-based revenue of which Pelecoin keeps a portion.

The Company now is now finalizing the development of its blockchain smart contracts and is viewing the opportunity to license this technology to underwriters of Initial Coin Offerings (“ICO”). There are a number of ICOs planned in the upcoming days and months. According to www.TokenMarket.net, there are approximately 31 ICOs running and open right now as this report is being written. There are another 42 planned and coming. There are approximately 85 that have been completed.

Several ICO’s that have gone full circle through the offering and have closed – around 85 of them approximately. Some of them reached their cap during pre-ICO offering to the public, meaning they were sold out to people close to the company in what would be similar to a friends and family round or pre-IPO financing. In 2017, a total of 76 ICOs have raised over \$798 million.

An ICO provides a way for a digital currency company to raise money for operations by minting coins and “putting them into circulation” so to speak. This is advantageous in that the Company raises money without diluting its equity shareholders. We suspect that Pelecoin may launch its own ICO at some point to capitalize on this low to no dilution way to obtain growth capital. We feel that the opportunity to obtain a fairly large amount of non-dilutive capital is probably worth the effort although management has not stated to us that they intend to do an ICO.

Trading Platform: Management believes that it will “go live” with a trading platform, making a market in Pelecoins, by the beginning of the 4th quarter (October, 2017). The trading platform is important more for making sure that the value of the coins is stable, but it can also produce revenue to the Company through transactional fees.

The Big Deal: Back to mining and rigs. In the past, you could only mine one currency and Pelecoin was an Ether-based currency. Now, the rigs that WRIT partners are using are mining 4 currencies simultaneously. This is a big deal for the simple reason that diversification prevents being over exposed to any one digital currency which means you’re exposed to the price fluctuations – good AND bad – of just one currency. With the WRIT Media rigs, this risk is somewhat diminished. WRIT plans on adding several more currencies to its mining platform, which would further diversify risk.

It appears at this time that nobody else allows for the mining of several crypto currencies simultaneously with just one rig. This is truly digital currency evolved. This puts WRIT and its team at the forefront of the advancements in the space which is saying quite a lot since the space has a lot of very smart people in it and it is advancing at an extremely rapid rate.

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The Company also announced that Pelecoin is available to the public. Anyone can register for a free Pelecoin account and start making money by downloading the Pelecoin miner and mining coin. For additional information go to www.PelecoinInfo.com.

Key Hires: Finally, the Company announced the addition of Alexander Keselman to the Company as CTO. He is the key architect of the Pelecoin digital currency platform and will help advance the Company's product goals. Keselman has 25 years of experience and advanced technical knowledge of software engineering, programming and product development lifecycles. He is recognized as one of the first pioneers of crypto-currencies including the creation of Blockchain-based tokens and trading systems.

UPDATE CONCLUSION

We are extremely happy with the progress we see at WRIT at this time. In summary, we see the following as positive developments:

1. The opportunity to license its technology
2. The ability to raise significant capital through a potential ICO if they so choose
3. Breaking into revenue for the first time and seeing that revenue increase quarter over quarter showing us that the business is scaling rapidly
4. The creation of a cutting edge, evolved digital mining platform
5. Making Pelecoin officially available to the public for the first time
6. Adding a key employee to drive technology strategy and execution

For these reasons we believe that WRIT will continue to make advancements in its business and we retain our STRONG BUY rating on WRIT common stock and have increased our price target to \$2.45/share.

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