

Frankly Files Amendment to Form S-1 Registration Statement

SAN FRANCISCO, May 11, 2017 /PRNewswire/ --**Frankly Inc. (TSX VENTURE: TLK) (Frankly)**, a leader in transforming local TV broadcast and media companies by enabling them to publish and monetize their digital content across multiple platforms, has filed an amendment to its Form S-1 Registration Statement relating to the proposed public offering of its common shares in the United States (the "Offering").

As part of the amendment to its Form S-1 Registration Statement, Frankly reported certain preliminary results for its first quarter ended March 31, 2017. Based on preliminary unaudited information, Frankly expects to report revenue for the first quarter of 2017 in the range of US\$6.3 million to US\$6.4 million, representing an increase of 21% to 23% compared to the same year-ago period. Frankly also expects to report net loss for the first quarter of 2017 in the range of US\$(1.7) million to US\$(1.4) million, representing a decrease of 6% to an increase of 13% compared to the same year-ago period. Frankly also expects to report adjusted EBITDA for the first quarter of 2017 in the range of US\$0.2 million to US\$0.5 million, representing a significant increase from adjusted EBITDA of US\$3,000 reported in the same year-ago period. Actual results for the first quarter of 2017 may differ from these preliminary estimates as a result of the completion of the company's quarterly audit and the filing of the company's Form 10-Q.

"Our preliminary first quarter results reflect the continued growth of revenues across various product lines," said company CEO Steve Chung. "We saw a healthy increase in usage and professional services fees, specifically around our phased web development work with Raycom Media, involving expanding certain components of our industry-leading CMS platform, which we will be able to leverage with other customers. In addition, we saw increases in our advertising revenue, primarily due to contractual changes to the company's advertising program requiring the company to recognize gross revenues beyond commissions. Overall, we are happy with the growth of our business and we continue to make positive progress in upselling products to our existing customers.

"We are continuing to build on our operational momentum in the current quarter and remain confident in our ability to execute on the strategic growth catalysts that will scale our business: data-driven advertising, mobile and OTT apps, and strategic channel partnerships. Going forward, continued execution on these key initiatives will help drive growth both in 2017 and the years ahead. Our success on a broader level will establish Frankly as the de facto platform in traditional media's multi-billion-dollar transformation to multi-screen content distribution."

Frankly plans to report complete first quarter 2017 financial results by the end of May.

In terms of the Offering, it is currently anticipated that 2,400,000 common shares will be issued by Frankly as part of the Offering, assuming an offering price of US\$5.25 which is the midpoint of the price range of US\$4.50 to US\$6.00 per common share (the "Offering Price") included in the registration statement. In addition, Frankly intends to grant the underwriters for the Offering a 45-day option to acquire up to an additional 360,000 common shares assuming an offering price of US\$5.25 (the midpoint of the price range included in the registration statement) at the Offering Price, solely for the purpose of covering over-allotments, if any. These terms are preliminary and subject to change.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Frankly

Frankly (TSX VENTURE: TLK) builds an integrated software platform for media companies to create, distribute, analyze and monetize their content across all of their digital properties on web, mobile and TV. Its customers include NBC, ABC, CBS and FOX affiliates, as well as other leading media organizations. Collectively, Frankly reaches nearly 60 million monthly users in the United States. The company is headquartered in San Francisco with major offices in New York. To learn more, visit www.franklyinc.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Non-GAAP Measures

The Company reports earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA, which are not financial measures calculated and presented in accordance with Generally Accepted

Accounting Principles ("GAAP") and therefore may not be comparable to similar measures presented by other issuers. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute to net income (loss) or any other financial measures of performance or liquidity calculated and presented in accordance with GAAP. The Company defines Adjusted EBITDA as EBITDA, adjusted to exclude certain non-cash charges and other items that we do not believe are reflective of our ongoing operating results. The Company utilizes Adjusted EBITDA internally for purposes of forecasting, determining compensation, and assessing the performance of our business, therefore, we believe this measure provides useful supplemental information that may assist investors in assessing an investment in the Company.

Below is a reconciliation of net loss to adjusted EBITDA for the three-month period ended March 31, 2017:

<i>All amounts in U.S. dollars</i>	Three Months Ended March 31, 2017 Range (in millions)	
	Low	High
Net Loss	\$ (1.7)	\$ (1.4)
Interest expense, net	0.6	0.6
Income tax expense	-	-
Depreciation and amortization	1.1	1.1
Stock-based compensation	0.2	0.2
Adjusted EBITDA	<u>\$ 0.2</u>	<u>\$ 0.5</u>

Notice Regarding Forward-Looking Statements

This release includes forward-looking statements regarding Frankly and their respective businesses. Forward-looking events and circumstances discussed in this release, may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the parties. No forward-looking statement can be guaranteed. In particular, there can be no assurance as to the timing of the Offering, that the Offering will be consummated, or, if the company's stock is listed, that the company will be able to maintain minimum listing requirements with the NASDAQ Capital Market. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Frankly undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/frankly-files-amendment-to-form-s-1-registration-statement-300456576.html>

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