May 1, 2019

Frankly Announces Private Placement Financing, Reduction Of Over US$13 Million Of Debt, Repurchase Of Control Party Equity Positions And Purchase Of Triton Digital Radio Platform Assets, Covering Approximately 800 Radio Station Websites

NEW YORK, May 1, 2019 /PRNewswire/ --**Frankly Inc.,** (TSX VENTURE: TLK) ("the Company"), has entered into the following agreements: (a) to acquire Triton Digital's "AMP" radio content management system and related customer agreements; (b) to cancel approximately US$13 million of debt owed to Gray Media Group ("Gray"), Inc. and to acquire all of the outstanding Company common shares held by Gray; and (c) to acquire all of the outstanding Company common shares held by SKP America, LLC. In connection with the transactions, the Company intends to complete a non-brokered private placement of units consisting of Company common shares and warrants, with target gross proceeds of up to US$7 million.

The Private Placement

The Company intends to complete a non-brokered private placement (the "**Private Placement**") for gross proceeds of up to US$7 million through the issuance of units (the "**Units**") of the Company at an issue price of C$0.35 per Unit. The Unit price is based on the discounted closing price of the Common Shares on the TSX Venture Exchange on April 30, 2019. Each Unit shall consist of one common share in the capital of the Company and one-half of one share purchase warrant (the "**Warrant**"). Each whole Warrant shall entitle the holder to acquire one common share in the capital of the Company at C$0.65 per share until the date that is 24 months from the closing of the Private Placement. The Private Placement is expected to close in early May 2019. All securities issued pursuant to the Private Placement will be subject to a statutory hold period of four months and one day from the date of issuance of the securities, as well as contractual "lock-up" restrictions. The contractual lock-up restrictions will provide that subscribers in the Private Placement will agree not to dispose or otherwise transfer the economic consequences of securities composing the Units or securities of the Company held prior to the completion of the Private Placement (collectively, the "**Locked-up Securities**") for 11 months from the closing date of the Private Placement, with 30% of the Locked-up Securities being released from lock-up four months and one day from the Closing Date, and the remainder of the Locked-up Securities being released on a schedule of 10% of the Locked-up Securities each month thereafter.

Proceeds from the Private Placement will be used to fund the Company's obligations under the Raycom Agreement, the SKP Agreement and the AMP Agreement (collectively, the "**Agreements**"), transaction expenses and for working capital purposes.

The Private Placement is integral to the transactions contemplated by the Agreements, and therefore the Company will be relying on the 'part and parcel pricing' exemption contemplated by Section 1.7 of TSX Venture Exchange Policy 4.1.

The Agreements

(a) Raycom Agreement – Gray Media Group, Inc. ("Gray") (successor in interest to Raycom Media, Inc. ("Raycom")), is the Company's largest shareholder, holding 547,325 Company common shares (20.3% of Company's 2,696,568 outstanding common shares), and 871,160 warrants, each to acquire one Company common share. Gray is also the Company's largest creditor, holding a total of approximately US$13 million of secured and unsecured Company debt arising under a series of agreements, including the Amended and Restated Credit Agreement dated May 7, 2018 between the Company and Raycom. In October of 2018, the Company negotiated a reduction of approximately US$11.5 million in the amount of debt owed to Raycom. The Company has now negotiated and entered into an agreement with Gray (the "**Raycom Agreement**") to (i) purchase all of the outstanding Company shares and warrants Gray owns for cancellation, and (ii) extinguish all of the remaining secured and unsecured debt Gray holds, for a total cash payment by Company of US$1 million and Company's waiver of approximately US$150,000 of license and service fees under the Company's customer agreement for a television station that was recently acquired by Gray.

Between the two transactions the Company has reduced secured and unsecured debt from these parties by approximately US$27.0 million. The Raycom Agreement is conditional on financing and will be null and void if a financing transaction of at least US$4 million is not completed by June 13, 2019.

(b) The SKP Agreement – SKP America, LLC ("**SKPA**") is currently Company's second largest shareholder, holding 545,289 Company common shares (20.2% of Company's 2,696,568 outstanding common shares). The Company has entered into an agreement with SKPA (the "**SKPA Agreement**"), whereby in exchange for a payment from the Company in the amount of US$150,000, the Company will acquire for cancellation the 545,289 Company common shares held by SKPA.

(c) The AMP Asset Purchase – The Company's Frankly Media subsidiary has entered into an agreement (the "**AMP Agreement**") with Triton Digital, Inc. and its affiliated entities (collectively, "**Triton**") to acquire the assets of Triton's AMP business, including the AMP content management platform system for radio broadcasters, as well as certain customer agreements to supply AMP services to approximately 800 radio stations. The purchase price to be paid under the AMP Agreement is US$3 million, subject to adjustment in certain circumstances. The transaction is expected to close in May 2019.

Management Transaction Bonus and Third-Party Finder's Compensation

In connection with the closing of the Agreements and the Private Placement, the Company has provided its Chief Executive Officer, Lou Schwartz, additional incentives expected to consist of US$140,000 upon completion of the AMP asset acquisition, US$360,000 upon completion of the transactions contemplated in the Raycom Agreement, and $130,000 upon closing of the Private Placement with gross proceeds of US$5 million or more. The Company deemed such special incentives necessary in the context of the transactions in order for the Company to successfully achieve them. Schwartz may elect to receive the foregoing incentive compensation in a combination of cash and/or Company restricted stock units or apply such compensation to the purchase of Units in the Private Placement, provided that Schwartz will not be paid additional compensation upon subscriptions where he is the beneficiary of the subscription.

In addition, in connection with the Private Placement, the Company expects to pay a finder's fee to a third-party finder who is a current shareholder of the Company consisting of (i) 6.5% of the gross proceeds of the Private Placement raised in cash, and (ii) issue that number of finder's warrants as is equal 6.5% of the securities sold in the Private Placement, each exercisable to purchase one unit identical to the units sold in the Private Placement at the offering price in the Private Placement for a period of two years from the closing date of the Private Placement.

Approvals

The Raycom Agreement and SKP Agreement will each separately constitute a "related party transaction" under Multilateral Instrument MI 61-101 - *Protection of Minority Securityholders in Special Transactions*("**MI 61-101**"). The Company will rely on the exemption from the formal valuation requirement at section 5.5(b) of MI 61-101 - *Issuer Not Listed on Specified Markets,* and the Company expects to rely on the exemption from minority approval available at Section 5.7(e) of MI 61-101 - *Financial Hardship*. The Company expects that a material change report in connection with the transactions described herein will be filed less than 21 days before the closing dates of one or more of the transactions. The Company believes this is reasonable and necessary in the circumstances in order to complete the Private Placement within available financing windows and the purchase transactions in accordance with agreed-upon timelines.

The Agreements and the Private Placement are subject to certain conditions, including the approval of the TSX Venture Exchange.

About Frankly

Frankly Media provides a complete suite of digital solutions for media companies to create, manage, distribute and monetize their content on all platforms maximizing audience engagement and revenue potential. The company is headquartered in New York with offices in Toronto and Atlanta. For more information, visit www.franklymedia.com.

Notice Regarding Forward-Looking Statements

This release includes forward-looking statements regarding the Company and anticipated transactions involving the Company. Forward-looking events and circumstances discussed in this release regarding the Agreements and Private Placement, including the completion thereof, the timing therefor, the size of the Private Placement, and the use of proceeds, 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, including failure to obtain investor participation in the private placement, or lack of regulatory approval for the Offering. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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.