

Frankly Announces Closing Of Initial Tranche Of Private Placement Financing And Acquisition Of AMP Assets Providing Services To Over 800 Radio Stations

NEW YORK, May 13, 2019 /PRNewswire/ --**Frankly Inc.** (TSX VENTURE: TLK) ("the **Company**") is pleased to announce that it has completed the first tranche of its previously announced non-brokered private placement offering of units for up to US\$7 million (the "**Private Placement**"). The Company has also completed its previously announced acquisition of the "AMP" radio content management system and related customer agreements from Triton Digital, Inc. and certain affiliated entities (collectively, "**Triton**").

The Private Placement – On May 10, 2019, the Company completed the first tranche of the Private Placement, issuing an aggregate of 7,772,676 Units at a price of C\$0.35 per Unit, raising gross proceeds of C\$2,720,436.60. Each unit ("**Unit**") consisted of one common share in the capital of the Company ("**Common Share**") and one-half of one warrant to acquire a Common Share (each whole warrant to purchase one common share, a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share from the Company at a price of C\$0.65 per Common Share until twenty-four months from the date of issuance. The Common Shares and Warrants are subject to a hold period of four-months and one day from the date of issuance in accordance with applicable Canadian securities legislation, as well as contractual "lock-up" restrictions pursuant to which subscribers in the Private Placement agreed 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 eleven months from the issue date, with 30% of the Locked-up Securities being released from lock-up four months and one day from the issue date, and the remainder of the Locked-up Securities being released on a schedule of 10% of the Locked-up Securities each month thereafter.

In connection with the Private Placement, the Company will 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) that number of finder's warrants as is equal to 6.5% of the securities sold in the Private Placement. Each finder's warrant is exercisable to purchase one Unit at the offering price of C\$0.35 for a period of two years from the closing date of any applicable tranche of the Private Placement. The finder's fee will not be payable on subscriptions completed by the finder for the finder's own account. The net proceeds from the first tranche of the Private Placement were used to satisfy the Company's initial payment obligation of US\$1.75 million under the AMP Agreement (as defined below). The Company has received conditional approval from the TSX Venture Exchange ("**TSXV**") for the Private Placement, which remains subject to TSXV final approval, and the Company expects to close one or more additional tranches of the Private Placement in May 2019.

The AMP Asset Purchase – On May 10, 2019, the Company's Frankly Media subsidiary also concurrently completed the acquisition of Triton's AMP business assets, including the AMP content management platform system for radio broadcasters, and certain customer agreements to supply AMP services to approximately 800 radio stations. The acquisition was completed pursuant to an asset purchase agreement (the "**AMP Agreement**") between the Company and Triton dated May 1, 2019. The total purchase price to be paid under the AMP Agreement is US\$3 million, subject to adjustment in certain circumstances. A deferred portion of the purchase price in the amount of US\$250,000 is payable on the six-month anniversary of the initial closing date. The acquisitions contemplated in the AMP Agreement remain subject to the final approval of TSXV. For additional information related to the Private Placement and the AMP Agreement, see the Company's news releases dated May 1, 2019 and May 2, 2019, and the associated material change report filed in connection therewith.

"We are thrilled with the response to the Private Placement, which is a validation of all the work we've done over the past three years to reimagine Frankly's products and services," said Company CEO Lou Schwartz. "Additionally, the AMP radio assets will allow us to extend our footprint in an adjacent market and realize multiple synergies. We look forward to continue building our core business as we take advantage of new opportunities as they arise."

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 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 include statements regarding the completion of additional tranches of the Private Placement and the timing thereof, the expected size of the Private Placement, the use of proceeds from the Private Placement, additional payments under the AMP Agreement, the extension of the Company's footprint and realization of synergies as a result of the acquisition of the AMP assets, and approval of the Private Placement and AMP acquisition transactions by the TSXV. The subject or results of any forward-looking statement may not occur by any specified or expected dates or at all, and could differ materially as a result of known and unknown risk factors and uncertainties affecting the parties, including but not limited to failure to obtain investor participation in the Private Placement, market sentiment toward the Company's securities, lack of regulatory approval for the Private Placement, and the ability to obtain future financing proceeds or generate revenue to satisfy any deferred purchase price obligations under the AMP Agreement. The outcome of the subject of any forward-looking statement cannot be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made, and the 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 TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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