

Freckle Ltd. Reports Financial Results for the Second Quarter Fiscal 2019

TORONTO, ONTARIO, August 29, 2019 – Freckle Ltd. (TSXV: FRKL) (the “Company”), a leader in privacy-compliant data and offline attribution, announces its financial results for the three and six months ended June 30, 2019 (“Q2 2019”). Please refer to the interim unaudited condensed Consolidated Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the three and six months ended June 30, 2019 filed on SEDAR at www.sedar.com for more information. Unless otherwise stated, all dollar amounts are expressed in Canadian dollars.

HIGHLIGHTS FROM Q2 F2019

- Completed go public transaction and brokered private placement raising gross proceeds of \$6,529,000;
- Strong increases across the board in quarter over quarter key financial drivers for the Killi application. The Company is focused on initiatives to continue to drive these metrics going forward.
 - Increased active user base of 44%
 - Growth in total download base of 38%
 - Increase in user retention of 19%
 - Increase of consumer lifetime value (LTV) of 22%; and
- Exited the quarter with \$6.3 million in cash and cash equivalents, no debt, and \$6.3 million in working capital.

MANAGEMENT COMMENTARY

“The second quarter of fiscal 2019 was a transformation quarter for Freckle,” said Neil Sweeney, CEO of Freckle. “Not only did we bring the Company public after a successful capital raise and scale our recurring revenues 68% year-over-year, but we also began building our privacy compliant identity layer through Killi, a mobile application that is available in the USA and CAN for iOS and Android. Privacy compliant data is what brands and platforms crave to advertise to their target audiences, and we plan to expand identity compliance as well as offer transactional data to brands so they can evaluate the effectiveness of their media campaigns in advance of new privacy regulation that will require them to do so. Our balance sheet is solid; our team is enthusiastic; and I look forward to providing further updates as we continue to build the advertising industry’s only data privacy compliant solution that addresses existing laws in Europe and the evolving regulatory environment across 50 U.S. states.”

HIGHLIGHTS SUBSEQUENT TO Q2 F2019

- Integrated Dynata, a third-party survey company, into Killi that allows users to earn more money which is expected to increase average revenue per user, life time value and retention;
- Announced partnership with Neustar a global data management platform (DMP) to provide its customers with compliant first party consumer data;
- Announced partnership with Giant Media, a video-based media firm based in USA, to provide actionable offline measurement to video campaigns.

BUSINESS OUTLOOK

The Company's overall objective is to grow Freckle's business with stable recurring revenue while also focusing on continuing to improve key Killi metrics to drive the cost of acquisition down while increasing the average revenue per user per month.

Key Goals for the Second Half of Fiscal 2019

- Continue to grow overall revenue higher than 2018 levels, while sustaining or improving upon current proportion that's recurring;
- Expand global presence of Killi beyond North America organically and through continued integrations with global platforms;
- Introduce an additional third-party research engine to Killi to continue to drive higher revenue per user;
- Secure and announce an international data distribution deal in Q3;
- Secure and announce another significant recurring revenue deal in Q3;
- Incorporate credit card data in the Killi application by Q4 enabling users to not only take back control of this data but also increase revenue per user;
- Key Hires to include a Director of Engineering to Freckle, a Vice President of Sales to USA and a Product Director of Data & Analytics on Killi.

OPTIONS ISSUED

The Company also announces that it has granted 50,000 stock options (the "Director Options") to each of Neil Sweeney, Michael Atkinson, John Farlinger, Robert Fernicola and Kevin Shea and 1,570,000 stock options (the "Employee Options" and together with the Director Options, the "Options") to employees of the Company, exercisable for a total of 1,820,000 common shares of the Company. The Options are exercisable at C\$0.20 per common share and will expire on August 28, 2024. The Director Options vest immediately and the Employee Options vest (i) 33% on the first anniversary of employment, (ii) 33% on the second anniversary and (iii) 34% on the third anniversary. The Options are governed by the terms and conditions of the Company's stock option plan, unless otherwise determined by the Board and subject to TSX Venture Exchange approval.

Following this grant of stock options, the Company has a total of 7,881,519 stock options outstanding, representing approximately 3.6% of the 216,521,977 common shares currently issued and outstanding.

FRECKLE LTD.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

DISCLAIMER FOR FORWARD-LOOKING INFORMATION

Certain statements in this press release are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements, including: the receipt of all necessary regulatory approvals, capital expenditures and other costs, and financing and additional capital requirements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding expansion of identity compliance and offering transactional data to brands; increasing average revenue per user, life time value and retention; growth of Freckle’s business; growth of revenue levels; expansion of global presence for Killi; introduction of additional third party research engines into Killi; securing international data distribution deals; securing recurring revenue deals; incorporating credit card data into the Killi application; and hiring key position. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Corporation assumed no obligation to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

The securities of the Corporation have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. 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 the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.