

Frankly Inc. Reports Fourth Quarter and 2015 Year End Results

SAN FRANCISCO, CA, April 26, 2016 /CNW/ - Frankly Inc. (the "Company" or "Frankly") (TSX-V: TLK) a leading content, engagement and monetization platform for brands and media companies, today announced its financial results for the three and 12 months ended December 31, 2015. Financial references are in U.S. dollars unless otherwise indicated. Please refer to the financial statements, associated footnotes and MD&A for further details on our financial results including an EBITDA reconciliation reference.

Fourth Quarter 2015 Financial and Operational Highlights

- Revenue of \$5.4 million, up from \$35 thousand in Q4 2014.
 - Normalized Q4 2015 revenue of \$4.8 million excluding one-time, non-recurring revenue of \$660 thousand related to contract termination fees and other revenue.
- Adjusted EBITDA loss (before non-recurring expenses and non-cash stock based compensation) of \$1.0 million, an improvement of 72.2% compared to an Adjusted EBITDA loss of \$3.8 million in Q4 2014.
 - Normalized Q4 2015 Adjusted EBITDA loss of \$1.7 million.
- Net loss of \$3.1 million, an improvement of 52.3% compared to a net loss of \$6.5 million in Q4 2014.
 - Normalized Q4 2015 net loss of \$3.8 million.
- Cash of \$7.5 million as at December 31, 2015.
- Entered into a long-term technology license agreement with Mobdub LLC, enabling Frankly to operate and control 59 news apps.

2015 Year End Financial Highlights

- Revenue of \$7.0 million, up from \$172 thousand in fiscal 2014.
 - Normalized fiscal 2015 revenue of \$6.3 million excluding one-time, non-recurring revenue of \$660 thousand related to contract termination fees and other revenue.
- Adjusted EBITDA loss (before non-recurring expenses and non-cash stock based compensation) of \$8.7 million, an improvement of 16.2% compared to an Adjusted EBITDA loss of \$10.3 million in fiscal 2014.
 - Normalized fiscal 2015 Adjusted EBITDA loss of \$9.3 million.
- Net loss of \$12.9 million, an improvement of 22.3% compared to a net loss of \$16.6 million in fiscal 2014.
 - Normalized fiscal 2015 net loss of \$13.6 million.

Management Commentary

"2015 closes out a very exciting chapter for Frankly," said Steve Chung, Founder and Chief Executive Officer of Frankly. "Following our going-public in January of 2015, we acquired Worldnow in August 2015, a leading technology platform for the local media and news broadcast customer segment. The acquisition provided us with a growing customer roster and a strong revenue base. Currently, we have more than 200 TV stations as customers and approaching 80 million unique visitors to our customers' sites each month. With the organizational and business integration now complete, our sales team is concentrating on new customer contracts and renewals with newly updated platform products in addition to cross-selling our analytics and advertising solutions. As a combined company, we are well positioned to continue offering enterprise solutions that enable media companies and brands to create, distribute, analyze and monetize their digital contents across all devices and platforms."

Outlook

"As we exited 2015 a stronger company, we are optimistic about our revenue and Adjusted EBITDA growth trajectory going forward," Mr. Chung added. "We have a solid revenue base that we expect will continue to expand as we accelerate our contract renewal rate, partner with new companies to integrate our enterprise solutions as part of their digital framework and drive advertising sales. In addition, we have taken steps to significantly rationalize our cost structure while maintaining a balanced approach toward investment in the business. Despite seasonally softer advertising sales in Q1, we are confident in our ability to generate sequential growth, and we believe that Q1 2016 is a reasonable baseline quarter for fiscal 2016."

While Frankly does not intend to provide ongoing quarterly guidance, with Q1 2016 closed as of March 31, 2016 the Company provides the following outlook:

- Revenue between \$5.0 million and \$5.2 million, representing an increase between 4% and 8% compared to normalized Q4 2015 revenue of \$4.8 million
- Breakeven Adjusted EBITDA (before non-recurring expenses and non-cash stock based compensation), up significantly from a Q4 2015 normalized Adjusted EBITDA loss of \$1.7 million
- Cash between \$6.0 million and \$6.3 million as at March 31, 2016.

Fourth Quarter and 2015 Year End Conference Call Details

DATE: Tuesday, April 26, 2016

TIME: 10:00 a.m. ET

DIAL IN NUMBER: 647-427-7450 or 1-888-231-8191

CONFERENCE ID: 80877795

TAPED REPLAY: 778-371-8506 or 416-849-0833 or 1-855-859-2056
Available until 12:00 midnight (ET), May 3, 2016
Reference number: 80877795

LIVE WEBCAST: <http://bit.ly/1RMUx0U>
Webcast will be archived for 90 days

About Frankly: We build an integrated software platform for brands and media companies to create, distribute, analyze and monetize their content across all of their digital properties on web, mobile and TV. Our customers include NBC, ABC, CBS and FOX affiliates, as well as top fashion brands, professional sports franchises and global organizations. Collectively, we reach nearly 80 million monthly users in the United States. The Company is publicly traded on the TSX Venture Exchange and trading under ticker "TLK." Frankly is headquartered in San Francisco with major offices in New York. To learn more, please visit www.franklyinc.com or email press@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.

Notice regarding forward-looking statements:

This release includes forward-looking statements regarding Frankly and its business, including statements with respect to its ability to accelerate its technology and its projected user reach, the Company's growth prospects, expected growth and market position, the market size for its product offering, and expansion opportunities. Forward-looking events and circumstances discussed in this release are based on the Company's operations, estimates, forecasts and projections and resulting assumptions, and may not occur by certain specified dates or at all. Actual results and outcomes could differ materially as a result of known and unknown risk factors and uncertainties affecting the Company, including, but not limited to, those risk factors listed in the Company's MD&A. The outcome of any forward-looking statement cannot be guaranteed. Forward-looking statements speak only as of the date on which they are made and, except as required by applicable securities laws, Frankly undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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