

Frankly Announces Closing Of Second Tranche Of Private Placement And Subscription Commitments In Excess Of Targeted Offering Size

NEW YORK, May 17, 2019 /CNW/ -- **Frankly Inc.** (TSX VENTURE: TLK) (the "**Company**") is pleased to announce that it has completed a second tranche of its previously announced non-brokered private placement offering of units for gross proceeds of up to US\$7 million (the "**Private Placement**"). Book-building efforts were successful, and the Company has received subscription commitments representing in excess of the targeted US\$7 million offering size. The Company expects to close a final tranche of the Private Placement upon confirmation from TSX Venture Exchange ("**TSXV**") of its satisfaction with normal-course review procedures applicable to subscribers above certain investment thresholds. The Company anticipates such procedures may be completed as soon as the end of the week ending May 24th, 2019, but the timing therefore is not in the Company's control.

The second tranche issuance consisted of an aggregate of 8,250,709 Units at a price of C\$0.35 per Unit, for gross proceeds of C\$2,887,748.15. 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 Company expects to use the proceeds of the Private Placement to satisfy its obligations under a debt reduction and share repurchase agreement with Raycom Media, Inc., and a share repurchase agreement with SKP America, LLC, as well as for transaction expenses and working capital. For additional information related to the Private Placement and the use of proceeds therefrom, see the Company's news releases dated May 1, 2019 and May 13, 2019, and the associated material change report filed in connection therewith.

The Company has received conditional approval from TSXV for the Private Placement, which remains subject to TSXV final approval.

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, and approval of the Private Placement 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 and market conditions generally, lack of regulatory approval for the Private Placement, and the ability to obtain future financing proceeds. 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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