

Frankly Completes Strategic Review Process, Anticipates Receipt of Additional Funding and Implements Management and Board Changes, Aligning Company for Future Operational Success

LONG ISLAND CITY, N.Y., April 12, 2018 /PRNewswire/ -- [Frankly Inc. \(TSX VENTURE: TLK\) \(Frankly\)](#), a leader in transforming local TV broadcasters and media companies by enabling them to publish and monetize their digital content across multiple platforms, has completed its previously disclosed process to explore and evaluate strategic alternatives to further enhance shareholder value, which was initiated in September 2017. Additionally, the Company has implemented several changes to its executive and senior management teams.

Strategic Review Process Completion

Following an extensive process to explore and evaluate strategic alternatives, Frankly's Board of Directors, led by the Strategic Committee, has determined the best path for the company at this time is to pursue internal growth opportunities and focus on further optimizing its operations.

To support these initiatives, the respective Boards of Directors of Raycom Media, Inc. and Frankly have agreed in principle with respect to, and intend to have their respective entities enter into an amendment of the credit agreement between Frankly and Raycom (dated August 31, 2016) (the "**Credit Agreement**"), whereby Raycom would provide Frankly with an additional US\$7.5 million of funding. The US\$1.0 million Raycom advanced to Frankly under the Credit Agreement in March 2018 would be included in the additional US\$7.5 funding. Of the US\$7.5 million, certain Frankly customers, led by Raycom, are expected to participate as lenders. Upon entering into the amendment, the total outstanding loan balance under the amended Credit Agreement would be US\$22.0 million. The foregoing amendment of the Credit Agreement also remains subject to applicable regulatory and shareholder approval, if required.

The amendment to the Credit Agreement constitutes a "related party transaction" for Frankly within the meaning of that term under Multilateral Instrument 61-101- *Protection of Minority Shareholders in Special Transactions* of the Canadian Securities Administrators. Frankly expects to file a material change report with respect to the amendment of the Credit Agreement less than 21 days before entering into the amendment, which the Company deemed reasonable and necessary in the circumstances due to immediate funding requirements.

Given the extended timeframe of the strategic review process, the Company has awarded a one-time cash bonus to members of the Strategic Committee, which is comprised of Chairman Tom Rogers and Director Steve Zenz, for their additional services in the amount of US\$28,000 and US\$25,000, respectively.

Moving forward, the board of directors will continue to evaluate any future options that enhance shareholder value.

Management and Board of Director Changes

Concurrent with the completion of the strategic review process, Frankly has reorganized its senior management team as the company enters its next stage of development.

Frankly Chief Operating Officer (COO) and Chief Financial Officer (CFO) Lou Schwartz has been promoted to Chief Executive Officer (CEO) and director, succeeding Steve Chung, who is leaving the company to assume another position in the media industry which will be announced shortly. Chung will continue to serve as an advisor to Frankly and the board through May 2018.

Other management changes included:

- Controller Mike Munoz was promoted to CFO and Treasurer
- Head of Technology Omar Karim was promoted to Chief Product and Technology Officer
- Head of Client Services Melissa Hatter was promoted to COO
- Head of Business Development and Partnerships Jason Simpson was promoted to Chief Revenue Officer
- Vice President Alisa Warshawski was promoted to Senior Vice President, Product

- Vice President Matt Ehrens was promoted to Senior Vice President, Engineering

The foregoing officer appointments remain subject to applicable TSXV approval.

"We would like to thank Steve for the invaluable contributions he has made to Frankly since founding the company over five years ago," said Rogers. "We are grateful for his vision and entrepreneurial commitment, which has established an incredibly strong customer base and foundation for which we look to scale in the years ahead. On behalf of the entire organization, I wish Steve all the best in his future endeavors."

Chung commented: "Over the last few years, Frankly has transformed dramatically by expanding our platform and customer base, and now it is time for another seasoned member of our team to lead the company to its next level of success. As the company's founder and a shareholder, I remain committed to Frankly and will work to ensure a smooth transition for Lou and the rest of the organization."

Rogers continued: "Lou brings the right talent, understanding and leadership to the role of CEO. Given his industry background and experience in both the COO and CFO roles he has held within our company for the last three years, Lou was the obvious choice for this appointment. We look forward to benefiting from his continued leadership and insights in advancing our objectives to deliver profitable topline growth and build shareholder value."

Operational Changes and Outlook

"In step with the strategic review process, the leadership team and I have continued to build on our operational momentum and are executing on our long-term plan to build a profitable and self-sustaining organization," said Schwartz. "This included implementing aggressive cost rationalization efforts to reduce overhead by more than \$5 million annually. I am encouraged to report that we have successfully rolled out the majority of these initiatives over the last 60 days, putting us on track to achieve cash flow profitability later this year."

"From a technology standpoint, we have also narrowed our focus and resources on key product initiatives, including our next-generation web-based CMS and cloud-based video platform. Commercially, we are focused on Frankly Local, marketing our newest workflow enhancements to our video platform, as well as growing strategic channel partnerships within the broadcast workflow ecosystem to efficiently expand our sales and distribution reach."

"Altogether, our strengthened product portfolio and growing pipeline of new business, along with our renewed operational focus and enhanced cash position, have positioned us for increasing success in the years ahead. We are encouraged by the near-term positive results of our recent efforts and are highly motivated to achieve our long-term goals for growth as well as profitability. In turn, we are looking forward to realizing a future in which Frankly has become a truly self-sustaining organization built for the many years ahead."

About Frankly

Frankly (TSX VENTURE: TLK) builds an integrated software platform for media companies to create, distribute, analyze and monetize their content across all of their digital properties on web, mobile and TV. Its customers include NBC, ABC, CBS and FOX affiliates. The company is headquartered in New York. To learn more, visit www.franklyinc.com.

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Notice Regarding Forward-Looking Statements

This release includes forward-looking statements regarding Frankly and its respective businesses. Forward-looking events and circumstances discussed in this release, including statements with respect to the amendment to the Credit Agreement, the Company's strategy and products, and the Company's sustainability and profitability on a cash flow basis, 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. Forward looking statements depend on certain assumptions that management deems to be reasonable in the circumstances, but such assumptions may prove to be incorrect and 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 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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