

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 10-K/A**  
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-55821

**FRANKLY INC.**

(Exact name of registrant as specified in its charter)

British Columbia  
(State or other jurisdiction of  
incorporation or organization)

98-1230527  
(I.R.S. Employer  
Identification No.)

27-01 Queens Plaza North, Suite 502  
Long Island City, NY  
(Address of principal executive offices)

11101  
(Zip Code)

Issuer's telephone number: (212) 931-1200

Securities registered pursuant to Section 12(b) of the Act:

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Name of exchange on which registered <sup>TM</sup>
Common Shares, no par value	TSX Venture Exchange Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer", "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

~~Emerging growth company~~

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2017, the last business day of the registrant's most recently completed second fiscal quarter, was approximately CDN\$4,502,181 (or US\$3,469,354 based on exchange rate of 1.2977 on such date) based on the closing sale price of the company's common stock on such date of CDN\$4.40 per share, as reported by TSX Venture Exchange Inc.

As of April 30, 2018, there were 2,304,834 shares of company common stock issued and outstanding.

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## EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this “Amendment”) amends the Annual Report on Form 10-K of Frankly Inc. for the year ended December 31, 2017 that was originally filed with the Securities and Exchange Commission on April 2, 2018 (the “Original Filing”) and is being filed primarily to provide the information required by Items 10, 11, 12, 13, and 14 of Part III. This information was previously omitted from the Original Filing in reliance on General Instruction G(3) to Form 10-K, which permits the information in the above referenced items to be incorporated in the Form 10-K by reference from a definitive proxy statement if such statement is filed no later than 120 days after our fiscal year end. We are filing this Amendment to include Part III information in our Form 10-K because we expect to file a definitive proxy statement after that date. The reference on the cover of the Original Filing to the incorporation by reference to portions of our definitive proxy statement into Part III of the Original Filing has been deleted. This Amendment does not amend or otherwise update any other information in the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing and with our filings with the SEC made after the Original Filing.

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## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

#### Directors and Executive Officers

The directors and executive officers of the Company as of April 30, 2018 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position(s) Presently Held</u>
Louis Schwartz	50	Chief Executive Officer and Director (1)
Melissa Hatter	46	Chief Operating Officer (2)
Michael Munoz	34	Chief Financial Officer (3)
Omar Karim	44	Chief Product and Technology Officer (4)
Jason Simpson	47	Chief Revenue Officer (5)
Tom Rogers	63	Chairman of our Board
Choong Sik (Samuel) Hyun	47	Director
Steven Zenz	64	Director

(1) Louis Schwartz was appointed as our Chief Executive Officer and a Director on April 12, 2018, succeeding Steve Chung who served as a director and our Chief Executive Officer from February 1, 2013 to April 12, 2018. Previously, Mr. Schwartz served as our Chief Operating Officer since February 2016 and Chief Financial Officer since July 2016.

(2) Melissa Hatter was appointed as our Chief Operating Officer on April 12, 2018. Previously, Ms. Hatter served as our Head of Client Services since August 2015, joining the Company in connection with the acquisition of Frankly Media.

(3) Michael Munoz was appointed as our Chief Financial Officer on April 12, 2018. Previously, Mr. Munoz served as our Controller since January 2016 and Assistant Controller since September 2015.

(4) Omar Karim was appointed as our Chief Product and Technology Officer on April 12, 2018. Previously, Mr. Karim served as our Head of Engineering since October 2015.

(5) Jason Simpson was appointed as our Chief Revenue Officer on April 12, 2018. Previously, Mr. Simpson served as our Head of Business Development and Partnerships since April 1, 2016 and as our Vice President, Client Services and Strategic Account Management since September 28, 2015.

The foregoing officer appointments remain subject to applicable TSX-V approval.

#### *Executive Officers*

**Louis Schwartz** has served as a director and Chief Executive Officer since April 12, 2018. Previously, Mr. Schwartz served as our Chief Operating Officer since February 2016 and Chief Financial Officer since July 2016. Mr. Schwartz joined the Company in August 2015 in connection with the acquisition of Frankly Media and served as President of Frankly Media. Prior to that, Mr. Schwartz was the Chief Digital Officer of World Wrestling Entertainment, Inc., a professional wrestling entertainment company, where he oversaw all digital platforms and helped lead the development of the WWE Network, the first OTT 24/7 streaming network from October 2014. Mr. Schwartz also served as CEO of UUX from November 2012, an OTTP video technology company, where he successfully led the merger of Totalmovie, a leading Latin American retail OTT service, with OTT Networks, an OTT video technology company. From March 2010 to March 2012, Mr. Schwartz served as CEO of the Americas and General Counsel for Píksel, a video technology company, and in May 2000, he co-founded Multicast Media Technologies, one of the first Internet video platform companies, which was sold to Píksel in March 2010. Mr. Schwartz graduated from Pennsylvania State University with a Bachelor of Science degree in Real Estate Finance before receiving a Juris Doctorate from the Mississippi College School of Law. We believe Mr. Schwartz's deep technology and media background and operational and transactional experience make him well qualified to serve as our Chief Executive Officer.

**Melissa Hatter** has served as our Chief Operating Officer since April 12, 2018. Previously, Ms. Hatter served as our Head of Client Services since August 2015, joining the Company in connection with the acquisition of Frankly Media. Ms. Hatter served as the Head of Client Services of Gannaway Web Holdings, LLC d/b/a Worldnow from 2000 to 2015. Prior to Worldnow, Ms. Hatter was the Affiliate Operations Manager at UGO Networks (Underground Online) and an Affiliate Relations Manager at the NBC Television Network from 1993-1998. Ms. Hatter graduated from Ithaca College with a B.S. in Communication with a concentration in TV/Radio Production. We believe Ms. Hatter's deep technology and media background make her well qualified to serve as our Chief Operating Officer.

**Michael Munoz** has served as our Chief Financial Officer since April 12, 2018. Previously, Mr. Munoz served as our Controller since January 2016 and Assistant Controller since September 2015. From October 2008 to September 2015, Mr. Munoz was with Grant Thornton LLP, where he was an Audit Manager. Mr. Munoz attended Long Island University, where he received a Masters of Science in Accounting and Bachelor of Science in Business Administration. Mr. Munoz is also an active Certified Public Accountant. We believe Mr. Munoz's accounting background and experience with SEC related matters makes him well qualified to serve as our Chief Financial Officer.

**Omar Karim** has served as our Chief Product and Technology Officer since April 12, 2018. Previously, Mr. Karim served as our Head of Engineering since October 2015. Mr. Karim served as the Chief Technology Officer of Gannaway Web Holdings, LLC d/b/a Worldnow from May of 1999 through August of 2005 and served as Worldnow's Chief Technology Advisor from September 2005 through December of 2011. In March 2008, Mr. Karim founded Mobdub LLC ("Mobdub"), a company that created mobile applications but currently functions only as an intellectual property holding company. Mr. Karim has served as the Chief Executive Officer of Mobdub since its formation. Mr. Karim devotes 100% of his business time to the affairs of our Company as he performs his duties at Mobdub outside of the Company's work hours. Mr. Karim attended Hampshire College, where he received a Bachelor of Arts in Computer Science and Political Philosophy. We believe Mr. Karim's deep technology background makes him well qualified to serve as our Chief Product and Technology Officer.

**Jason Simpson** has served as our Chief Revenue Officer since April 12, 2018. Previously, Mr. Simpson served as our Head of Business Development and Partnerships since April 1, 2016 and as our Vice President, Client Services and Strategic Account Management since September 28, 2015. From March to September 2015, Mr. Simpson served as a Senior Enterprise Account Executive, Primetime at Adobe. While at Adobe, Mr. Simpson was responsible for evangelizing the use of Adobe's Primetime video and monetization platform at market-leading media companies such as AT&T U-Verse, DIRECTV, Cablevision, Scripps, and TEGNA. Prior to joining Adobe, Mr. Simpson consulted for a number of media and technology companies, including UUX, an OTT video technology company with customers across Latin America and Europe. From March 2010 to October 2013, Mr. Simpson worked at KIT Digital, later rebranded as Pikel, a market-leading video management and services company. While at Pikel, Mr. Simpson served in various executive management roles including Senior Vice President of Business Development – Americas and Senior Vice President, Global Strategic Accounts. Prior to Pikel, Mr. Simpson served as Executive Vice President of Business Development at Multicast Media Technologies, a position that he held since 2004. Multicast, acquired by KIT digital in March 2010, was a leading provider of cloud-based online video solutions. Prior to Multicast, Jason held management positions at Enterpulse (acquired by Idasoft), Premier HR Solutions (acquired by HCL Axon), and Accenture. We believe Mr. Simpson's deep technology and media background make him well qualified to serve as our Chief Revenue Officer.

## ***Non-Employee Directors***

**Choong Sik (Samuel) Hyun** has served as a director on our Board since April 2016. Mr. Hyun joined SK Group, South Korea's third-largest conglomerate in 1998 and held increasingly senior positions, culminating in his service as Manager of SK Networks from January 1998 to May 2012, as Project Leader of M&A office for SK Planet Co., Ltd., an Internet services and e-Commerce company ("SK Planet") from June 2012 to December 2012, and currently as Head of Global Planning Team of SK Planet Co., Ltd. since January 2013. Mr. Hyun has been involved in several M&A deals and strategic partnerships with globally-renowned players like Shopkick, a leading Silicon Valley-based mobile commerce and shopping service, Suning Commerce Group, one of the largest retailers in China, and Megabox, a top-tier multiplex cinema company in Korea. Mr. Hyun holds a Master of Education in Pedagogy and Bachelor of Science from Seoul National University, South Korea and a MBA degree from China Europe International Business School. Mr. Hyun has over 20 years in strategic long/short term planning, mergers & acquisitions, strategic consulting and securities trading which enables him to contribute important skills to our Board.

**Steven Zenz** has served as a director on our Board since October 3, 2016. Mr. Zenz has served as a consultant since January 2011, advising companies on matters including merger and acquisition transactions and SEC offerings and filings. From 1976 until 2010, he was with KPMG LLP, where he was a partner for 22 years. At KPMG, he served in various leadership capacities, including partner in charge of the audit group and partner in charge of the firm's SEC and technical accounting practices for KPMG's Minneapolis office. He also served as the lead audit partner for publicly held companies. Mr. Zenz has been a member of the board of directors of Insignia Systems, Inc. (NASDAQ: ISIG), a provider of point of sale in-store signage and promotional advertising media for consumer packaged goods companies and retailers since October 2013, and serves as the audit committee chair and is a member of the compensation committee. He has served as a director and audit committee chair of Redbrick Health, a venture-backed private health technology company since June 2015. Mr. Zenz also serves on the board of trustees and audit committee of the William Blair Mutual Funds. He holds a Bachelor of Science degree in accounting and a Masters of Business Taxation from the University of Minnesota. We believe Mr. Zenz's extensive experience in advising public companies, including on SEC offerings and filings, makes him well qualified to serve as a member of our Board.

**Tom Rogers** is the Chairman of our Board and has served as a director on our Board since October 3, 2016. Mr. Rogers has served since June 2016 and is currently still serving as Executive Chairman of WinView, Inc., a company that operates at the intersection of TV sports, social media, gaming and mobility, and with 28 patents, is the leading player in the application of games in which viewers can engage while simultaneously watching live TV sports. Mr. Rogers also has served since June 2003 and is currently still serving as Chairman and Chief Executive Officer of TRget Media, LLC, a media investment and operations advisory firm. From May 1981 to December 1986, Mr. Rogers served as Senior Counsel to the U.S. House of Representatives Telecommunications, Consumer Protection and Finance Subcommittee, where he was responsible for drafting a number of communications laws, including the Cable Act of 1984, which established a federal framework to replace a patchwork of local regulatory burdens. Thereafter, Mr. Rogers served as President of NBC Cable from August 1988 to October 1999 and served as Executive Vice President of The National Broadcasting Company ("NBC") as well as NBC's Chief Strategist from September 1992 to October 1999. At NBC, Mr. Rogers oversaw the creation of CNBC, the NBC/Microsoft cable channel and Internet joint venture, MSNBC. In addition, he served as Co-Chairman of the Arts and Entertainment and History Channels, and was responsible for overseeing many other cable channels, including Court TV, Bravo, American Movie Classics, Independent Film Channel, the National Geographic Channel, and numerous regional sports channels. From November 1999 to April 2003, Mr. Rogers served as Chairman and CEO of Primedia (NYSE: PRM) which at the time was the leading targeted media company in the US, where he oversaw such diverse properties as New York Magazine, Motor Trend, Seventeen, and Cable World. Mr. Rogers drove the digital development and online presence of scores of the company's print properties. From July 2005 and September 2016, when the company was sold, Mr. Rogers served as President and CEO and then as Chairman of TiVo, Inc. ("TiVo"). Under Mr. Roger's leadership, TiVo emerged as the leader in providing cable operators worldwide with an advanced television user experience while also providing consumers the only retail cable set top box and the media industry with an array of unique audience research data solutions. Mr. Rogers has also served as Chairman of the Board of Teleglobe (NASDAQ: TLGB), a leading international telecommunications, voice-over-internet, and mobile telephony provider from 2004 to 2006. He was also Chairman of the Board and a board member of Supermedia (NASDAQ: SPMD), the print and digital yellow pages spin off of Verizon. Mr. Rogers also served on the board of Dex Media (NASDAQ: DXM), a print and digital marketing company and successor company to Supermedia. Mr. Rogers holds a Bachelor of Arts from Wesleyan University and a J.D. from Columbia Law School. He has also been inducted into the Broadcasting Hall of Fame, as well as the Cable Hall of Fame. We believe Mr. Rogers' deep background and extensive experience in the media industry make him well qualified to serve as a member of our Board.

## **Audit Committee**

The Audit Committee is appointed by the Board to assist the Board in its duty to oversee the Company's accounting, financial reporting and internal control functions and the audit of the Company's financial statements. The role of the Audit Committee is to oversee management in the performance of its responsibility for the integrity of the Company's accounting and financial reporting and its systems of internal controls, the performance and qualifications of the company's independent auditor, including the independent auditor's independence and the Company's compliance with legal and regulatory requirements.

Our board of directors has adopted an audit committee charter. The audit committee charter defines its primary duties to include the following oversight responsibilities with respect to the following principal areas:

- the Company's external audit function, including the qualifications, independence, appointment and oversight of the work of the external auditors;
- the Company's accounting and financial reporting requirements;
- the Company's reporting of financial information to the public;
- the Company's compliance with law and regulatory requirements;
- the Company's risks and risk management policies; and
- the Company's system of internal controls and management information systems.

The current members of the Audit Committee are: Steven Zenz (Chairperson), Choong Sik (Samuel) Hyun and Tom Rogers. Mr. Zenz satisfies the requirements for being designated an audit committee financial expert as defined in SEC regulations because of his financial and accounting expertise. The Audit Committee met 4 times during the fiscal year ended December 31, 2017.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities and Exchange Act of 1934 requires that our directors and executive officers file initial reports of ownership and reports of changes in ownership with the SEC. In addition to our directors and executive officers listed above, Steve Chung, our former Chief Executive Officer, Joseph Fiveash, III, our former director, Raycom Media, Inc. and SKP America, LLC, both 10% beneficial owners of our stock, made Section 16(a) filings during the fiscal year ended December 31, 2017. Directors and executive officers are required to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to us and written representations from our directors and executive officers, Choong Sik (Samuel) Hyun, Tom Rogers and Steven Zenz made a late Section 16(a) filing one time each and all other Section 16(a) filing requirements were met for 2017.

## **Code of Business Conduct and Ethics and Insider Trading Policy**

In January 2017, our board of directors adopted a Code of Ethical Conduct Policy and in January 2017 our board of directors adopted a revised Disclosure, Securities Trading and Confidentiality Policy.

## **Item 11. Executive Compensation.**

As of the date of this Form 10-K/A, the Company had five executive officers. See Item 10 above for biographical information of our executive officers.



## Summary Compensation Table

The following table sets forth the compensation awarded to, earned by or paid to, our named executive officers for the years ended December 31, 2017 and 2016.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$)
<b>Steve Chung</b> Chief Executive Officer and a Director of the Company	2017	360,000	-	61,372 <sup>(3)</sup>	63,286 <sup>(4)</sup>	-	-	6,544	491,202
	2016	310,000 <sup>(5)</sup>	-	73,153 <sup>(6)</sup>	145,618 <sup>(7)</sup>	-	-	8,024	536,795
<b>Louis Schwartz</b> Chief Operating Officer & Chief Financial Officer	2017	360,000	-	33,140 <sup>(8)</sup>	34,173 <sup>(9)</sup>	-	-	18,669	445,982
	2016	251,040 <sup>(10)</sup>	-	159,415 <sup>(11)</sup>	72,809 <sup>(12)</sup>	-	-	-	483,264
<b>Omar Karim</b> Head of Engineering	2017	245,833	-	11,508 <sup>(13)</sup>	11,865 <sup>(14)</sup>	-	-	527	269,733
	2016	215,000 <sup>(15)</sup>	-	14,593 <sup>(16)</sup>	6,656 <sup>(17)</sup>	-	-	434	236,683
<b>Melissa Hatter</b> Head of Client Services	2017	275,000	25,000	12,655 <sup>(18)</sup>	13,054 <sup>(19)</sup>	-	-	-	325,709
	2016	265,000 <sup>(20)</sup>	-	14,593 <sup>(21)</sup>	6,656 <sup>(22)</sup>	-	-	-	286,249

(1) The weighted average fair value price per option was estimated using the Black-Scholes option pricing model.

(2) Based on medical insurance and other insurance benefits.

(3) The fair value of 11,765 RSUs was estimated based on a closing price of the common shares of CDN\$7.00 (or \$5.22 based on the exchange rate at March 3, 2017) on March 3, 2017, the date of issuance.

(4) Based on fair value on the date of grant. Includes options to purchase 20,284 common shares which are exercisable within 10 years after March 3, 2017.

(5) Pursuant to an Amendment of Employment Agreement dated August 15, 2016, Mr. Chung's annual base salary was temporarily adjusted to an annual rate of \$226,667 for the period from August 16, 2016 to December 31, 2016. His annual base salary returned to the \$360,000 annual rate in January, 2017.

(6) The fair value of 11,323 RSUs was estimated based on a closing price of the common shares of CDN\$8.33 (or \$6.46 based on the exchange rate at September 8, 2016) on September 8, 2016, the date of issuance.

(7) Based on fair value on the date of grant. Includes options to purchase 41,176 common shares which are exercisable within 10 years after February 10, 2016. Such options were replaced with options to purchase 24,221 common shares at March 3, 2017.

(8) The fair value of 6,353 RSUs was estimated based on a closing price of the common shares of CDN\$7.00 (or \$5.22 based on the exchange rate at March 3, 2017) on March 3, 2017, the date of issuance.

(9) Based on fair value on the date of grant. Includes options to purchase 10,953 common shares which are exercisable within 10 years after March 3, 2017.

(10) Pursuant to a Management Services Agreement dated April 1, 2015, as amended on August 1, 2015 (the "Management Services Agreement") between Gannaway Web Holdings, LLC (d/b/a Worldnow and now Frankly Media) and Schwartz & Associates for which Mr. Schwartz is managing partner, Schwartz & Associates was due the annual rate of \$360,000 for 2016. At August 15, 2016, pursuant to an Amendment of Management Services Agreement, the fee was temporarily adjusted to an annual rate of \$33,120 for the period from August 16, 2016 to December 31, 2016. The annual compensation rate returned to the \$360,000 in January, 2017.

(11) The fair value of 24,677 RSUs was estimated based on a closing price of the common shares of CDN\$8.33 (or \$6.46 based on the exchange rate at September 8, 2016) on September 8, 2016, the date of issuance.

(12) Based on fair value on the date of grant. Includes options to purchase 20,588 common shares which are exercisable within 10 years after February 10, 2016. Such options were replaced with options to purchase 12,110 common shares at March 3, 2017.

(13) The fair value of 2,206 RSUs was estimated based on a closing price of the common shares of CDN\$7.00 (or \$5.22 based on the exchange rate at March 3, 2017) on March 3, 2017, the date of issuance.

(14) Based on fair value on the date of grant. Includes options to purchase 3,803 common shares which are exercisable within 10 years after March 3, 2017.

(15) Pursuant to an Amendment of Employment Agreement dated August 15, 2016, Mr. Karim's annual base salary was temporarily adjusted to an annual rate of \$198,333 for the period from August 16, 2016 to December 31, 2016. His annual base salary returned to the \$225,000 annual rate in January, 2017.

(16) The fair value of 2,264 RSUs was estimated based on a closing price of the common shares of CDN\$8.33 (or \$6.46 based on the exchange rate at September 8, 2016) on September 8, 2016, the date of issuance.

(17) Based on fair value on the date of grant. Includes options to purchase 1,882 common shares which are exercisable within 10 years after February 10, 2016. Such options were replaced with options to purchase 1,107 common shares at March 3, 2017.

(18) The fair value of 2,426 RSUs was estimated based on a closing price of the common shares of CDN\$7.00 (or \$5.22 based on the exchange rate at March 3, 2017) on March 3, 2017, the date of issuance.

(19) Based on fair value on the date of grant. Includes options to purchase 4,184 common shares which are exercisable within 10 years after March 3, 2017.

(20) Pursuant to an Amendment of Employment Agreement dated August 15, 2016, Ms. Hatter's annual base salary was temporarily adjusted to an annual rate of \$248,333 for the period from August 16, 2016 to December 31, 2016. Her annual base salary returned to the \$275,000 annual rate in January, 2017.

(21) The fair value of 2,264 RSUs was estimated based on a closing price of the common shares of CDN\$8.33 (or \$6.46 based on the exchange rate at September 8, 2016) on September 8, 2016, the date of issuance.

(22) Based on fair value on the date of grant. Includes options to purchase 1,882 common shares which are exercisable within 10 years after February 10, 2016. Such options were replaced with options to purchase 1,107 common shares at March 3, 2017.

### **Employment Agreements and Other Compensation**

Our named executive officers do not have employment agreements with Frankly Inc. but have employment agreements in place with either Frankly Co. or Frankly Media.

#### *Steve Chung*

Mr. Chung, our Chief Executive Officer, had entered into an "at-will" employment agreement with Frankly Co. dated January 9, 2013 pursuant to which Mr. Chung received 215,980 stock options of Frankly Co. The stock options were then converted into 12,705 stock options of Frankly Inc. pursuant to a Stock Option Substitution Agreement by and between WB III and TicToc Planet, Inc. date December 23, 2014 in connection with the Qualifying Transaction. On March 23, 2015, Mr. Chung's employment agreement was amended and restated. The employment agreement sets forth his annual salary, annual bonus, initial option grant, performance-based RSUs ("PB RSU"), and participation in the employee benefit plans. Mr. Chung's employment agreement originally had a termination date of February 1, 2017 but was extended pursuant to an amendment dated February 1, 2017 and changed to an at-will agreement terminable by either the Company or Mr. Chung upon 30 days prior written notice. Mr. Chung was granted an initial stock option award ("Option") to purchase 36,423 common shares of Frankly Inc., at a price per share of not less than the fair market value of the shares on the date of grant. The Option will be subject to Frankly Inc.'s Equity Plan and will vest over a four year period commencing on February 1, 2015 and is contingent on his employment at the time of vesting with Frankly Co. The Option will immediately fully vest upon termination of his employment in the event of a change of control of Frankly Inc. or Frankly Co. Subject to the approval of board of directors of both Frankly Inc. and Frankly Co. and the shareholders of Frankly Inc., Mr. Chung was eligible to receive 14,569 PB RSU under the Equity Plan, which were issued to him in April 2015 but were cancelled in February 2016. Mr. Chung had been granted the RSUs prior to the Worldnow acquisition to incentivize his performance in creating and growing the mobile chat application business. After the Worldnow acquisition, the focus of our business shifted to providing online CMS and advertising services for media companies. In connection with this transition, we adopted a comprehensive option grant plan to incentivize our workforce. Mr. Chung's RSUs were cancelled and he was granted options to align his incentives with the new business initiative. Upon termination of Mr. Chung's employment for any reason, Frankly Co. will pay Mr. Chung any base salary actually earned but not paid for any period prior to the termination date and any approved but unreimbursed expenses.

On August 15, 2016, Mr. Chung's employment agreement was amended to (i) decrease Mr. Chung's salary from an annual rate of \$360,000 to an annual rate of \$226,667 for the period commencing August 16, 2016 and ending December 31, 2016, and (ii) return Mr. Chung's annual salary rate to \$360,000 commencing January 1, 2017.

On March 2, 2017, the Board of Directors approved a cash bonus payable to Mr. Chung in the amount of \$35,000 upon successful listing of the common shares on NASDAQ in 2017.

On November 3, 2017, the Company entered into a new employment agreement with Mr. Chung. The terms of the agreement included the following: (i) the term of Mr. Chung's employment will be two (2) years, beginning on November 3, 2017 and ending on the second anniversary of November 3, 2017, (ii) Base salary of \$360,000 per year, increasing to \$400,000 per year upon the completion of a sale, merger, or third-party investment in Frankly Inc. in excess of \$5 million, (iii) commencing on January 1, 2018, Mr. Chung will be entitled to participate in the Company's Annual Performance Bonus plan. Mr. Chung may earn a Performance Bonus with a target of 50% of base salary to a maximum of 100% of base salary, with performance measures to be established by the Company's Board of Directors, (iv) Mr. Chung will be entitled to participate in the Company's 2017 Employee Retention Program. The CEO Target is from 54% of base salary to a maximum of 100% of base salary. The Employee Retention Plan (ERP) will be evaluated based on 3 performance categories, including completion of a strategic investment or acquisition, business performance and Mr. Chung remaining with the company through the completion of the strategic review process. Mr. Chung will receive the ERP award in Frankly Inc. RSUs valued at CDN\$2.52 each or cash, at the Company's discretion.

Mr. Chung resigned as our Chief Executive Officer and director on April 12, 2018. He will continue to serve as an advisor to the Company and the Board of Directors through May 2018.

*Louis Schwartz*

On April 1, 2015, Gannaway Web Holdings, LLC (now Frankly Media) entered into a Management Services Agreement (the "Management Services Agreement") with Schwartz and Associates, PC ("Schwartz & Associates"), a Georgia professional corporation for which Mr. Schwartz, our Chief Financial Officer and Chief Operating Officer is the managing partner. Pursuant to the Management Services Agreement, Gannaway Web Holdings, LLC engaged Schwartz & Associates to provide management services and Mr. Schwartz was appointed Chief Strategy Officer of Gannaway Web Holdings, LLC. Under the Management Services Agreement, Schwartz & Associates received for their services a base compensation of \$12,500 per month, paid semi-monthly. Mr. Schwartz was also entitled to participate in any employee benefit programs, plans and practices on the same terms as other salaried employees on a basis consistent with other senior executives. Upon termination for any reason, we were to pay Mr. Schwartz all accrued and unpaid fees through the terminated date. Upon termination without cause or resignation for good reason, Mr. Schwartz was also entitled to a separation fee equal to the balance of the months remaining under the term of the agreement. On August 1, 2015, the Management Services Agreement was amended to extend the term of the agreement to December 31, 2015. On December 31, 2015, the Management Services Agreement expired and was verbally renewed on an at-will basis. The Management Services Agreement will terminate upon the execution of a new employment agreement which we intend to enter into with Mr. Schwartz shortly after the closing of our U.S. initial public offering.

On August 15, 2016, we entered into an Amendment to the Management Agreement, whereby for the period commencing on August 16, 2016 and ending on December 31, 2016, the fees payable to Schwartz & Associates was reduced from the annual rate of \$360,000 to an annual rate of \$33,120. Commencing January 1, 2017, the fees returned to an annual rate of \$360,000. The reduction in fees will not be factored into the calculation of any bonus eligible under the Management Agreement.

On November 3, 2017, the Company entered into an employment agreement with Mr. Schwartz. The terms of the agreement included the following: (i) the term of Mr. Schwartz's employment will be two (2) years, beginning on November 3, 2017 and ending on the second anniversary of November 3, 2017, (ii) Base salary of \$360,000 per year, (iii) commencing on January 1, 2018, Mr. Schwartz will be entitled to participate in the Company's Annual Performance Bonus plan. Mr. Schwartz may earn a Performance Bonus with a target of 50% of base salary to a maximum of 100% of base salary, with performance measures to be established by the Company's Board of Directors, (iv) Mr. Schwartz will be entitled to participate in the Company's 2017 Employee Retention Program. The CFO Target is from 54% of base salary to a maximum of 100% of base salary. The Employee Retention Plan (ERP) will be evaluated based on 3 performance categories, including completion of a strategic investment or acquisition, business performance and Mr. Schwartz remaining with the company through the completion of the strategic review process. Mr. Schwartz will receive the ERP award in Frankly Inc. RSUs valued at CDN\$2.52 each or cash, at the Company's discretion.

Mr. Schwartz was appointed as our Chief Executive Officer and director on April 12, 2018, succeeding Steve Chung.

*Omar Karim*

Mr. Karim, our Head of Engineering, had entered into an "at-will" employment agreement with Gannaway Web Holdings, LLC d/b/a WorldNow (now Frankly Media) dated October 14, 2015, pursuant to which Mr. Karim received 10,599 RSUs of Frankly Inc. The employment agreement sets forth his annual salary, annual bonus, initial option grant, and participation in the employee benefit plans. On August 15, 2016, Mr. Karim's employment agreement was amended to (i) decrease Mr. Karim's salary from an annual rate of \$225,000 to an annual rate of \$198,333 for the period commencing August 16, 2016 and ending December 31, 2016, and (ii) return Mr. Karim's annual salary rate to \$225,000 commencing January 1, 2017. On March 30, 2017, Mr. Karim's employment agreement was amended to increase his annual salary rate to \$250,000 commencing March 1, 2017.

Mr. Karim was appointed as our Chief Product and Technology Officer on April 12, 2018.

*Melissa Hatter*

Ms. Hatter, our Head of Client Services, entered into an employment agreement with Gannaway Web Holdings, LLC d/b/a WorldNow (now Frankly Media) dated July 1, 2013. The term of Ms. Hatter's employment was for a period of 3 years commencing July 1, 2013 and ending on June 30, 2016. Ms. Hatter's base salary for 2016 was \$275,000. In addition to base salary, Ms. Hatter's employment agreement includes a minimum annual bonus of \$25,000 based on her successful attainment of goals for her department. On June 9, 2015, Ms. Hatter's employment agreement was amended to extend the term of the agreement to December 31, 2017. On August 15, 2016, Ms. Hatter's employment agreement was amended to (i) extend the term of the agreement to June 30, 2018, (ii) decrease Ms. Hatter's salary from an annual rate of \$275,000 to an annual rate of \$248,333 for the period commencing August 16, 2016 and ending December 31, 2016, and (iii) return Ms. Hatter's annual salary rate to \$275,000 commencing January 1, 2017.

Ms. Hatter was appointed as our Chief Operating Officer on April 12, 2018.

## Outstanding Equity Awards at 2017 Fiscal Year End

The following table sets forth, for each of the named executive officers, information with respect to unexercised options and stock awards as of the Company's fiscal year ended December 31, 2017:

Name	Option awards				Stock awards				
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares of stock that have not vested (\$)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested (\$)
Steve Chung	39,270(1)	N/A	39,361(2)	7,622 at \$7.65	7,622 on August 7, 2023	N/A	N/A	15,539(3)	42,577(4)
		N/A		5,081 at \$7.65	5,081 on August 7, 2023	N/A	N/A		
		N/A		4,074 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	4,074 on January 29, 2025	N/A	N/A		
		N/A		9,877 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	9,877 on January 29, 2025	N/A	N/A		
		N/A		7,472 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	7,472 on April 1, 2025	N/A	N/A		
		N/A		24,221 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	24,221 on February 10, 2026	N/A	N/A		
		N/A		20,284 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	20,284 on March 3, 2027	N/A	N/A		
Lou Schwartz	8,531(5)	N/A	19,643(6)	5,111 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	5,111 on October 16, 2025	N/A	N/A	14,579(7)	39,946(4)
				12,110 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	12,110 on February 10, 2025				

		N/A		2017)	2026	N/A	N/A		
				10,593 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	10,593 on March 3, 2027	N/A	N/A		
		N/A		1,107 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	1,107 on February 10, 2026	N/A	N/A		
Omar Karim	507(8)	N/A	4,403(9)	3,803 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	3,803 on March 3, 2027	N/A	N/A	8,260(10)	22,632(4)
		N/A		1,107 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	1,107 on February 10, 2026	N/A	N/A		
Melissa Hatter	507(11)	N/A	4,784(12)	4,184 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	4,184 on March 3, 2027	N/A	N/A	3,181(13)	8,716(4)
		N/A		4,184 at CDN\$7.10 (or \$5.29 based on the exchange rate at March 3, 2017)	4,184 on March 3, 2027	N/A	N/A		

- (1) Mr. Chung received options to purchase 12,703 common shares on August 7, 2013, options to purchase 23,718 common shares on January 29, 2015 (replaced with options to purchase 13,951 common shares at March 3, 2017), options to purchase 12,704 common shares on April 1, 2015 (replaced with options to purchase 7,472 common shares at March 3, 2017), and options to purchase 41,176 common shares on February 10, 2016 (replaced with options to purchase 24,221 common shares at March 3, 2017).
- (2) Includes options to purchase 23,718 common shares granted on January 29, 2015 (replaced with options to purchase 13,951 common shares at March 3, 2017), options to purchase 12,704 common shares granted on April 1, 2015 (replaced with options to purchase 7,472 common shares at March 3, 2017), options to purchase 41,176 common shares granted on February 10, 2016 (replaced with options to purchase 24,221 common shares at March 3, 2017), and options to purchase 20,284 common shares granted on March 3, 2017.
- (3) Mr. Chung was granted 11,323 RSUs on September 8, 2016 and 11,765 RSUs on March 3, 2017. The 14,569 RSUs that were awarded on April 1, 2015 were cancelled on February 3, 2016.
- (4) Based on the last trading price of the common shares on the TSX-V which as of December 31, 2017 was CDN\$3.44 per common share (or \$2.74). For consistency purposes, the value of the awards are converted from Canadian dollars to U.S. dollars as of the December 31, 2017 Bank of Canada exchange rate at \$1 for each CDN\$1.2545.
- (5) Schwartz & Associates for which Mr. Schwartz is managing partner received options to purchase 8,690 common shares on October 16, 2015 (replaced with options to purchase 5,111 common shares at March 3, 2017), and options to purchase 20,588 common shares on February 10, 2016 (replaced with options to purchase 12,110 common shares at March 3, 2017).
- (6) Includes options to purchase 8,690 common shares granted on October 16, 2015 (replaced with options to purchase 5,111 common shares at March 3, 2017), options to purchase 20,588 common shares granted on February 10, 2016 (replaced with options to purchase 12,110 common shares at March 3, 2017), and options to purchase 10,953 common shares granted on March 3, 2017.
- (7) Schwartz & Associates for which Mr. Schwartz is managing partner was granted 24,677 RSUs on September 8, 2016. Mr. Schwartz was granted 6,353 RSUs on March 3, 2017.
- (8) Mr. Karim received options to purchase 1,882 common shares on February 10, 2016 (replaced with options to purchase 1,107 common shares at March 3, 2017).
- (9) Includes options to purchase 3,803 common shares granted on March 3, 2017.
- (10) Mr. Karim was granted 10,598 RSUs on November 9, 2015, 2,264 RSUs on September 8, 2016, and 2,206 RSUs on March 3, 2017.
- (11) Ms. Hatter received options to purchase 1,882 common shares on February 10, 2016 (replaced with options to purchase 1,107 common shares at March 3, 2017).
- (12) Includes options to purchase 4,184 common shares granted on March 3, 2017.
- (13) Ms. Hatter was granted 2,264 RSUs on September 8, 2016, and 2,426 RSUs on March 3, 2017.

## Equity Compensation Plan Information

### *Equity Incentive Plan*

On April 1, 2015, we adopted an amended and restated equity incentive plan, which amends and restates the equity incentive plan, which was previously established as of December 23, 2014. On January 22, 2016, we and our Board amended the plan to fix the number of shares reserved for issuance of both stock options and RSUs at 336,183. On October 20, 2017, we and our Board amended the plan (as so amended and restated, the “Equity Plan”), effective as of October 1, 2017, by replacing the compensation plan limit with a fixed total limit of 435,000 common shares that may be granted under option and RSU awards. On March 3, 2017, we cancelled all outstanding options granted under the Original Equity Plan with an exercise price of CDN\$17.00 or greater and issued one new option for each 1.7 canceled options.

Our Equity Plan allows our officers, employees, directors and consultants to acquire proprietary interests in the Company. The Equity Plan is administered by our Board and permits the grant of options to acquire our common shares and RSUs that may be exchanged for our common shares. Upon vesting, the options are exercisable and the RSUs are convertible into common shares on a 1:1 basis.

*Options.* Options may be exercised over periods of up to 10 years as determined by the Board and the exercise price shall not be less than the fair market value of the shares on the effective date of the option grant. Option awards generally vest over four years with one year cliff vesting. The aggregate number of awards granted to any one Participant (and any companies owned by that Participant) in a twelve month period must not exceed 5% of the issued and outstanding common shares and Restricted Shares, calculated on the date upon which an award is granted to any such Participant. The aggregate number of awards granted to any one consultant in a twelve month period must not exceed 2% of the issued and outstanding common shares and Restricted Shares, calculated at the date an award is granted to the consultant. The aggregate number of awards granted to all Participants retained to provide investor relations activities must not exceed 2% of the issued and outstanding common shares and Restricted Shares in any twelve month period, calculated at the date an award is granted to any such Participant. Awards issued to Participants retained to provide investor relations activities shall vest in stages over a period of not less than twelve months with no more than 25% of the awards vesting in any three month period.

All awards awarded are covered by a stock option agreement and vest in accordance with the vesting schedule set forth in such stock option agreement. The Board may choose to accelerate the vesting schedule upon a change of control. The exercise price for Options granted under our Equity Plan shall not be less than the fair market value of the shares on the effective date of the option grant; provided, however, that no Option granted to a Participant holding 10% or more of the common shares shall have an exercise price per common share that is less than one hundred ten percent (110%) of the fair market value of a common share on the effective date of grant of the Option. The term of each Option shall be fixed by the Board, but no Option shall be exercisable more than ten years after the date the Option is granted. In the case of an Option that is granted to a Participant who, on the grant date, owns 10% of the voting power of common shares, the term of such Option shall be no more than five years from the date of grant.

All Options are non-assignable and non-transferable. The Equity Plan provides that, during the lifetime of a Participant, an Option shall be exercisable only by a Participant or a Participant’s guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of a Participant or a Participant’s beneficiary, except transfer by will or by the laws of descent and distribution.

Options will be evidenced by certificates that set forth the terms, conditions and limitations for each Option which may include, without limitation, the term and the provisions applicable in the event employment or service terminates.

*Restricted Stock Units.* RSUs may be granted upon such terms and conditions as the Board shall determine. RSUs shall be evidenced by award agreements (“RSU Award Agreements”) in such form as the Board shall from time to time establish. RSU Award Agreements will specify the number of RSUs awarded (“RSU Award”) and will provide for the adjustment of such number in accordance with the Equity Plan. The purchase price, if any, for common shares issuable under each RSU Award shall be established by the Board. No monetary payment shall necessarily be required as a condition of receiving an RSU Award, except as may be required by applicable law or the requirements of any applicable stock exchange. Common shares issued pursuant to any RSU may (but need not) be made subject to vesting conditions based upon the satisfaction of such requirements, conditions, restrictions, time periods or performance goals, as shall be established by the Board. Until the RSU Awards are settled and the common shares issuable thereunder are delivered, no Shareholder rights shall exist with respect to the RSU. Rights to acquire common shares pursuant to an RSU Award shall not be subject in any manner to creditors of the Participant or the Participant’s beneficiary, except as transferred by will or the laws of descent and distribution. All rights with respect to an RSU Award shall be exercisable during the lifetime of the Participant. Each RSU Award Agreement shall specify the consequences of a Participant ceasing to be a service provider, employee or Director of the Company prior to the settlement of an RSU Award.



The Equity Plan contains customary provisions to adjust the grants of RSUs and other awards in the event of any corporate transaction or event such as a stock dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, spin-off, combination or other similar corporate transaction or event affecting the common shares, or other interests subject to the awards under the Equity Plan. In the event of a Change of Control (as defined in the Equity Plan) of the Company, the Board may, in its discretion, take any of the following actions, either singly or in combination: (i) fully vest and/or accelerate the restriction period of any awards; (ii) require that the award be assumed by any successor corporation or that awards for shares of other interests in the company or any other entity be substituted for such award; or (iii) cash-out outstanding awards.

*Future Amendments.* The Board may amend, suspend or terminate the Equity Plan at any time. However, without disinterested shareholder approval there shall be: (a) no increase in the maximum aggregate number of common shares that may be issued under the Equity Plan except as for the adjustments for changes in capital structure provided for in the Equity Plan; (b) no change in the class of persons eligible to receive Options; and (c) no other amendment that would require approval of the Shareholders under any applicable law, regulation or rule, including the rules of any stock exchange or market system upon which the common shares may then be listed.

No amendment, suspension or termination of the Equity Plan shall affect any then outstanding Award unless expressly provided by the Board. The Board may, in its sole and absolute discretion, amend the Equity Plan or any Award agreement with a Participant to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Equity Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Equity Plan.

### Director Compensation

The following table summarizes the compensation paid to directors, other than directors who are also named executive officers and whose compensation as directors is reflected in the Summary Compensation Table in Item 11 above of this Form 10-K/A, for the fiscal year ended December 31, 2017.

Name	Fees earned (\$)	Share- Based Awards (\$)	Option- Based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Tom Rogers	-	185,918(1)	-	-	-	-	185,918
Steve Zenz	-	152,083(2)	-	-	-	-	152,083
Choong Sik (Samuel) Hyun	-	89,530 (3)	-	-	-	-	89,530

(1) Under the terms of his appointments, Mr. Rogers was awarded 8,823 RSUs at March 13, 2017. The 8,823 RSUs vested in one-third amounts on June 30, 2017, September 30, 2017 and December 31, 2017. In addition, Mr. Rogers was awarded 60,025 RSUs at November 3, 2017. The RSUs (excluding the 7,246 Strategic Process Committee RSUs) shall become vested pro-rata on the following schedule: (a) one-quarter (13,195 RSUs) on December 31, 2017, (b) one-quarter (13,195 RSUs) on March 31, 2018, (c) one-quarter (13,195 RSUs) on June 30, 2018, and (d) one-quarter (13,194 RSUs) on September 30, 2018. The 7,246 Strategic Process Committee RSUs shall become vested on the earlier of: (a) March 31, 2018, or (b) the conclusion of the Company's Strategic Process, which shall be the date that the Company's Board dissolves the Strategic Process Committee. Total fair value was determined as follows: (a) fair value of 8,823 RSUs which was based on the closing price of common shares on the date of issuance of March 13, 2017 of CDN\$6.98 (or \$5.19 based on the exchange rate at March 13, 2017), and (b) fair value of 60,025 RSUs which was based on the closing price of common shares on the date of issuance of November 3, 2017 of CDN\$2.98 (or \$2.33 based on the exchange rate at November 3, 2017).

(2) Under the terms of his appointments, Mr. Zenz was awarded 8,823 RSUs at March 13, 2017. The 8,823 RSUs vested in one-third amounts on June 30, 2017, September 30, 2017 and December 31, 2017. In addition, Mr. Zenz was awarded 45,533 RSUs at November 3, 2017. The RSUs (excluding the 7,246 Strategic Process Committee RSUs) shall become vested pro-rata on the following schedule: (a) one-quarter (9,572 RSUs) on December 31, 2017, (b) one-quarter (9,572 RSUs) on March 31, 2018, (c) one-quarter (9,572 RSUs) on June 30, 2018, and (d) one-quarter (9,571 RSUs) on September 30, 2018. The 7,246 Strategic Process Committee RSUs shall become vested on the earlier of: (a) March 31, 2018, or (b) the conclusion of the Company's Strategic Process, which shall be the date that the Company's Board dissolves the Strategic Process Committee. Total fair value was determined as follows: (a) fair value of 8,823 RSUs which was based on the closing price of common shares on the date of issuance of March 13, 2017 of CDN\$6.98 (or \$5.19 based on the exchange rate at March 13, 2017), and (b) fair value of 45,533 RSUs which was based on the closing price of common shares on the date of issuance of November 3, 2017 of CDN\$2.98 (or \$2.33 based on the exchange rate at November 3, 2017).

(3) Under the terms of his appointments, Mr. Hyun was awarded 1,764 RSUs at August 7, 2017. The 1,764 RSUs were vested in full on December 31, 2017. In addition, Mr. Hyun was awarded 35,819 RSUs at November 3, 2017. The RSUs shall become vested pro-rata on the following schedule: (a) one-quarter (8,955 RSUs) on December 31, 2017, (b) one-quarter (8,955 RSUs) on March 31, 2018, (c) one-quarter (8,955 RSUs) on June 30, 2018, and (d) one-quarter (8,954 RSUs) on September 30, 2018. Total fair value was determined as follows: (a) fair value of 1,764 RSUs which was based on the closing price of common shares on the date of issuance of August 7, 2017 of CDN\$4.23 (or \$3.35 based on the exchange rate at August 7, 2017), and (b) fair value of 35,819 RSUs which was based on the closing price of common shares on the date of issuance of November 3, 2017 of CDN\$2.98 (or \$2.33 based on the exchange rate at November 3, 2017).

#### **Compensation Committee Interlocks and Insider Participation**

None of the members of our Compensation Committee is or has been an officer or employee of our Company. None of our executive officers currently serves, or in the past year has served, as a member of the Board or Compensation Committee (or other Board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our Board or Compensation Committee.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table provides information, as of December 31, 2017, with respect to all compensation arrangements maintained by the Company, including individual compensation arrangements, under which shares are authorized for issuance. The chart below does not include RSUs.

Plan Category (a)	Number of Securities to be issued upon exercise of outstanding options and rights (b)	Weighted-average exercise price of outstanding options and rights (c)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in columns (a) and (c))
Equity compensation plans approved by shareholders under the Incentive Stock Option Plan	189,943	\$ 5.47	22,177
Equity compensation plans not approved by shareholders	-	-	-
<b>Total</b>	<b>189,943</b>	<b>\$ 5.47</b>	<b>22,177</b>

### Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of April 30, 2018, the total number of common shares owned beneficially by (i) each of our named executive officers, (ii) each of our directors, (iii) all of our current directors and officers as a group and (iv) each person who beneficially owns 5% or more of our outstanding common shares. For purposes of calculating beneficial ownership, the applicable percentage of ownership is based upon 2,304,834 common shares outstanding as of April 30, 2018, which excludes (i) 166,362 options issued and outstanding under our Equity Plan, and (ii) 92,730 RSUs issued and outstanding under our Equity Plan. Shares issuable pursuant to options or warrants exercisable or subject to settlement under RSUs within 60 days after the date of this Form 10-K/A are deemed outstanding for purposes of computing the percentage ownership of the person holding such options, warrants or RSUs, but are not deemed outstanding for computing the percentage of ownership for any other person. Unless otherwise indicated in the footnotes to this table, beneficial ownership of our common shares represents sole voting and investment power with respect to those shares.

Name	Number of common shares	% of common shares
<b>Directors and Named Executive Officers:</b>		
Steve Chung (1)	66,560	2.8%
Lou Schwartz (2)	52,399	2.3%
Omar Karim (3)	10,133	*
Melissa Hatter (4)	5,027	*
Tom Rogers	44,223	1.9%
Steve Zenz	36,977	1.6%
Samuel Hyun	19,674	*
<b>All directors and executive officers as a group (7 persons)</b>	<b>234,993</b>	<b>9.9%</b>
<b>5% Owners (not included above):</b>		
Raycom Media, Inc. (5)(6)	1,418,485	44.7%
SKP America, LLC (7)	545,289	23.7%
Gannaway Entertainment, Inc. (8)	177,710	7.7%

\* Less than one percent.

- (1) Includes options to purchase 51,315 common shares.
- (2) Includes options to purchase 14,107 common shares.
- (3) Includes options to purchase 1,834 common shares.
- (4) Includes options to purchase 1,954 common shares.
- (5) The business address for Raycom Media, Inc. is 201 Monroe Street, RSA Tower, 20th Floor. Joseph Fiveash III, Raycom's Senior Vice President of Digital Media and Strategy, holds the voting power and dispositive power with respect to such shares.
- (6) Includes 871,160 warrants to purchase one common share per warrant at a price per common share equal to CDN\$8.50 (\$6.63 based on the exchange rate at August 18, 2016).
- (7) The business address for SKP America, LLC is 900 Middlefield Road, Redwood City, California 94063. Mr. Sang Won Kim, Head of Growth Office (Corporate Development) holds the voting power and dispositive power with respect to such shares.
- (8) The business address for Gannaway Entertainment, Inc. is 767 3rd Avenue, New York, NY 10017. Gary Gannaway, Chief Executive Officer, holds the voting power and dispositive power with respect to such shares.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The following is a summary of transactions and series of similar transactions, since the beginning of our last fiscal year, to which we were a party or will be a party, in which:

- the amount involved exceeded or will exceed \$120,000; and
- a director, executive officer, holder of more than 5% of our capital stock or any member of their immediate family had or will have a direct or indirect material interest.

Pursuant to our Code of Ethical Conduct, all related party transactions must be approved by vote of a majority of our disinterested and independent directors.

#### **Raycom Transactions and Agreements**

Raycom is a holder of more than 5% of our capital stock. Below are descriptions of agreements that we currently have in place with Raycom.

#### ***Website Software and Services Agreement and Local Sales Products Agreement***

Frankly Media entered into a Website Software and Services Agreement with Raycom (the "Raycom Service Agreement"), dated October 1, 2011 and amended on October 1, 2014 and August 25, 2015. Pursuant to the Service Agreement, Frankly Media provides website software, platform and advertising services to Raycom. The Service Agreement expires on December 31, 2022 unless terminated earlier upon written notice. Frankly Media also entered into a local sales products agreement, dated August 1, 2015 (the "LSP Agreement") with Raycom, pursuant to which Frankly Media provides targeted display and video advertising services. The LSP Agreement will expire on August 1, 2017. During the fiscal year of 2017, we recognized revenue of \$5,270,346 under the Service Agreement and LSP Agreement.

On December 22, 2016, pursuant to an amendment (the “Advance Agreement”) Raycom pre-paid \$3 million of future fees for services (the “Original Raycom Advance”) to be provided by the Company pursuant to the Raycom Services Agreement. Pursuant to the Advance Agreement, if we had completed an equity raise of at least \$5 million before March 31, 2017, then we could have either (i) refunded the prepayment to Raycom within 30 days of the completion of the equity raise along with an additional \$30,000 for fees in connection with the prepayment by Raycom, or (ii) applied the prepayment to services provided by us for the year ending December 31, 2017 in which case Raycom would have received a discount of \$300,000 (the “Discount”) for the services to be provided by us. If we did not complete an equity raise of at least \$5 million by March 31, 2017, then the prepayment would have been applied to the services to be provided for the year ending December 31, 2017 and the Discount will be applied to services to be provided by us for the year ending December 31, 2017.

On March 30, 2017, we entered into an amendment to the Advance Agreement (the “Second Raycom Advance”) pursuant to which Raycom pre-paid an additional \$2 million of future fees for services to be provided by the Company pursuant to the Raycom Services Agreement. The amendment also extended the date for completing the equity raise and if we did not complete an equity raise of at least \$5 million by May 31, 2017, then the prepayment would have been applied to the services to be provided for the period commencing June 1, 2017 and Raycom would have received the Discount for services to be provided by us for the year ending December 31, 2017.

On May 25, 2017, we entered into a further amendment to the Advance Agreement, pursuant to which if we did not complete an equity raise of at least \$5 million by June 30, 2017, then the prepayment would have been applied to the services to be provided for the period commencing July 1, 2017 and Raycom would have received the Discount for services to be provided by us for the year ending December 31, 2017.

On October 6, 2017, we entered into a further amendment to the Advance Agreement, pursuant to which the prepayment will be applied to the services to be provided for the period commencing January 1, 2018. Additionally, Raycom will receive an additional \$180,000 discount (the “Second Discount”) in the amount of their 2018 fees.

In connection with the Advance Agreement, we recognized interest expense of \$319,651 for the year ended December 31, 2017.

#### ***Unit Purchase Agreement and Worldnow Promissory Notes***

On July 28, 2015, we signed an agreement (the “Unit Purchase Agreement”) to purchase the outstanding units of Gannaway Web Holdings, LLC, operating as Worldnow, pursuant to which we issued the Worldnow Promissory Notes to Gannaway Entertainment Inc. (“GEI”) and Raycom Media, Inc. (“Raycom”) in the aggregate principal amounts of \$11 million and \$4 million, respectively, as partial consideration for their respective membership interests in Gannaway Web Holdings, LLC. The Worldnow Promissory Notes bore simple interest at a rate of 5% per year.

#### ***The August 2016 Refinancing***

On August 31, 2016, we entered into a \$14.5 million credit facility (the “Credit Facility”) under a credit agreement, as amended on December 20, 2016, March 30, 2017, May 25, 2017, October 25, 2017, December 27, 2017 and March 28, 2018 (the “Credit Agreement”) with Raycom. The proceeds of the Credit Facility were used to pay in full the \$11 million promissory note (the “GEI Promissory Note”) issued to GEI and \$3 million of the \$4 million promissory note issued to Raycom (the “Original Raycom Note” and together with the GEI Promissory Note, the “Worldnow Promissory Notes”), each issued in connection with the acquisition of Gannaway Web Holdings, LLC, now Frankly Media. In addition, we issued to Raycom warrants to purchase 871,160 common shares (the “Raycom Warrants”) at a price per share of CDN\$8.50 (\$6.63 based on the exchange rate at August 18, 2016) and repaid in full our \$2.0 million outstanding revolving credit facility with Bridge Bank (the “Bridge Bank Loan”). Subject to Raycom’s discretion, we also have an additional \$1.5 million available for borrowing under the Credit Facility. We also entered into a share purchase agreement (the “Raycom SPA”) pursuant to which we converted \$1 million of the Original Raycom Note into 150,200 common shares. We refer to these transactions as the “August 2016 Refinancing”.

### ***Securities Purchase Agreement***

Pursuant to the Raycom SPA, we issued to Raycom an aggregate of 150,200 common shares for a purchase price of CDN\$1,276,700 (or \$1 million based on the exchange rate at August 18, 2016) in repayment of \$1 million of the Original Raycom Note. Raycom's 397,125 Class A restricted shares were also converted into our common shares on a one-for-one basis. Under the Raycom SPA, we agreed to enlarge our Board of Directors to seven (7) directors, subject to shareholder approval, within 90 days of August 31, 2016.

On December 20, 2016, we entered into an amendment to the Raycom SPA and Credit Agreement, pursuant to which Raycom and we agreed to extend the time period for enlargement of the Board to seven members from 90 days following August 31, 2016, to the earlier of, and subject to shareholder approval: (a) 45 days following the effective date of the Form S-1 registration statement for our U.S. IPO, or (b) April 15, 2017.

On March 30, 2017, we entered into amendments to the Raycom SPA and Credit Agreement, pursuant to which Raycom and we agreed to further extend the time period for enlargement of the Board to seven members to the earlier of, and subject to shareholder approval: (a) 45 days following the effective date of our Form S-1 registration statement for our U.S. IPO, or (b) May 31, 2017.

On May 25, 2017, we entered into amendments to the Raycom SPA and Credit Agreement, pursuant to which Raycom and we agreed to further extend the time period for the successful listing of our common shares on Nasdaq from May 31, 2017 to June 30, 2017 and the enlargement of the Board to seven members to the earlier of, and subject to shareholder approval: (a) 45 days following the effective date of the Form S-1 registration statement for our U.S. IPO, or (b) July 31, 2017.

On October 25, 2017, we entered into amendments to the Raycom SPA and Credit Agreement, pursuant to which Raycom and we agreed to further extend the time period for the successful listing of our common shares on Nasdaq from June 30, 2017 to December 31, 2017 and the enlargement of the Board to seven members to December 31, 2017, subject to shareholder approval.

On December 27, 2017, we entered into amendments to the Raycom SPA and Credit Agreement, pursuant to which Raycom and we agreed to extend the date we become subject to various financial covenant ratios from December 31, 2017 to March 31, 2018 and the enlargement of the Board to seven members from December 31, 2017 to March 31, 2018, subject to shareholder approval.

On March 28, 2018, we entered into amendments to the Raycom SPA and Credit Agreement, pursuant to which Raycom and we agreed to extend the date we become subject to various financial covenant ratios from March 31, 2018 to June 30, 2019, the enlargement of the Board to seven members from March 31, 2018 to June 30, 2018, subject to shareholder approval and agreed that interest payments on the outstanding loan balance for the period commencing on January 1, 2018 and continuing thereafter will be suspended, and each such suspended interest payment will be added to the principal balance of the loan, and the 12% rate for overdue interest will not apply to such suspended interest.

### ***Credit Agreement***

Pursuant to the Credit Agreement, we entered into the Credit Facility with Raycom in the principal amount of \$14.5 million and issued to Raycom Warrants to purchase 871,160 common shares at a price per share of CDN\$8.50 (\$6.63 based on the exchange rate at August 18, 2016). The Credit Facility terminates on August 31, 2021. The warrants have a 5-year term but upon a repayment of principal under the Credit Agreement, a pro-rata portion thereof will expire on the date which is later of (a) August 31, 2017 or (b) 30 days from the date of each principal repayment. Upon each payment of principal, the number of warrants that will expire will equal the product of the (i) then outstanding number of warrants and (ii) the principal repayment divided by the then outstanding principal balance of the loan. The exercise price and the number of shares underlying the warrants will be subject to adjustment as set forth in the Credit Agreement.

Subject to approval of Raycom, at its sole discretion, we may require further loans up to an aggregate amount of \$1.5 million. We will pay interest on each loan outstanding at any time at a rate per annum of 10%. Interest will accrue and be calculated, but not compounded, daily on the principal amount of each loan on the basis of the actual number of days each loan is outstanding and will be compounded and payable monthly in arrears on each interest payment date. To the maximum extent permitted by applicable law, we will pay interest on all overdue amounts, including any overdue interest payments, from the date each of those amounts is due until the date each of those amounts is paid in full. That interest will be calculated daily, compounded monthly and payable on demand of Raycom at a rate per annum of 12%. We have the option to repay all or a portion of loans outstanding under the Credit Facility without premium, penalty or bonus upon prior notice to Raycom and repayment of all interest, fees and other amounts accrued and unpaid under the Credit Facility.

We also agreed to make the following mandatory repayments:

- (a) \$2 million prior to August 31, 2019;
- (b) commencing on November 30, 2019 and on the last day of the month of each three month period thereafter, an amount of \$687,500 per three month period;
- (c) proceeds (less actual costs paid and income taxes) on any asset sales or issuances of debt or equity;
- (d) upon a successful listing of our common shares on Nasdaq with a capital raise of between \$8 million to \$11 million, mandatory repayment in the amount of \$2 million, which will be applied toward the repayment obligation required by (a) above if completed by June 30, 2017;
- (e) upon a successful listing of our common shares on Nasdaq with a capital raise of more than \$12 million, a mandatory repayment in the amount of \$3 million which will be applied toward the \$2 million repayment obligation required by (a) above if completed by June 30, 2017 and any amounts raised in excess of \$2 million will be applied pro rata to repayment obligations required by (b) above commencing November 30, 2019; and
- (f) commencing on the financial year ending December 31, 2017, and each financial year ending thereafter, 100% of the current year excess cash flow amount in excess of \$2 million must be paid to Raycom as a mandatory repayment amount no later than May 1 of the following year until a total leverage ratio of not more than 3:1 has been met for such fiscal year, at which point 50% of the current year excess cash amount in excess of \$2 million will be paid to Raycom as mandatory repayment amounts. Such excess cash flow payments will be applied pro rata to reduce other mandatory payments due thereunder.

The mandatory prepayment provision described in subsection (c) above is not applicable to the December Private Placement (as described below), the SVB Line of Credit (as described below) or a U.S. public offering of equity resulting in proceeds to us of less than \$8 million.

In addition, we must maintain certain leverage ratios and interest coverage ratios beginning the fiscal quarter ending December 31, 2017. The leverage ratios range from 4:1 to 2.5:1 and 2:1 to 3.5:1 for the interest coverage ratio. On December 27, 2017, the Credit Agreement was amended to extend the period for commencement of the leverage ratio and interest coverage ratio covenants from the calendar quarter ending December 31, 2017 to the calendar quarter ending March 31, 2018. On March 28, 2018, the Credit Agreement was amended to extend the period for commencement of the leverage ratio and interest coverage ratio covenants from the calendar quarter ending March 31, 2018 to the calendar quarter ending June 30, 2019. We are also subject to certain covenants relating to, among others, indebtedness, fundamental corporate changes, dispositions, acquisitions and distributions.

Upon an event of default, Raycom may by written notice terminate the facility immediately and declare all obligations under the Credit Agreement and the related loan documents, whether matured or not, to be immediately due and payable. Raycom may also as and by way of collateral security, deposit and retain in an interest bearing account, amounts received by Raycom from us under the Credit Agreement and the related loan documents and realize upon the Security Interest Agreements, Guaranty Agreements and Pledge Agreement as described below. If we fail to perform any of our obligations under the Credit Agreement and the related loan documents, Raycom may upon 10 days' notice, perform such covenant or agreement if capable. Any amount paid by Raycom under such covenant or agreement will be repaid by us on demand and will bear interest at 12% per annum.

On March 13, 2018, we received \$1 million of the additional \$1.5 million of credit available under the Credit Agreement, bringing the total outstanding balance under the Credit Agreement to \$15.5 million. Interest expense recognized under the Credit Agreement for the year ended December 31, 2017 amounted to \$2,039,804.

#### ***Guaranty Agreements, Security Interest Agreements and Pledge Agreement***

In connection with the Credit Agreement, our subsidiaries Frankly Co. and Frankly Media LLC have entered into Guaranty Agreements whereby Frankly Co. and Frankly Media LLC have guaranteed our obligations under the Credit Agreement. In addition, each of Frankly Inc., Frankly Co. and Frankly Media LLC have entered into security interest agreements (the "Security Interest Agreements") pursuant to which Raycom has first priority security interests in substantially all of our assets. Under the Security Interest Agreements, we do not have a right to sell or otherwise dispose of all or part of the collateral except in the ordinary course of business that are not material. Frankly Media LLC has also entered into an Intellectual Property Pledge Agreement pursuant to which it has granted a security interest in all of its intellectual property to Raycom. We have also (i) deposited our intellectual property in escrow accounts for the benefit of Raycom, (ii) in furtherance of the security interest granted to Raycom in our equity interest in Frankly Media LLC, entered into a pledge agreement and a control agreement pursuant to which we granted Raycom control of the equity interest of Frankly Media LLC and (iii) entered into an insurance transfer and consent assigning our rights and payments under insurance policies covering our operations and business naming Raycom as mortgagee, first loss payee and additional named insured.

In addition, we have entered into a Pledge Agreement pursuant to which we granted Raycom a security interest on substantially all the assets and securities of our current and future subsidiaries.

Upon an event of default, we will be required to deposit all interests, income, dividends, distributions and other amounts payable in cash in respect of the pledged interests into a collateral account over which Raycom has the sole control and may apply such amounts in its sole discretion to the secured obligations under the Credit Agreement. Upon the cure or waiver of a default, Raycom will repay to us all cash interest, income, dividends, distributions and other amounts that remain in such collateral account. In addition, upon an event of default, Raycom has the right to (i) transfer in its name or the name of any of its agents or nominees the pledged interests, (ii) to exercise all voting, consensual and other rights and power and any and all rights of conversion, exchange, subscription and other rights, privileges or options pertaining to the pledged interests whether or not transferred into the name of Raycom, and (iii) to sell, resell, assign and deliver all or any of the pledged interests. We have also agreed to use our best efforts to cause a registration under the Securities Act and applicable state securities laws of the pledged interests upon the written request from Raycom.

Raycom may transfer or assign, syndicate, grant a participation interest in or grant a security interest in, all or any part of its rights, remedies and obligations under the Credit Agreement and the related loan documents, without notice or our consent.

#### **Leadership Structure and Risk Oversight**

Our board of directors is currently led by its chairman, Tom Rogers. Our board of directors recognizes that it is important to determine an optimal board leadership structure to ensure the independent oversight of management as the Company continues to grow. We separate the roles of chief executive officer and chairman of the board in recognition of the differences between the two roles. The chief executive officer is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the chairman of the board of directors provides guidance to the chief executive officer and presides over meetings of the full board of directors. We believe that this separation of responsibilities provides a balanced approach to managing the board of directors and overseeing the Company.



The Board is actively involved in overseeing our risk management processes. The Board focuses on our general risk management strategy and ensures that appropriate risk mitigation strategies are implemented by management. Further, operational and strategic presentations by management to the Board include consideration of the challenges and risks of our businesses, and the Board and management actively engage in discussion on these topics. In addition, each of the Board's committees considers risk within its area of responsibility. For example, the Audit Committee provides oversight to legal and compliance matters and assesses the adequacy of our risk-related internal controls. The Compensation Committee considers risk and structures our executive compensation programs to provide incentives to reward appropriately executives for growth without undue risk taking.

### **Independence of Directors**

The Board has determined that Messrs. Zenz, Rogers and Hyun are "independent" as defined in Rule 5605(a)(2) of the Nasdaq Stock Market Rules (the "Nasdaq Rules"). Our board currently consists of these three independent directors and Lou Schwartz, our CEO.

### **Board Committees**

The Board has the following committees, in addition to the audit committee discussed earlier, each of which meets at scheduled times:

*Nominating and Corporate Governance Committee.* Our nominating and corporate governance committee consists of Choong Sik (Samuel) Hyun (Chairperson), Steven Zenz and Tom Rogers. Our board of directors has adopted a Nominating and Corporate Governance Committee charter, which defines the nominating and corporate governance committee's primary duties, including:

- identifying individuals qualified to become members of our board of directors and recommending director candidates for election or re-election to our board of directors;
- maintaining oversight of our board of directors and our governance functions and effectiveness;
- considering and making recommendations to our board of directors regarding board size and composition, committee composition and structure and procedures affecting directors, and each director's independence;
- establishing standards for service on our board of directors; and
- advising the board of directors on candidates for our executive offices, and conducting appropriate investigation of such candidates;

The Nominating and Corporate Governance Committee met once during the fiscal year ended December 31, 2017.

*Compensation Committee.* The Compensation Committee reviews and recommends to the full Board (i) the adequacy and form of compensation of the Board; (ii) the compensation of Chief Executive Officer, including base salary, incentive bonus, stock option and other grant, award and benefits upon hiring and on an annual basis; (iii) after obtaining the recommendation of the Chief Executive Officer, the compensation of other senior management, including Chief Financial Officer and Chief Technology Officer, upon hiring and on an annual basis; and (iv) the Company's incentive compensation and other equity-based plans and recommends changes to such plans to our board of directors when necessary. Our board of directors has adopted a Compensation Committee charter.

The current members of the Compensation Committee are: Tom Rogers (Chairperson), Steven Zenz and Choong Sik (Samuel) Hyun. The Compensation Committee met 2 times during the fiscal year ended December 31, 2017.

**Item 14. Principal Accountant Fees and Services.**

The Audit Committee of the Board of Directors has appointed Baker Tilly Virchow Krause, LLP (“Baker Tilly”) as our independent registered public accounting firm for the year ending December 31, 2017.

**Fees Paid to Independent Registered Public Accounting Firm**

The following table shows the fees for services rendered by Baker Tilly for the years ended December 31, 2017 and December 31, 2016, respectively.

<b>Fiscal Year</b>	<b>Audit Fees(1)</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>	<b>Total</b>
2017	320,757	-	-	-	320,757
2016	667,207	-	-	-	667,207

**Notes**

(1) Audit fees consisted principally of U.S. and Canadian audits and statutory audits.

**PART IV.****Item 15. Exhibits and Financial Statement Schedules.**

Exhibit No.

- 31.1 [Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002](#)
- 31.2 [Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002](#)
- 32.1 [Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

**Item 16. Form 10-K Summary.**

Registrant opts out of providing a summary of this Form 10-K/A.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**FRANKY INC.**

Date: April 30, 2018

By: /s/ Lou Schwartz

Name: Lou Schwartz

Title: **Chief Executive Officer**  
**(Principal Executive Officer)**



**Certification Pursuant to Rule 13a-14(a)**

I, Lou Schwartz, hereby certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Frankly Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [omitted pursuant to the transition period exemption for newly public companies.]
  - c. Evaluated the effectiveness of the registrant disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2018

*/s/ Lou Schwartz*

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Lou Schwartz  
Chief Executive Officer  
(Principal Executive Officer)

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**Certification Pursuant to Rule 13a-14(a)**

I, Michael Munoz, hereby certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Frankly Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [omitted pursuant to the transition period exemption for newly public companies.]
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2018

/s/ Michael Munoz  
Michael Munoz  
Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATION**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**  
**(18 U.S.C. 1350)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of (18 U.S.C. 1350), the undersigned officers of Frankly Inc. (the “Company”), do hereby certify, to the best of such officer’s knowledge and belief, that:

(1) The Annual Report on Form 10-K/A for the year ended December 31, 2017 (the “Form 10-K/A”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-K/A fairly presents, in all materials respects, the financial condition and results of operations of the Company.

Date: April 30, 2018

/s/ Lou Schwartz  
Lou Schwartz  
Chief Executive Officer

Date: April 30, 2018

/s/ Michael Munoz  
Michael Munoz  
Chief Financial Officer

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Securities Exchange Act.

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