



Peeks Social Announces Financing Arrangement of Up to \$10 Million



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TORONTO, July 25, 2018 (GLOBE NEWSWIRE) -- Peeks Social Ltd. (TSXV:PEEK) (OTCQB:PKSLF) ("**Peeks Social**" or the "**Company**") today announced that it has entered into a direct placement agreement (the "Funding Agreement") with GEM Global Yield Fund LLC SCS ("GEM") for a \$10 million financing commitment from GEM to invest into Peeks Social.

Peeks Social has the right to issue GEM common shares under the Funding Agreement for a term of two years through a series of one or more private placements (the "Placements"). Common shares issued to GEM as part of the Placements will be at a price per share equal to the higher of a floor price set by the Company and a 10 per cent discount to the market price of the common shares based on the immediately preceding 15-day volume weighted average price. The Placements are subject to certain market out rights of GEM and approval of the TSX Venture Exchange (the "TSXV"). GEM will hold freely trading common shares of the Company through a share lending facility provided by certain shareholders.

The Company has agreed to commit to initial Placements of \$1.5 million (the "Initial Placement"), with an option to issue additional Placements of up to \$8.5 million (the "Additional Placements"). The Company will pay a commission of \$30,000 to GEM in the next twelve months related to the Initial Placement. If the Company elects to utilize any portion of the Additional Placements it will pay an additional commission of \$170,000 to GEM within twelve months of the election. The commissions are equal to 2% of the committed capital of GEM.

As part of the Funding Agreement, the Company has agreed to issue 4,000,000 common share purchase warrants to GEM. The warrants will be exercisable on a one-for-one basis at a price equal to the greater of i) \$0.583 per common share or ii) the market price of the common shares of the Company at the time of issuance. The Company has eighteen months to issue the warrants. The warrants will have an exercise period of three years. The warrant exercise price is subject to repricing to 105% of the market price of the Company's common shares on the first anniversary of the date of issuance if the market price of the

common shares of the Company is less than 90% of the then-current exercise price. The repricing must be done in accordance with the rules and policies of the TSXV. If the Company does not issue the warrants within 18 months of the initial execution of the Funding Agreement, the Company shall pay GEM 8% of the original face value of any unissued warrants. Should the Company elect to issue any Additional Placements, it will issue additional warrants to GEM, the amount and terms of which shall be negotiated and agreed to at the time of the election.

Pursuant to the Funding Agreement, GEM has agreed to issue an advance of \$300,000 to the Company. The advance bears interest at 10%, is due on demand after 90 days from the date issued, and is repayable in cash or through the issuance of a Placement to GEM, at the option of the Company.

The Company also announces that it has closed a non-brokered private placement. The Company issued an aggregate of 1,260,000 units at a price of \$0.25 per unit, for total gross consideration from this private placement of \$315,000. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to purchase one additional common share of the Company at an exercise price of \$0.35 per share for a period of 24 months from the date of issuance. The common shares and warrants are subject to a four month hold period. The private placement is subject to the Company obtaining final acceptance from the TSX Venture Exchange upon the filing of required materials in due course. The Company paid aggregate finder's fees of \$15,600 to eligible arm's length parties in connection with this private placement.

Proceeds raised through the Funding Agreement and the private placement will be used for the marketing and advancement of the "Peeks Social" product, as well as for general working capital and corporate purposes.

For further information, please contact:

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

Forward-Looking statements:

The information and statements in this news release contain certain forward-looking information relating to the future issuance of securities and the use of investment proceeds. This forward-looking information is subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking information. Peeks Social Ltd.'s forward-looking information is expressly qualified in its entirety by this cautionary statement. Except as required by law, Peeks Social Ltd. undertakes no obligation to publicly update or revise any forward-looking information.

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