Peeks Social Ltd. Announces Financial Results for the Three Months Ended August 31, 2017

TORONTO, Oct. 31, 2017 -- Peeks Social Ltd. (TSXV:PEEK) (OTCQB:PKSLF) (“Peeks Social” or “the Company”) announced that the unaudited Financial Statements and Management’s Discussion and Analysis (“MD&A”) for the second quarter ended August 31, 2017, are now available on the Company’s profile on SEDAR (www.sedar.com).

Q2 2018 represents the three months ended August 31, 2017. Select highlights from the quarter include the following:

- Q2 2018 total revenue was $118,290 as compared to $13,850 for Q2 2017. Revenues of the comparative period related to advertisements on the now retired Keek products.
- Q2 2018 net loss was $1,769,803 as compared to $792,522 for Q2 2017. Net loss for Q2 2018 includes $290,563 of stock-based compensation and $860,610 of marketing expenses (Q2 2017 - $155,543 and $10,898 respectively).
- Q2 2018 net loss per share was $0.03 as compared to $0.02 for Q2 2017.
- Q2 2018 cash balance was $3,435,330 as compared to $257,241 for Q1 2017.

The Peeks Social platform charges a “platform fee” on transactions between users. Pursuant to a technology licensing agreement with Personas.com Corporation, the Company currently generates licensing revenue from the Peeks Social platform equal to 30% of the gross profit generated from the Peeks Social platform. The Company intends to pursue the acquisition of all underlying intellectual property and technology assets relating to the Peeks Social platform in order to acquire an up to 100% interest in the product (see press release dated July 25, 2017). Gross platform fees charged by the Peeks Social platform for the six months ended August 31, 2017, were $736,863 (of which the Company is entitled to 30%). In the first ten months since its launch on November 1, 2016, the Peeks Social platform processed nearly $2,550,000 of transactions between users.

“We are pleased to continue to show double digit percent quarter-over-quarter growth. This quarter we attained 15% growth despite taking steps to restrict access to content of a mature nature on the Android platform. The changes resulted in a predictable temporary decline in user sessions for that platform, but was necessary for us to continue to pursue our long-term business objectives, namely providing the foundation for a platform of mass adoption. The change is behind us and continued growth is ahead,” said Mark Itwaru, CEO of the Company.

In June 2017 the Company made a strategic decision to further restrict access to content of a mature nature on the Android app. June 2017 was the first month of Q2 2017. These changes had a temporary impact on Android traffic levels including User Sessions and Licensing Revenues derived from the Android app. The Company made almost identical changes to the iOS app in January 2017. The effects of the changes on the Android user base were similar to those observed on the iOS user base following the iOS change. The decrease in User Sessions from the Android change was isolated to the Android app and the bounce back period was similar to that of the January 2017 iOS change.

Certain information provided in this news release is extracted from the unaudited Financial Statements and MD&A for the second quarter ended August 31, 2017, and should be read in conjunction with them. It is only in the context of the fulsome information and disclosures contained in the unaudited Financial Statements and MD&A that an investor can properly analyze this information.

The Peeks app can be downloaded in either the Apple or Google app stores, or by visiting www.peeks.com.

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Forward-Looking statements:

The information and statements in this news release contain certain forward-looking information relating to a potential asset acquisition or similar transaction which has not yet been structured or committed to, as well as statements relating to the future performance of the Peeks Social platform, including revenues derived from the product and trends in key performance indicators. 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.