



Perk Labs Reports First Quarter 2020 Results

Vancouver, Canada, April 28, 2020 — Perk Labs Inc. (formerly Glance Technologies Inc.) (CSE:PERK / OTCQB:PKLBF / FKT:GJT) (“Perk Labs” or the “Company”), today announced financial results for the first quarter and period ended February 29, 2020. Please note that on April 29, 2020, our ticker symbol on the Frankfurt Stock Exchange will change from GJT to PKLB.

Overview

In the first quarter, we saw a significant reduction in our general and administrative expenses. We also completed a private placement, invested in our product development, signed an important agreement with Alipay, added to our bench strength with a talented sales executive, and conducted beta testing for *Perk Hero*, our all-in-one mobile ordering, contactless payment and loyalty app.

“The past actions we took to reduce our costs and rebuild our product have placed our Company in a better position to deliver value to our customers during the crisis caused by the COVID-19 pandemic.” said Perk Labs’ CEO Jonathan Hoyles. “During a time when we have seen massive layoffs in our industry, our lean, nimble and talented team has continued to work hard to provide merchants with *Perk Hero*’s mobile ordering, contactless payment and customer loyalty platform that solves the problem of paying from a safe social distance.”

The past investment we made in upgrading our technology has streamlined our development process and has helped to accelerate our introduction of new product features. As restaurants and cafés have been forced to close in-dining options and shift to curbside pickup and delivery amid the COVID-19 pandemic, restaurant owners have struggled with the high commissions charged by the major delivery platforms. *Perk Hero* has rapidly been developing a low cost alternative to a variety of high commission based delivery platforms and aims to change the current landscape by giving merchants the ability to offer their own delivery in their desired surrounding area while rewarding their customers for their patronage and engagement.

As businesses begin making their plans to re-open after being in a state of lockdown, they will need innovative and creative solutions to operate their businesses while maintaining social distancing to keep customers and staff safe. In addition to new sanitation guidelines and physical distancing signage, innovative technologies such as mobile ordering, no-touch contactless payments and digital loyalty will play an important role in improving staff and customer safety.

“We have more work to do, and we will continue to take actions to strengthen our business.” said Perk Labs’ CFO Tracey St. Denis. “Our first quarter represents significant progress in reducing expenditures at the same time as aligning our strategy with execution and marketing plans. This will be a 12 to 18 month transformation and I remain confident that we will unlock value for our stakeholders as our Company’s transformation accelerates.”

Q1 2020 compared to Q1 2019 - Financial Highlights (all figures are rounded to the nearest thousand):

- Working capital of \$2,809,000 at February 29, 2020 compared to \$11,348,000 at February 28, 2019 and no long-term debt (February 29, 2019 - \$Nil).
- General and administration expenses decreased for the three months ended February 29, 2020 to \$457,000 (February 28, 2019 - \$1,238,000) as a direct result of right-sizing the Company to respond to our business needs more efficiently with reduced head office expenses and improved accountability and visibility across teams.
- Sales and marketing decreased for the three months ended February 29, 2020 to \$157,000 (February 28, 2019 - \$426,000) as a result of tightening expenditures.
- Net loss of \$1,218,000 in Q1 2020 compared to net income of \$4,779,000 in Q1 2019.
- Net loss in Q1 2020 represented \$0.01 per share while net income in Q1 2019 represented \$0.03 per share.

Q1 2020 Financial Highlights:

- Revenue of \$6,000 in Q1 2020 decreased 14% from \$7,000 in Q1 2019.
- Operating expenses of \$700,000 decreased 64% from \$1,925,000 in Q1 2019.
- Loss from operations was \$694,000 or \$0.00 per share in Q1 2020, decreasing 64% compared to \$1,918,000 or \$0.01 per share in Q1 2019.
- The overall net loss was \$1,218,000 or \$0.01 per share, compared to net income of \$4,779,000 or \$0.03 per share in Q1 2019.

Q1 2020 Highlights:

- **Entered into an agreement with Alipay**, the world's largest mobile payment platform, with 900 million Alipay users as of June 2019, to enable Alipay users to make payments on the Company's payment platform and the Company will be harmonizing its QR codes to enable Alipay payment at *Perk Hero* merchants. This development will add value to *Perk Hero* merchants, who will be better positioned to benefit from a massive, new base of Alipay users who represent increased foot traffic, spending power and revenue.
- **Started beta testing of the new *Perk Hero* mobile application.** Our new platform features new capabilities: pre-order and pick-up; contactless payment using Apple Pay and Google Pay; a gamified loyalty program; and merchant analytics.
- **Hired Christina Baker as the new Head of Sales.** Prior to joining the Company, Christina served as the Regional Vice President, National Accounts, Western Canada at Moneris, Canada's largest financial technology company that specializes in payment processing. While at Moneris, Christina led the Western National sales team to consistently achieve and exceed their annual quotas and the management of a portfolio representing over \$23 billion in card processing and over 200 National Accounts in the region.
- **Re-branded the Company** with a name, look and feel that resonates more with a younger demographic.
- **Completed a non-brokered private placement** for proceeds of \$176,495.
- **The Company named Jonathan Hoyles as permanent CEO.**
- Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Subsequent to the period ended February 29, 2020, the following events occurred:

- **Launched *Perk Hero*.** Our new platform features new capabilities: pre-order and pick-up; contactless payment using Apple Pay, Google Pay and Alipay; a gamified loyalty program; and merchant analytics. *Perk Hero* replaced the Company's original mobile payment solution, *Glance Pay*. *Glance Pay* experienced a decrease in transactions as a consequence of the closure of in-dining restaurant services due to the COVID-19 pandemic. In order to save server-hosting and maintenance costs, the Company shut down *Glance Pay* on April 14, 2020.
- **Appeared on *CityTV News*.** On April 9, 2020, the Company was featured on *CityTV News* and profiled as an alternative to the high commission food delivery platforms. The profile can be viewed at this link: <https://www.citynews1130.com/video/2020/04/09/canadians-encouraged-to-order-takeout-food/>
- **Launched a sales and marketing campaign encouraging merchants to sign up for *Perk Hero*.** During the ongoing crisis, the Company is offering special reduced rates to support the restaurant and service industry and small businesses. This campaign has resulted in more than 25 new merchants signing up for the *Perk Hero* app within the first month of launch.
- **Launched a special promotion to healthcare workers in Vancouver, BC.** The Company activated all of its social media channels and offered a special promotion by providing an in-app credit to healthcare workers in Vancouver, BC.

Outlook

The Company's strategic priorities for the remainder of fiscal 2020 include:

- Continued development of the *Perk Hero* product through a series of build-measure-learn iterations and moving beyond the restaurant vertical.
- Building an exceptional and world-class brand with a focus on high quality content.
- Increasing the number of merchants and users using the *Perk Hero* platform.
- Using data, technology, and inbound selling to ramp up sales and revenue generation.
- Sign enterprise accounts for the Company's white label solution.

The Company's complete financial results are available in its Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis for the three months ended February 29, 2020, each of which have been filed with Canadian securities regulators at www.sedar.com.

IFRS

The operational and financial information in this release is based on the consolidated figures in accordance with International Financial Reporting Standard (IFRS).

About Perk Labs

Perk Labs Inc. is the owner of *Perk Hero*, a digital loyalty management platform that enables merchants to provide their customers with digital rewards and a more engaging and convenient customer experience. For more information about Perk Labs, please visit www.perklabs.io

For more information, contact:

Tracey A. St. Denis
Chief Financial Officer
tracey@perkhero.com

833-338-0299
investors@perklabs.io

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Forward-Looking Statements

This press release contains forward-looking information or forward-looking statements (collectively "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is typically identified by words such as: "may", "believe", "thinks", "expect", "exploring", "expand", "could", "anticipate", "intend", "estimate", "plan", "pursue", "potentially", "projected", "should", "will" and similar expressions, or are those, which, by their nature, refer to future events. These forward-looking statements, which involve risks and uncertainties, relate to, among other things, the discussion of Perk Labs' business strategies and its expectations concerning future operations, that the Company will experience a 12 to 18 month transformation that will unlock value for its stakeholders, that the Company is in a better position to deliver value to our customers during the crisis caused by the COVID-19 pandemic, that the Company will give merchants the ability to offer their own delivery in their desired surrounding area while rewarding their customers for their patronage and engagement, the continued development of the Perk Hero product through a series of build-measure-learn iterations and that the Company will move beyond the restaurant vertical, that the Company will build an exceptional and world-class brand, that the Company will increase the number of users and merchants using the Perk Hero platform, that the Company will ramp up of sales and revenue generation, that the Company will sign enterprise accounts for the Company's white label solution. Although Perk Labs considers these forward-looking statements to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. For additional information with respect to these and other factors and assumptions underlying the forward-looking statements in this press release, see the section entitled "Risk Factors" in the most recent Annual Information Form and Prospectus of Perk Labs, which may be accessed through Perk Labs' profile on SEDAR at www.sedar.com. Perk Labs cautions investors that any forward-looking information provided by Perk Labs is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking statements. Undue reliance should not be placed on such forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.