



PERK LABS INC.

Management's Discussion and Analysis

For the Years Ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain information included in this MD&A may constitute forward-looking statements. Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words *assumption, goal, guidance, objective, outlook, project, strategy, target* and other similar expressions or future or conditional verbs such as *aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive, and will*. In this MD&A, forward-looking statements include such statements as:

- the Company's belief regarding its ability to generate new revenue from its new *Perk Hero* application and website
- that there is an opportunity for our Company to support small businesses with the digital tools such as mobile ordering, contact free payment and digital loyalty that will help small businesses recover and prosper in the post-COVID-19 environment
- that the addition of Perk Hero's digital dine-in will give the Company the ability to quickly grow across North America while providing a powerful and affordable franchise opportunity to eager entrepreneurs post-pandemic
- that the Company will emerge from the events caused by COVID-19 well positioned for long-term growth
- that the Company will continue to review and prioritize its expenditures to best use its cash resources and that its expectation that cash expenses will be further reduced in the near term
- that the Company is exploring licensing opportunities for its technology into geographies and verticals in which it currently does not have a presence
- the Company's ability to raise additional capital needed to fund operations.

Readers are cautioned not to put undue reliance on forward-looking statements. Unless otherwise indicated by us, forward-looking statements in this MD&A describe our expectations as at March 1, 2022 and, accordingly, are subject to change after that date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statements will materialize, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes. The forward-looking statements in this MD&A are based on, among other things, the following assumptions:

- the Company will be able to achieve its business objectives
- the Company will be able to develop proprietary software to implement its plans

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- the Company will be successful in obtaining and retaining franchisees, clients and licensees for its software
- the Company will be able to expand its operations successfully in new geographic markets and industries

The forward-looking statements in this MD&A are subject to, among other things, the following risks:

- the Company's operations are dependent on key technical personnel, and the loss of such personnel could have a significant impact on the Company's ability to conduct its activities
- technological advances that could require significant additional research and development costs to our Perk Hero app
- currency fluctuations and exchange rates
- the Company's ability to continue as a going concern
- the Company may not be able to obtain all necessary funding for its operations, on terms satisfactory to the Company or at all
- credit risk
- the Company's dependence on information technology systems
- risks that the Company's software and applications may contain security problems, security vulnerabilities, or defects in design or manufacture, including "bugs" and other problems that could interfere with the intended operation of its software
- risks related to the volatility of customer demand for the Company's products
- risks associated with cybersecurity and privacy violations, in particular given the Company's operations are highly dependent on online technologies and the Company obtains a significant amount of personal information in the course of operations
- the Company may not be able to successfully expand its operations beyond the Canadian marketplace or into industries other than the restaurant industry
- duration and impact of COVID-19 on our business plans, objectives and expected operating results

We have made certain economic, market and operational assumptions in preparing the forward-looking statements contained in this MD&A. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

Important risk factors including, without limitation, competitive, regulatory, economic, financial, operational, technological and other risks could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements.

We caution readers that the risks described in this MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business, or reputation. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after March 1, 2022. The financial impact of these transactions and special items can be complex and depends on facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way, or in the same way we present known risks affecting our business.

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Perk Labs Inc. (formerly Glance Technologies Inc.) (the "Company") for the year ended November 30, 2021

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should be read in conjunction with the audited consolidated financial statements for the years ended November 30, 2021 and 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PERK (formerly GET) and on the OTCQB under the symbol PKLBF (formerly GLNNF) and on the Frankfurt Stock Exchange under the symbol PKLB (formerly GJT).

These consolidated financial statements include the accounts of Perk Labs Inc. and its three wholly owned subsidiaries: Perk Hero Software Inc.; Perk Hero USA Inc. (formerly Glance Pay USA Inc.); and Perks Technologies Inc. (formerly Glance Coin Inc.).

The Company's office is located at Suite 1755, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Director's Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating, and internal control matters.

This MD&A is prepared as at March 1, 2022. All dollar figures stated herein are expressed in Canadian dollars unless otherwise noted.

Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at www.sedar.com.

COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the rise of additional variants beyond Delta and Omicron, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume.

The Company continues to monitor the impact of the COVID-19 pandemic on our business, our industry and the broader economy. COVID has disproportionately impacted brick and mortar merchants and restaurants due to lockdowns and reduced capacity limits. This has impacted the adoption of the Company's in-person payment solutions. At this time, the Company cannot reasonably estimate the duration or severity of the economic impact to our users and merchant partners caused by the restrictions on daily life to curb the spread of COVID-19, or the ultimate impact on the Company's operations and liquidity. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the

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future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

2021 OVERVIEW

The Company continued to evolve its Perk Hero platform throughout 2021 in response to challenging conditions due to COVID-19's impact on supply chains and the labor market. Recognizing that there was demand for people to run their own businesses, Perk Hero developed an innovative digital franchise model that allows people to start businesses without the capital requirements of a traditional brick and mortar franchise.

For the upcoming year, the Company intends to expand its franchise program across Canada and the United States and significantly expand its restaurant install base. In addition to continued product improvements, the Company intends implement a rewards zone where users of its platform will be able to obtain unique rewards including products, experiences and digital goods.

2021 OPERATIONAL HIGHLIGHTS

- **Launched a National Franchise Program:** On October 12, 2021, the Company announced the launch of its mobile-first digital franchise system. With this offering, Perk Hero becomes one of a select few franchise systems that offer franchisees the ability to earn recurring software as a service (SaaS) revenue. Coinciding with this launch, Perk Hero showcased its franchise offering at the Canadian Franchise Association's virtual show in October.
- **Received Mobile Payment Patent:** Perk Hero received its first U.S. patent (No. 11,170,354) that protects the Company's rights to one of its inventions enabling the payment of invoices and bills using a mobile device. This new asset strengthens the Company's licensing programs as it can now license patent-protected technology to potential licensees and franchisees.
- **Renewal of at-the-market offering:** During the year ended November 30, 2021, the Company issued 15,641,000 common shares through its at-the-market offering filed July 29, 2020 at an average price of \$0.10 per share for gross proceeds of \$1,570,780 and net proceeds of \$1,523,657. The Company paid commissions of \$47,123.

On February 17, 2021, the Company announced the renewal of its at-the-market equity program that allows the Company to issue and sell up to an additional \$4,000,000 worth of common shares in the capital of the Company from treasury to the public from time to time. Under this program, the Company issued 10,928,000 common shares through its at-the-market offering filed February 17, 2021 at an average price of \$0.10 per share for gross proceeds of \$1,041,938 and net proceeds of \$1,010,680. The Company paid commissions of \$31,258.

- **Euro Asia Pay IPO:** On February 25, 2021, Euro Asia Pay Holdings Inc. completed its initial public offering of shares at a price to the public of \$0.25 per share. At that date, Perk Labs owned 8,500,000 shares of Euro Asia Pay which it received as part of a licensing agreement dated October 14, 2017, as amended on September 30, 2018. EAP shares are subject to both a pooling and an escrow agreement in which 425,000 shares were available to the Company on IPO day, 637,500 shares were released in August 2021, 2,337,500 shares were released in February 2022 and the remaining 5,100,000 shares will be released in 1,275,000 share tranches every six months starting in August 2022.

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HIGHLIGHTS SUBSEQUENT TO NOVEMBER 30, 2021

- **British Columbia Restaurant and Foodservices Association (BCRFA) and the BC's Alliance of Beverage Licensees (ABLE BC) joint endorsement:** Perk Hero received a joint endorsement from BC's leading industry associations as the preferred solution for Digital Dine-in. This endorsement provides further evidence of a need for Perk Hero's offerings.
- **Launch of "PERKS" Crypto Rewards:** In February 2022, the Company launched its "PERKS" cryptocurrency rewards. Easy to understand and environmentally friendly, PERKS uses the Solana blockchain and requires near-zero energy to run.
- **ATM raises:** Subsequent to November 30, 2021, the Company issued 1,028,000 common shares through its at-the-market program at an average price of \$0.05 per share for gross proceeds of \$51,400. Commissions paid were \$1,542 for net proceeds of \$49,858.

COMPANY OVERVIEW

The Company's principal business is operating a digital franchisor in which franchisees can sell Software as a Service (SaaS) licenses. This provides franchisees with regular recurring income.

The SaaS platform offered by the Company is called *Perk Hero* which features mobile and online ordering and payment with blockchain powered digital rewards on purchases. Users can access Perk Hero through its online website (www.perkhero.com), through the Apple and Google app stores and via QR code in select brick and mortar merchants.

Merchants use the platform to provide a more engaging and convenient customer experience. By using the *Perk Hero* platform, merchants are able to more efficiently provide digital rewards and payments to their customers while allowing their staff to focus on the customer experience.

The *Perk Hero* platform is built on a new and advanced technology stack using offerings from leading companies like Amazon, Microsoft and Stripe and was officially launched on April 2, 2020. It also includes many new advanced features such as:

- Apple Pay/Google Pay integration
- Alipay integration
- Shopify integration
- Drop shipping to US and Canada
- Mobile pre-order
- Powerful, gamified loyalty reward platform allowing users to earn virtual block-chain based coins as rewards
- All-in-one user and merchant application
- Merchant analytics and dashboard

The *Perk Hero* brand more squarely targets Gen Z and Millennials. Research shows that:

- Millennials are three times more likely to be excited about new mobile apps and features than older users (ComScore)
- More than 2 out of 3 millennials say they're always looking for new apps and wish they could do more with the apps they already have (ComScore)
- 66% of millennial digital media time is using smartphone apps (ComScore)

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The key market drivers for the growth in mobile payments—beyond convenience and ease of use to pay for products from mobile phones—is that they can be easily integrated with card-free loyalty programs, and valuable data can be acquired such as how often customers shop, dine, what they buy, and how they respond to incentives. Merchants can use this data to better market to customers based on their shopping behaviour, patterns and preferences.

With the ongoing COVID-19 crisis, the Company sees the need and demand for mobile ordering and safe contactless digital payments. We believe that our continued efforts into improving the mobile ordering experience will help businesses increase revenues which will ultimately result in revenues for our franchisees and the Company.

Cost and Controls

During the year ended November 30, 2021, management continued to optimize its use of cash resources. The Company prioritized research and development related to the *Perk Hero* platform while reducing expenditures in other areas. We will continue to review and prioritize expenditures in order to drive the growth of Perk Hero and maintain a lean and sustainable cost structure.

Assets

In addition to our cash resources from previous financings, the Company owns a significant number of equity instruments in Euro Asia Pay Holdings Inc. ("EAP"). The Company has the option to raise funds through liquidating its shareholdings in these entities when appropriate. EAP shares are subject to a pooling agreement and an escrow agreement.

Summary

The introduction of its franchise offerings provides the Company with a more robust business model that enables it to scale faster. By relying on franchisees that pay the Company a franchise fee, the Company is able to expand into new geographic territories without significantly increasing sales and marketing spend. Our efforts into refining this business model coupled with the continuous upgrades to our platform position *Perk Hero* to take advantage of the growing need for digital payment solutions in merchants.

For the upcoming year, the Company intends to expand its franchising program in North America. It will continue to roll out improvements to the platform with a focus on optimizing its restaurant omnichannel experience across the U.S. and Canada. In addition to continued product improvements, the Company intends to increase its marketing efforts that will enable it to onboard additional merchants and users.

The Company's strategic priorities for 2022 include:

- Continued improvement of the Perk Hero platform.
- Grow the number of end-user customers, restaurants and franchisees using our platform.
- Expand our digital franchise program in Canada.
- Launch a special rewards zone that includes NFTs.
- Expand our digital franchise program to the United States.
- Grow our licensing revenue.
- Invest in sales, marketing and communication strategies to drive growth

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As well, we are always looking at new opportunities to expand our operations. While our present liquid resources in cash and marketable securities are available to fund our Company, we are also always alert to partnership, joint ventures, and acquisition opportunities.

SELECTED ANNUAL INFORMATION

The following table provides selected annual audited financial information that should be read in conjunction with the audited consolidated financial statements and notes:

	November 30 2021	November 30 2020	November 30 2019
	\$	\$	\$
Revenue	28,947	63,896	32,093
Depreciation and amortization	97,052	76,397	410,811
General and administrative expenses	1,169,643	1,181,457	2,564,572
Research and development expenses	920,927	725,915	2,833,341
Sales and marketing expenses	577,495	676,833	1,107,644
Share-based compensation	442,345	563,690	488,708
Other income (expenses)	1,718,642	(1,262,716)	(669,106)
Net loss for the year	(1,487,312)	(4,490,939)	(8,078,984)
Total assets	3,184,524	1,636,989	4,730,632
Total liabilities	458,776	580,151	367,730
Total shareholders' equity	2,725,748	1,056,838	4,362,902

SUMMARY OF QUARTERLY REPORTS

	Quarter Ended	Revenue	Net Income (Loss)	Income (Loss) Per Share
Q4/2021	November 30, 2021	\$ 6,042	\$ (648,296)	\$ (0.00)
Q3/2021	August 31, 2021	\$ 6,447	\$ (1,080,350)	\$ (0.01)
Q2/2021	May 31, 2021	\$ 1,085	\$ (1,348,456)	\$ (0.01)
Q1/2021	February 28, 2021	\$ 15,373	\$ 1,589,790	\$ 0.01
Q4/2020	November 30, 2020	\$ 45,990	\$ (1,309,560)	\$ (0.01)
Q3/2020	August 31, 2020	\$ 10,053	\$ (744,352)	\$ (0.01)
Q2/2020	May 31, 2020	\$ 1,811	\$ (1,219,520)	\$ (0.01)
Q1/2020	February 29, 2020	\$ 6,042	\$ (1,217,508)	\$ (0.01)

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RESULTS OF OPERATIONS

Year Ended November 30, 2021

The Company's net and comprehensive loss for the year ended November 30, 2021 was \$1,487,312 compared to a loss of \$4,490,939 for the year ended November 30, 2020.

During the year ended November 30, 2021, the Company had revenue of \$28,947 compared to \$63,896 for the comparative period. The decrease in revenue reflects the Company's shift in revenue mix from the sale of physical products to high margin licensing revenue commencing in the last quarter of 2021.

For the year ended November 30, 2021, total cost of sales decreased to \$27,439 (2020 - \$67,827) which reflects a shift towards higher margin licensing revenues coupled with lower volumes of physical product sales. This resulted in a gross margin of \$1,508 for the year ended November 30, 2021 compared to a gross loss of \$3,931 in the previous period. Management expects that gross margins will increase as the Company continues to shift its revenue mix towards higher margin franchising and SaaS revenue.

Depreciation increased for the year ended November 30, 2021 to \$97,052 (2020 - \$76,397). The Company recognized a full year of amortization on its right of use asset in 2021 compared to six months for 2020.

General and administration expenses remained flat for the year ended November 30, 2021 at \$1,169,643 (2020 - \$1,181,457). In this category, bank charges and interest increased to \$20,862 (2020 - \$12,242) which reflects higher fees associated with the Company's digital gift card and blockchain initiatives; consulting fees decreased to \$700 (2020 - \$72,000) as the Company reduced its reliance on third-party consultants; director's fees increased to \$140,000 (2020 - \$64,617) as the prior year recognized a settlement of fees outstanding related to RSU's; insurance increased to \$13,811 (2020 - \$10,523) as a result of increased costs from insurance companies generally; investor relations expenses increased to \$46,510 (2020 - \$23,612); legal, accounting, and auditing decreased to \$183,714 (2020 - \$252,037) due to the decreased legal costs associated with at-the-market offering; office increased to \$52,131 (2020 - \$42,407) due to increases in office software licensing costs, telephone and tablet expenses; rent decreased to \$68,995 (2020 - \$71,168); travel remained flat at \$231 (2020 - \$48); transfer agent and filing fees decreased to \$102,168 (2020 - \$107,539) due to lower costs related to share issuances; and wages and benefits increased to \$540,521 (2020 - \$525,714) to reflect increases in salaries for non-executive staff. Current management continues to focus on optimizing costs to develop its IP and expand on its marketing efforts.

Research and development expenses increased for the year ended November 30, 2021 to \$920,927 compared to \$725,915 in the prior year as the Company invested in its technology. Consulting fees increased to \$382,602 for the year ended November 30, 2021 (2020 - \$200,400) due to investments with the Jonah Group for blockchain and Fintory for UI design. Information technology costs decreased to \$80,798 (2020 - \$140,414) due to a reduction in software and servers required to maintain a lower staff count and more modern technology infrastructure. Wages and benefits increased to \$457,527 (2020 - \$385,101) due to the expansion of the technology team coupled with increases in salaries to reflect a competitive labor market.

Sales and marketing expenses decreased for the year ended November 30, 2021 to \$577,495 (2020 - \$676,833) as a result of reducing headcount in sales and marketing.

Share-based compensation decreased for the year ended November 30, 2021 to \$442,345 (2020 - \$563,690) with fewer stock options granted and vested during the current period offset by RSU expenses

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associated with RSU's issued pursuant to the RSU plan approved and finalized at the Company's Annual General Meeting held on June 10, 2020.

At November 30, 2021, the Company had 17 (2020 – 16) employees.

Other income and expense items produced net other income of \$1,718,642 for the year ended November 30, 2021 versus net other expenses of \$1,262,716 for the comparative period: gain on sale of marketable securities of \$258,054 (2020 – \$433,874) reflecting lower prices and lower volumes for sales of common shares of Better Plant Sciences and Euro Asia Pay; government subsidies and grants of \$322,617 (2020 - \$339,234) with the Canada Emergency Wage Subsidy received from the Government of Canada to assist businesses with decreased revenues as a result of COVID-19; interest income of \$4,876 (2020 - \$8,775) reflecting the use of cash to sustain operations; interest expense of \$32,820 (2020 - \$20,395); and unrealized gain of marketable securities of \$1,171,902 (2020 – loss of \$2,020,575) as the Euro Asia Pay successfully IPOed.

Three Months Ended November 30, 2021

The Company's comprehensive loss for the three months ended November 30, 2021 was \$648,296 compared to a loss of \$1,309,560 for the three months ended November 30, 2020.

During the three months ended November 30, 2021, the Company had revenue of \$6,042 compared to \$45,990 for the comparative period. The decrease in revenue reflects a strategic shift by the Company towards higher margin licensing revenues instead of physical product sales. For the three months ended November 30, 2021, total cost of sales decreased to \$3,112 (2020 - \$49,325) due to lower costs associated with licensing sales and lower volumes associated with the sale of physical products.

Depreciation decreased for the period ended November 30, 2021 to \$23,828 (2020 - \$25,761) due to lower costs associated with depreciating computer assets.

General and administration expenses decreased for the three months ended November 30, 2021 to \$292,127 (2020 - \$378,070) as the Company continued to cut costs in order to focus on research and development.

Research and development expenses increased for the three months ended November 30, 2021 to \$343,784 (2020 - \$193,988) primarily due to the investments with the Jonah Group and Fintory.

Sales and marketing expenses decreased for the three months ended November 30, 2021 to \$115,811 (2020 - \$181,419) as the Company reduced expenditures to invest in Research and Development.

Share-based compensation decreased for the three months ended November 30, 2021 to \$36,203 (2020 - \$378,492) with fewer stock options granted and vested during the current period offset by RSU expenses associated with RSU's issued pursuant to the RSU plan approved and finalized at the Company's Annual General Meeting held on June 10, 2020.

Other income and expense items produced net income of \$160,531 for the three months ended November 30, 2021 versus a net loss of \$139,103 for the comparative period: gain on sale of marketable securities of \$76,644 (2020 – \$37,370); government subsidies and grants of \$25,906 (2020 - \$51,528) was COVID-19 related grants decreased in 2021; interest income of \$1,702 (2020 - \$431) reflecting the use of cash to sustain operations; and unrealized gain of marketable securities of \$64,742 (2020 – loss of \$228,288) as the market price of the Company's holdings in Euro Asia Pay increased.

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NON-IFRS EARNINGS MEASURE

Effective for the quarter ending August 31, 2020 and subsequent quarters, the Company reports "Adjusted EBITDAaL (EBITDA after Leases)" instead of "Adjusted EBITDA". We believe that the disclosure of this metric allows investors to evaluate the operational and financial performance of the Company's ongoing business, using the same evaluation that Management uses, and is therefore a useful indicator of the Company's performance or expected performance of recurring operations.

For the period ending November 30, 2020, the Company recognized a 3-year lease starting June 1, 2020. Under IFRS 16, the lease for the Company's office premises is capitalized with a right-of-use asset and a corresponding lease liability. The asset is straight-line depreciated while an interest expense is recognized with the lease liability using effective interest rate. Compared to prior periods, all things being equal, the Company will recognize a lower rent expense and higher depreciation and amortization expense under IFRS 16, but the net impact of adopting IFRS 16 on the lease is not expected to be material to our operating results.

To allow for more accurate comparisons to prior periods, the cash outflows, consisting of interest expenses and payments made on the lease liability are subtracted from EBITDA to calculate EBITDAaL. EBITDA is calculated as earnings before interest, income taxes, depreciation and amortization.

The Company defines adjusted EBITDAaL as EBITDAaL excluding gains or losses on foreign exchange, gains or losses on the sale of marketable securities, government subsidies and grants, COVID-19 related concessions, share-based compensation, and gains or losses on marketable securities held.

EBITDA, Adjusted EBITDA, EBITDAaL and Adjusted EBITDAaL do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies and should not be considered as an alternative to measures of performance prepared in accordance with IFRS.

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	November 30 2021	November 30 2020
Net and comprehensive loss for the year	\$ (1,487,312)	\$ (4,490,939)
Depreciation	97,052	76,397
Interest expense, net	27,944	11,620
EBITDA from operations	(1,362,316)	(4,402,922)
Cash expenditures for lease	(109,475)	(37,940)
EBITDAaL from operations	(1,471,791)	(4,440,862)
Foreign exchange loss	6,008	3,629
Gain on sale of marketable securities	(258,054)	(433,874)
Government subsidies and grants	(322,617)	(339,234)
COVID-19 concessions on lease	–	(39,025)
Share-based compensation	442,345	563,690
Unrealized (gain) loss on marketable securities	(1,171,902)	2,020,575
Adjusted EBITDAaL	\$ (2,776,011)	\$ (2,665,101)

LIQUIDITY**Assets**

Total assets increased by 95% from \$1,636,989 at November 30, 2020 to \$3,184,524 at November 30, 2021.

Cash at November 30, 2021 of \$1,287,468 (2020 - \$784,117) comprises 40% (2020 – 48%) of total assets.

Marketable securities have been split into current and non-current. The total value of the securities at November 30, 2021 was \$1,639,822 (2020 - \$376,910) due to the successful IPO of Euro Asia Pay and the subsequent increase in its share price.

The amounts receivables decreased 49% to \$29,579 (November 30, 2020 - \$57,390) at November 30, 2021 comprising primarily of GST receivable from the Canada Revenue Agency. The GST receivable of \$18,738 (November 30, 2020 - \$47,898) is due from the Canada Revenue Agency.

The prepaid expenses and deposits increased 9% to \$83,360 (2020 - \$76,791). Included in prepaid expenses is \$49,697 (November 30, 2020 - \$49,697) which represents the deposit on the office lease and \$33,664 (November 30, 2020 - \$27,094) for other prepayments which consist of payments for annual expenses that are recognized over the course of the year such as insurance and exchange fees.

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Liabilities

Total liabilities decreased by 21% from \$580,151 at November 30, 2020 to \$458,776 at November 30, 2021. The decrease reflects the decrease in the Company's lease liability coupled with a reduction in accounts payable and accrued liabilities due to lower spending.

The accounts payable and accrued liabilities comprise 66% (2020 – 60%) of the total liabilities. Accounts payable are \$229,812 (November 30, 2020 - \$263,008). Accrued payroll liabilities are \$40,965 (November 30, 2020 - \$51,614). There are payments due to officers, directors and other related parties of \$31,333 (November 30, 2020 - \$32,208) for various consulting, management, and director fees.

At November 30, 2021, the Company's working capital was \$1,995,497 (November 30, 2020 - \$791,584). The increase in working capital reflects the success of the Company's at-the-market offering program coupled with the IPO of Euro Asia Pay.

OPERATING LEASE COMMITMENTS

On June 1, 2020, the Company commenced a three-year lease for its office premises. It is a triple net lease with a base rent of \$9,485 per month in Year 1; \$9,716 per month in Year 2; and \$9,947 per month in Year 3. Upon commencement of the lease, the Company recognized a right-of-use asset and a lease liability.

The following is a reconciliation from the undiscounted lease payments to the lease liabilities.

Year Ended	Amount
2021	\$ 9,716
2022	118,211
2023	49,736
Total remaining contractual cash flows	177,663
Less: interest	(20,997)
Lease liabilities, November 30, 2021	\$ 156,666

PROPOSED TRANSACTIONS

There are no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business as disclosed herein, before the Board of Directors for consideration.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

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	November 30 2021	November 30 2020
Directors' fees	\$ 140,000	\$ 64,167
Remuneration and fees	649,508	535,415
Share based compensation	345,952	460,161
	\$ 1,135,460	\$ 1,059,742

At November 30, 2021, the Company owed \$6,667 (2020 - \$6,667) to a director of the Company which is included in accounts payable and accrued liabilities.

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At November 30, 2021, the Company owed \$5,000 (2020 - \$5,000) to a director of the Company which is included in accounts payable and accrued liabilities.

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Amounts due to related parties are unsecured, do not bear interest, and are classified as a current liability due to their nature and expected time of repayment.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

	Fair value measurements using			
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Marketable securities	1,608,627	31,195	-	1,639,822

The fair values of other financial instruments, including cash, amounts receivable, investment in joint venture, accounts payable and accrued liabilities, and lease liabilities approximate their fair values due the short-term nature of the financial instrument.

Market risk

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity. The Company is not exposed to cash flow interest rate risk on cash balances as the rate of interest is currently very low.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets. Management does not believe this risk is significant.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

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The Company is exposed to foreign currency risk with respect to its US denominated bank account. At November 30, 2021, financial instruments were converted at a rate of \$1.2792 per US dollar (2020 - \$1.2965 per US dollar). A 10% change in foreign exchange rates is not expected to have a material impact on the Company's consolidated financial statements.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. At November 30, 2021 and 2020, all amounts receivable were current.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or the proposed transaction. The Company manages liquidity risk by maintaining adequate cash balances when possible.

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at November 30, 2021 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. On July 29, 2020, the Company announced an at-the-market equity program that allows the Company to issue and sell up to \$2,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

On February 17, 2021, the Company announced the renewal of its at-the-marketing equity program that allows the Company to issue and sell up to \$4,000,000 of common shares in the capital of the Company from treasury to the public, from time to time, at the Company's discretion.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital and there was no material change from the prior year.

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Price risk

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company's marketable securities are exposed to price risk.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include revenue recognition, the collectability of amounts receivable, the useful lives and carrying values of property and equipment and intangible assets, the carrying value of marketable securities and investments, the measurement of share-based compensation, and unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have significant effect on the consolidated financial statements include the factors that are used in determining the fair value of privately held investments, the fair value of share-based compensation, the discount rates applied on marketable securities held in escrow, and the application of the going concern assumption which requires management to take into account all available information about the future, at least but not limited to twelve months from the year end of the reporting period.

Recent Accounting Pronouncements

Amendment to IAS 1, Classification of Liabilities as Current or Non-Current

On January 23, 2020, and amended on July 15, 2020, the IASB issued an amendment to IAS 1, Classification of Liabilities as Current or Non-Current ("IAS 1") and has been revised to: i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendment to IAS 1 is effective for annual reporting periods on or after January 1, 2023 and is applied retrospectively. Early adoption of this amendment is permitted. The Company is currently evaluating the impact of this amendment to its consolidated financial statements.

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

On February 12, 2021, the IASB issued an amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") to introduce the definition of an accounting estimate and include other amendments to help entities to distinguish changes in accounting estimates from changes in accounting policies.

The amendment to IAS 8 is effective for annual reporting periods on or after January 1, 2023 and early adoption is permitted. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

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Other new standards and amendments to standards and interpretations are not effective for the year ended November 30, 2021 and have not been early adopted by the Company and are not expected to have a material impact on the Company's consolidated financial statements.

CAPITAL RESOURCES**Common Shares**

	Issued Number
Balance, November 30, 2020	152,474,995
Shares issued for cash	27,597,000
Shares issued for services	2,476,668
Stock options exercised	60,000
RSUs vested	757,875
Warrants exercised	687,173
Balance, March 1, 2022	184,053,711

Warrants

	Number of warrants	Weighted Average Exercise Price
Balance, November 30, 2020	3,836,845	\$ 0.08
Exercised	(687,173)	\$ 0.08
Expired	(3,149,672)	\$ 0.08
Balance, March 1, 2022	-	\$ -

Stock Options

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2020	7,451,000	\$ 0.23
Granted	2,820,000	\$ 0.07
Forfeited	(285,000)	\$ 0.06
Expired	(696,000)	\$ 0.14
Exercised	(60,000)	\$ 0.15
Balance, March 1, 2022	9,230,000	\$ 0.19

Restricted Share Units

	Number of Units	Weighted Average Issue Price
Balance, November 30, 2020	5,916,053	\$ 0.08
Granted	5,944,390	\$ 0.09
Vested and issued	(757,875)	\$ 0.11
Forfeited	(1,196,250)	\$ 0.09
Balance, March 1, 2022	9,906,318	\$ 0.09

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OFFICERS AND DIRECTORS

Jonathan Hoyles	President, Chief Executive Officer, Director
Kirk Herrington	Independent Director
James Topham	Independent Director
Steve Cadigan	Independent Director
Larry Timlick	Independent Director
Norman Tan	Chief Financial Officer
Gary Zhang	Chief Technology Officer

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.