



Perk Labs Reports First Quarter 2022 Results

This news release constitutes a “designated news release” for the purposes of the Company’s prospectus supplement dated February 17, 2021 to its short form base shelf prospectus dated July 17, 2020.

Vancouver, Canada, April 29, 2022 — Perk Labs Inc. (CSE: PERK / OTCQB: PKLBF / FKT: PKLB) (“Perk” or the “Company”) today announced financial results for the first quarter ended February 28, 2022.

Overview

“In the first fiscal quarter of 2022, the Company improved its technology and built the operational infrastructure necessary to scale its restaurant solution and digital franchise program”, said Perk CFO, Norman Tan, “I believe our Company is at an inflection point in terms of its ability to generate revenue as we ramp up sales and marketing of our digital dine-in and custom branded app solutions. Not only does our solution for restaurants provide immense value to an industry facing a unique set of challenges, but there are also government programs in place to help these businesses with the costs of adopting digital tools.”

“Our new custom branding solution solves a real problem for restaurants and we are excited to see it launching with customers in these coming quarters” said Gary Zhang, Perk CTO. “We have a truly multi-channel solution that works at the table, with servers and the kitchen. With our upcoming point of sale integration, it will be the most complete solution on the marketplace.”

2022 Q1 Financial Highlights:

- Net loss of \$406k in Q1 2022 compared to net income of \$1.6M in Q1 2021.
- Working capital of \$1.9M in Q1 2022 compared to \$3.5M in Q1 2021 and \$2.0M in Q4 2021.
- General and administrative expenses increased 2% from \$272k in Q1 2021 to \$277k in Q1 2022 as the Company continued to minimize its administrative expenses.
- Research and development expenses increased 20% from \$169k in Q1 2021 to \$203k in Q1 2022 as the Company continued to invest in its technology platform.
- Sales and marketing expenses decreased 35% from \$162k in Q1 2021 to \$106k in Q1 2022 as the Company refocused marketing efforts on businesses and franchisees instead of end-user customers.

2022 Q1 Operational Highlights

- **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 technology preferred solution to the ongoing labour shortage that the food and beverage industry faces.
- **Launch of “PERKS” Crypto Rewards:** In February 2022, the Company launched its “PERKS” cryptocurrency rewards. Designed to be used for purchasing both real and digital goods and services, PERKS is built on Solana blockchain run which has high processing speed and low transaction fees. Through PERKS, the Company sees the opportunity to bring other companies into its loyalty reward program and also the opportunity to white-label its crypto loyalty rewards.
- **Signed its first franchisee:** The Company signed up its first franchise under its new franchise program in Mississauga.
- **ATM raise:** For the quarter ended February 28, 2022, the Company issued 1,028,000 common shares through its at-the-market offering announced February 17, 2021, at an average price of \$0.05 for gross proceeds of \$51,400 with commissions paid of \$1,542 for net proceeds of \$49,858.

HIGHLIGHTS SUBSEQUENT TO FEBRUARY 28, 2022

- **Successful tradeshows:** The Company attended the Franchise Canada Show in Toronto on March 26-27 and the Annual Canadian Franchise Convention in Ottawa on April 9-11. The Company has received tremendous interest in its program with 60 franchise leads from the show. Since the shows, the Company has been conducting ongoing franchise discovery meetings with promising candidates for the Greater Toronto Area.
- **Launch of new market awareness campaigns:** The Company entered into agreements with several leading marketing firms to assist with investor communication, online marketing and content creation as Perk Labs continues to achieve important milestones and grow its investor base.
- **Private placement:** On March 10, 2022, the Company announced a non-brokered private placement of up to 11,904,762 units at a price of \$0.042 per unit for gross proceeds of up to \$500,000. Each unit consists of one common share of the Company and one warrant which entitles the holder to purchase one additional common share at a price of \$0.05 per common share for a period of 24 months from closing subject to a statutory hold period of four months and one day. Subscribers purchased a total of 7,672,138 units for total proceeds \$322,231 in two tranches with participation from the Directors and Officers of the Company who subscribed for 476,190 Units for proceeds of \$20,000.
- **New Merchant App:** Perk Hero announced the launch of its new downloadable merchant app on the Google Play Store. To the Company's knowledge, none of its competitors specialising in in-restaurant digital ordering and payment have a downloadable merchant app available in the Google Play store. Major tech companies in the delivery space like UberEats, DoorDash, SkipTheDishes, and Grab all have downloadable merchant apps that are a key part of their product strategy and ability to scale.

Previously Perk Hero's merchant app was part of its consumer app. By separating Perk's merchant and consumer apps, the Company is able to reduce the size, speed up the performance, and improve the reliability of both consumer and merchant apps. A further advantage of a dedicated downloadable merchant app is that it enables Perk to upgrade its merchant app at any time without disturbing end-user customers.

- **Order Now, Pay Later:** With this new feature, restaurants have the option of setting up Order-from-Table™ as either requiring their customer to pay upon placing an order or the customer can pay (and tip) at the end of the meal – which consumers are more accustomed to as part of the dining experience. With this new feature, we can also accommodate restaurants that only want to Order-from-Table™ but want to settle their customer's bill in cash. We see this as a great way to onboard restaurants that are either not ready to go fully digital with mobile payments or are sensitive to credit card payment processing fees.
- **Website embedding feature:** Perk developed an online ordering feature for pickup and delivery that merchants can embed directly into their own websites. This feature enables Perk to offer an in-demand entry-level feature to restaurants that enables future upselling on more advanced features.
- **POS Integrations:** Perk commenced research and development on building integrations with some of the most popular restaurant point-of-sale systems through one of the leading POS integration companies.

Outlook

The Company's strategic priorities for 2022 include:

- Continued improvement of the Perk Hero platform.
- Developing integrations with leading restaurant point-of-sales systems.
- Expand the utility of PERKs crypto rewards.
- 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.

The Company's complete financial results are available in its Consolidated Financial Statements and Management's Discussion and Analysis for the year ended November 30, 2021, each 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. (CSE: PERK) (OTCQB: PKLBF) (FKT: PKLB) is the owner of Perk Hero, the mobile commerce platform on a mission to empower business owners with the digital tools to provide their customers with experiences that are more engaging, convenient and rewarding. Perk Hero is growing through a unique community-driven digital franchise business that is available to entrepreneurs at an attractive start-up price.

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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, the Perk Hero app will continue to evolve and offer a unique feature set that we believe will poise us for growth, the continued development of the Perk Hero product through a series of build-measure-learn iterations, that the Company will increase the number of users and merchants using the Perk Hero platform, and that the Company will ramp-up of sales and high margin revenue generation by focusing on digital franchising and its software-as-a-service offering for restaurants. 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.