



## Perk Labs Reports Second Quarter 2022 Results

**Vancouver, Canada, July 28, 2022** — Perk Labs Inc. (CSE: PERK / OTCQB: PKLBF / FKT: PKLB) (“Perk” or the “Company”) today announced financial results for the second quarter ended May 31, 2022.

### Overview

“In the second quarter of 2022, we laid the technical foundation and made significant strides towards transforming our business from a B2C transaction-based marketplace to a B2B software-as-a-subscription and digital franchise business model,” said Jonathan Hoyles, Chief Executive Officer of Perk Labs. “As we look ahead, I am confident that we can grow our revenue as we continue to build innovative technology and help more entrepreneurs digitize their businesses. We believe that even after all the change we witnessed during COVID, we are still at the very beginning of the digitization of bricks-and-mortar businesses and ordering, payment and especially digital loyalty will become more in demand. We are tremendously encouraged by the rate of adoption we are seeing at our early order from table and online ordering customers and the reception to our custom branded app product.”

“In this fiscal quarter, the Company achieved numerous milestones including the launch of its new downloadable Merchant App, new mobile feature ‘Order and Pay later’, and web-based features for online ordering, pick-up and delivery; as well as worked towards Point of Sales integration.” said Vanessa Altamirano, Interim Chief Financial Officer. “We invested in our technology through these initiatives to create value for restaurants and end-users, and we expect to see a continuing increase in customer adoption.”

### 2022 Q2 Financial Highlights:

- Net loss of \$1.9M in Q2 2022 compared to net income of \$241k in Q2 2021. This is primarily due to the reduction in the value of our marketable securities which was caused by the decrease in the stock price of Hero Innovation Group Inc. (formerly, Euro Asia Pay Holdings Inc.) which generated an unrealized loss of \$781k, combined with an increase in investor relations spending for our market awareness campaign.
- Working capital of \$989k in Q2 2022 compared to \$3.0M in Q2 2021 and \$2.0M in Q4 2021.
- General and administrative expenses increased 14% from \$568k in Q2 2021 to \$645k in Q2 2022 as the Company is prioritizing investor relations through its market awareness campaign.
- Research and development expenses increased 9% from \$372k in Q2 2021 to \$406k in Q2 2022 as the Company continued to invest in its technology platform.
- Sales and marketing expenses decreased 35% from \$346k in Q2 2021 to \$225k in Q2 2022 as the Company refocused marketing efforts on businesses and franchisees instead of end-user customers.

### 2022 Q2 Operational Highlights

- **Private Placement raise:** The Company raised gross proceeds of \$322,230.72 through a non-brokered private placement and issued 7,672,138 units at a price of \$0.042.
- **Launch New Market Awareness Campaign:** In March 2022, the Company announced that it entered into agreements with several leading marketing firms such as MarketOne Media, Stockhouse Publishing, Proactive Investors, and Conversionly to assist with investor communication, online marketing, and content creation.
- **New Merchant App:** Perk Hero announced the launch of its new downloadable merchant app on the Google Play Store. 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 optimize reliability and responsiveness of its merchant app.

- **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. This new feature, also accommodates 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 ordering 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, facilitating 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.
- **ATM raise:** For the quarter ended May 31, 2022, the Company continued its at-the-market offering which was renewed on February 17, 2021 and issued 3,028,000 common shares at an average price of \$0.035 for gross proceeds of \$107,300.
- **Tradeshows and Letters of Intent:** The Company was well received at the Franchise Canada Show in Toronto on March 26-27 and the Restaurant Canada Show in Toronto on May 9-11, 2022. The Company signed a new franchisee from the Franchise Canada Show in Toronto and has been conducting ongoing franchise discovery meetings with other potential franchisees. The Company signed a letter of intent to trial its Digital Dine-in solution with a restaurant group owning several prominent brands with a combined 122 restaurant locations across Canada.

#### Highlights Subsequent to May 31, 2022

- **New Software-as-a-Subscription Agreements for Online Ordering and Custom Branded App:** The company signed more agreements with restaurants for Perk's new online ordering services and custom branded apps with customers agreeing to pay Perk's monthly software-as-a-subscription fees. Perk's new online ordering feature is an easy-to-launch ordering solution that provides everything restaurants need to quickly start accepting pickup and delivery orders through their existing website.
- **Launch of Custom Branded App:** In July 2022, the company completed the build of custom branded apps for a number of new customers. Perk Hero has automated its platform and processes so that it takes minimal work from the development team to generate each new custom branded application within one day. The Company's custom branded apps are built on the Perk Hero platform and leverage its downloadable merchant app, merchant web portal, and powerful features such as mobile ordering, contactless payment, digital wallets and loyalty.
- **Sale of HRO Shares:** On June 28, 2022, the Company's subsidiary Perk Hero Software Inc. entered into two share transfer agreements for the sale of 2,539,000 shares of Hero Innovation Group Inc. (formerly, Euro Asia Pay Holdings Inc., hereafter referred to as "HRO") at \$0.08 per share, for total proceeds of \$203,120.
- **Sale of Remaining HRO Shares:** On June 29, 2022, the Company's subsidiary Perk Hero Software Inc. entered into a share purchase agreement for the sale of its remaining balance of 5,100,000 HRO common shares for proceeds of \$408,000, further strengthening the Company's cash position. It is anticipated that the transaction will be completed on or after August 10, 2022 upon satisfying the conditions set out in the HRO escrow Agreement.
- **ATM raise:** Between June 1, 2022, and July 13, 2022, the Company issued 3,970,000 common shares through its at-the-market program at an average price of \$0.023 for gross proceeds of \$92,487.
- **End of At-the-Market Equity Program:** On July 14, 2022, the Company announced it had completed its ATM program. Through the ATM program, the Company raised a total of gross proceeds of \$3,241,596 since announcing the program on July 29, 2020.
- **Introduced "Call Server" Feature:** with the new "Call Server" feature, when the restaurant guest is in need, he or she just needs to press the button "Call Server" button, and the server will be alerted by receiving a notification showing the table where the guest is sitting.

- **Reduced expenditures.** The Company continues to make strategic cost reductions. It is the priority of the Company's executive management to continue to reduce costs, with the goal of reaching profitability in the next twelve to eighteen months.

## 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.
- Growing the number of end-user customers, restaurants and franchisees using our platform.
- Expanding our digital franchise program in Canada.
- Expanding our digital franchise program to the United States.
- Growing our licensing revenue.
- Investing 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 quarter ended May 31, 2022, each filed with Canadian securities regulators at [www.sedar.com](http://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, the digital franchise company helping businesses transition to the digital economy. Perk Hero provides restaurateurs with friendly and reliable digital ordering, payment and loyalty tools to help them survive and thrive in a difficult economic environment. Perk Hero is growing through a unique community-driven digital franchise business that is available to entrepreneurs at an attractive start-up price.

For more information about Perk Labs, please visit [www.perklabs.io](http://www.perklabs.io). Visit Perk Hero at [www.perkhero.com](http://www.perkhero.com).

For more information on a Perk Franchise, visit [www.perkfranchise.com](http://www.perkfranchise.com).

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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, its work towards Point of Sales integration, that we expect to see a continuing increase in customer adoption, confidence that we can grow our revenue as we continue to build innovative technology and help more and more entrepreneurs digitize their businesses, the goal of reaching profitability in the next twelve to eighteen months growing the number of end-user customers, restaurants and franchisees using our platform, expanding our digital franchise program in Canada, and expanding our digital franchise program to the United States. 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](http://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.*