



FORM 7

MONTHLY PROGRESS REPORT

March 2022

Name of CSE Issuer: **Perk Labs Inc.**
(“Perk” or the “Company”).

Trading Symbol: **PERK**

Number of Outstanding Listed Securities: **192,227,564 common shares (as at the date of this report)**

Date: **April 6, 2022**

Report on Business

1. **Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

Developments

The Company announced that it would be attending the Franchise Canada Show on March 26-27 in Mississauga Ontario, the first in-person Franchise Canada Show after over a year of virtual trade shows. The Franchise Canada Show includes 50+ exhibitors including Canadian restaurant franchisors and creates an opportunity to get Perk Hero’s digital dine-in product on as many tables as possible.

In early March, the Company announced a non-brokered private placement of up to 11,904,762 units (“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 Common Share purchase warrant. Each Warrant 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 the Closing. All securities issued pursuant to the Private Placement are subject to a statutory hold period of four months and one day following the Closing. The net proceeds of the Private Placement will be used to sell and market Perk Hero’s digital dine-in solution to potential franchisees and restaurants and for working capital.

The first tranche of the private placement closed on March 28, 2022. Subscribers purchased 7,374,645 Units for aggregate gross proceeds of \$309,736. Directors and officers of the Company subscribed for 476,190 of the Units. The Company intends to complete additional closings until the earlier of the Private Placement being fully subscribed, and April 8, 2022.

Perk also published an updated corporate presentation on its website at www.perklabs.io. The presentation includes additional information on the Company’s future growth plans, as well as information regarding the Company’s strategy and focus.

The Company also announced that as part of its ongoing efforts to reduce cash expenditures, three of its independent Board members have agreed to be compensated in RSUs only, rather than cash.

Perk applauded the recent announcement by the Government of Canada of the \$4 billion Canada Digital Adoption Program (CDAP) to help Canadian small and medium-sized businesses (SMEs), including restaurants, grow their online presence and upgrade or adopt digital technologies. Funding under the CDAP consists of \$1.4 billion in grants and advisory services to SMEs and up to \$2.6 billion in loans from the Business Development Bank of Canada (BDC) to help SMEs cover the cost of implementing digital transformation plans.

Perk believes that the future of dining is digital, and it is encouraging to see the Government provide support and help restaurants grow by adopting new digital tools. Perk is conducting a sales and marketing campaign to reach out to Canadian restaurants to inform them of the benefits of CDAP and adoption of digital tools such as Perk's digital dine-in solution.

The Company also announced that it has entered into agreements with several leading marketing firms to assist with investor communication, online marketing and content creation as Perk continues to achieve important milestones and grow its investor base. The Company has engaged Market One Media Group Inc., Stockhouse Publishing Ltd., Proactive Investors, and Conversionio.io. all of which are top tier marketing firms that provide complementary services to amplify our sales and marketing communication, raise investor awareness, and highlight our growth through a coordinated social, digital, and broadcast tv marketing push.

2. Provide a general overview and discussion of the activities of management.

Please see item 1.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see item 1.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Please see item 1.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Please see item 1.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

Please see item 1.

9. **Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

Please see item 1.

10. **Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.**

11. None, except in the ordinary course of business.

12. **Report on any labour disputes and resolutions of those disputes if applicable.**

None.

13. **Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

None.

14. **Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

None.

15. **Provide details of any securities issued and options or warrants granted.**

| Security | Number Issued | Details of Issuance | Use of Proceeds ⁽¹⁾ |
|---------------|---------------|---|--|
| Common Shares | 7,374,645 | 7,374,645 units at \$0.042 were issued upon the closing of the first tranche of the Company's private placement. Each unit consists of 1 common share and one Common Share purchase warrant. See Item 1. for further details. | Gross proceeds of \$309,736 will be used for marketing and awareness campaigns and for general working capital purposes. |
| | 386,666 | 386,666 common shares @ \$0.04 were issued as partial compensation for the services of the Company's Chief Technology Officer and the VP of Franchise Sales and Operations | |
| | 32,292 | 32,292 common shares @ \$0.04 were issued for Restricted Share Unit Awards ("RSUs") that vested. | |
| Warrants | 7,374,645 | 7,374,645 warrants at \$0.05 were issued upon the closing of the first tranche of the Company's private placement. See Item 1. for further details. | |
| RSUs | 1,767,151 | 1,767,151 RSUs were granted to the Directors, CEO and CFO as partial compensation for their services | N/A |

⁽¹⁾ *State aggregate proceeds and intended allocation of proceeds.*

No stock options were granted, cancelled or exercised during March.

There are presently 9,230,000 stock options and 11,704,145 RSUs outstanding.

16. Provide details of any loans to or by Related Persons.

None.

17. Provide details of any changes in directors, officers or committee members.

None.

18. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Various laws and regulations govern the payments industry in Canada and globally. Our payments services may be or become subject to regulation by other authorities, and the laws and regulations applicable to the payments industry in any given jurisdiction are always subject to interpretation and change.

We expect that new services and technologies applicable to the industries in which we operate will continue to emerge and evolve. Rapid and significant technological changes continue to confront the industries in which we operate, including developments in proximity payment devices, including contactless payments via NFC technology.

There can be no assurance that any new products or services we develop and offer to our customers will achieve significant commercial acceptance. Our ability to develop new products and services may be inhibited by industry-wide standards, payment card networks, existing and future laws and regulations, resistance to change from our customers, which includes our sellers and their buyers, or third parties' intellectual property rights.

The COVID-19 pandemic has impacted and could further impact the Company's merchants, user network and operations as a result of quarantines, facility closures, and travel and logistics restrictions. The COVID-19 pandemic has disproportionately impacted the restaurant industry and specifically restaurants that rely on revenue generated by in-restaurant dining. With restrictions on dining in, many restaurants have limited their operations solely to takeout and delivery, while others have decided to pause or cease operations or drastically cut costs. Historically, a significant percentage of the Company's operating revenue was generated from transaction fees on in-restaurant dining transactions. As a result of the restrictions on in-restaurant dining, we experienced reduced revenues from in-restaurant dining transactions and we may continue to see a reduction in revenue from in-restaurant dining transactions if these conditions continue into future periods. Earlier this year, the Company decided to shift its focus away from the food and beverage vertical to focus more on eCommerce dropshipping merchants, Perk Hero managed stores and digital gift cards.

We believe that the Company will emerge from these events well positioned for long-term growth, however, 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. 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 future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

We continue to monitor the evolving situation in these uncertain times and to adapt our business accordingly.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the

requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All the information in this Form 7 Monthly Progress Report is true.

Dated: April 6, 2022

Jonathan Hoyles
Name of Director or Senior Officer

"Jonathan Hoyles"
Signature

Director and CEO
Official Capacity

| | | |
|--|---|--|
| <i>Issuer Details</i> | | |
| Name of Issuer: Perk Labs Inc. | For Month End March 2022 | Date of Report: YYYYMMDD 2022/04/06 |
| Issuer Address: 555 Burrard Street, Two Bentall Centre, Suite 1755, Box 240 | | |
| City/Province/Postal Code: Vancouver, BC V7X 1M8 | Issuer Fax No.: N/A | Issuer Telephone No. 833.338.0299 |
| Contact Name: Jonathan Hoyles | Contact Position: Director & CEO | Contact Telephone No. 833.338.0299 |
| Contact Email Address: investors@perklabs.io | Web Site Address: www.perklabs.io | |