



PERK LABS INC.

Annual Information Form

For the year ended November 30, 2021

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PRELIMINARY NOTES

This annual information form (this “AIF”) has been prepared in compliance with Part 6 of National Instrument 51 – 102 *Continuous Disclosure Obligations* and is being filed on a voluntary basis in the form prescribed by Form 51-102F2.

In this AIF, unless otherwise specified or the context otherwise requires, reference to “we”, “us”, “our”, “its”, the “Company” or “Perk Labs” means Perk Labs Inc. and its subsidiaries.

In this AIF and documents incorporated by reference in this AIF, unless otherwise specified or the context otherwise requires, all references to “\$” and “dollars” are to Canadian dollars unless otherwise noted.

Unless otherwise stated, all information in this AIF is presented as of November 30, 2021.

Information Incorporated by Reference

This AIF should be read in conjunction with our audited consolidated financial statements and corresponding management’s discussion and analysis of financial condition and results of operations for the fiscal year ended November 30, 2021 and subsequent interim reports, and our material change reports to date, all of which are available under our profiles on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and are incorporated herein by reference.

Trademarks

“GLANCE PAY[®]” is a registered trademark in Canada.

PerkHero[™], the Perk Hero logo, rebcasts and certain other marks are our unregistered trademarks in Canada and the United States of America (“U.S.”).

Perk Labs[™] and the Perk Labs logo are our unregistered trademarks in Canada and the U.S.

This AIF contains additional trade names, trademarks and service marks of other companies, and such trade names, trademarks and service marks are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

The common law trademarks, service marks or trade names appearing in this AIF are the property of Perk Labs. Other trademarks, service marks or trade names appearing in this AIF are the property of their respective owners.

FORWARD LOOKING INFORMATION

This AIF and the documents incorporated by reference herein which are not current statements or historical facts constitute “forward-looking information” within the meaning of applicable Canadian securities laws (collectively, “forward-looking statements”).

All statements other than statements of historical facts contained in this AIF, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, timing and likelihood of success, plans and objectives of management for future operations, and future results of current and anticipated products are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

This AIF 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.

In some cases, you can identify forward-looking statements by terms such as “may”, “will”, “should”, “expect”, “plan”, “aim”, “anticipate”, “could”, “intend”, “target”, “project”, “contemplate”, “believe”, “estimate”, “predict”, “potential” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this AIF are only predictions, not guarantees or assurances. We have based the forward-looking statements largely on our current expectations, estimates, assumptions, and projections about future events and financial trends that we believe, as of the date of such

statements, may affect our business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond our control, include, but are not limited to: that our latest innovation will give our merchants access to advanced data analytics; that Perk Hero Platform (as defined below) merchants will be better positioned to benefit from a massive, new base of Alipay (as defined below) users who represent increased foot traffic, spending power and revenue; the Company's integration with BitPay providing an opportunity to market Perk Labs to the cryptocurrency community; that the Company will harmonize its QR codes to enable Alipay payment at Perk Hero Platform merchants; that we will continue to file additional patent applications and expectations regarding the acquisition of patents; expectations regarding the total revenue of the global mobile payments market; that our products will be suited for individuals, businesses and online merchants; that increasing usage of our app, combined with new features, will deliver a growing stream of monthly revenue from merchants through a tiered Software-as-a-Service ("SaaS") subscription model; the impact of the COVID-19 pandemic on the restaurant industry and restaurants that rely on revenue generated by in-restaurant dining, and the operations of the Company and the Company's customers; the reduction in revenue from in-restaurant dining transactions; the Company's investment in improvements to its offerings for mobile ordering and contact free payments; the expansion into new verticals as other types of business adopt contactless payments; the intention to increase investments in programs designed to drive more business to merchant partners; the belief that there is an opportunity for the Company to support small businesses with digital tools that will help business recover and prosper in a post-COVID-19 environment; the duration and severity of the economic impact of COVID-19 to users and merchant partners and the ultimate impact on the Company's operations and liquidity; the significant disruption of global financial markets by COVID-19; the change in consumer spending patterns over time in a post-COVID-19 environment; that the Company will improve its capacity for monetization; that the Company will become the dominant mobile-first digital loyalty platform in North America; that the Company's plan to expand across North America in a phased approach; the expected mobile payment volumes in the U.S.; the estimated size of the mobile order-ahead market; the potential to establish new verticals of revenue and increase customer retention with a singular payment platform; the effectiveness and efficiency of our advertising and promotional activities; volatility in the market price of our Shares; the continued popularity of current mobile payment models; our ability to retain and attract users of our services; our intention not to pay dividends or distributions; claims, lawsuits and other legal proceedings and challenges; competitive conditions and the impact of continued competition on the Company's position in the mobile payments industry; our prioritization of product innovation and user experience over short-term operating results; that the Company's acquisition of new technology will allow it to improve its offering to consumers and merchants; that the Company will grow its current distribution network; that the Company will continue to develop the Perk Hero Platform and introduce new features; that we will increase the number of merchants and users using the Perk Hero Platform; that the Company will use data, technology, and inbound selling to ramp up sales and revenue generation; the belief that our innovative all-in-one mobile ordering, contactless payments and loyalty rewards app enables us to operate more efficiently, with more competitive rates and higher customer satisfaction than our competitors; the belief that the gamification aspects of our product, the strong brand we are developing based on high quality content designed to resonate with our target market of Gen Z and Millennials, and that our talented and diverse team will provide us with significant competitive advantages over current and future competitors; that the Company will generate revenue from a combination of various fees; that the Company will employ growth strategies and tactics to increase merchant and user adoption, including in-app strategies, online and print advertising, events, guerilla marketing, and partnerships to access new distribution channels; that the Company will gain loyalty and support from merchants and users by meeting and exceeding their expectations through in-app experiences and customer service; the estimated market for customer loyalty; that the Company will move further into the customer loyalty market; the Company's strategic priorities for 2022; that the Company's marketing and branding efforts toward user adoption will be targeted at the Gen Z and Millennial demographics who are, and continue to be, the largest app adopters and consumer spending groups; our alertness to partnership, joint ventures, and acquisition opportunities; that the Company will expand beyond mobile payments to include customer loyalty, engagement, and personalized marketing; that the Company will build an exceptional and world-class brand with a focus on high quality content; that we will work to improve our relationship with our merchants and users; that the Company will acquire small and medium chain restaurants in need of a digital loyalty program as part of its expansion plans; that the Company plans to expand across Canada through franchising, the ability to offer franchisees SaaS revenue, and that Perk will be the first to offer a franchise system that leverages the power of blockchain technology; that the Company will provide consumers with a convenient and highly incentivized way to earn cryptorewards by making purchases through its platform; the prospects of new revenue opportunities such as licensing agreements; that it can provide a model to be replicated in other cities to expand the Company's business across North America; that the merchant referral program paired with Perk Hero's streamlined onboarding process, will enable the Company to add additional merchants to its platform more quickly; that the new web-based portal will be used to configure promotions and the way products and brands are displayed on the app; that the internal web-based tool will also form the foundation for a new web-based merchant tool that will provide third-party sellers and restaurants on Perk's platform with data analytics, catalogue management, and other promotional and sales features; that the Company's new web-based restaurant ordering tool is expected to be in high demand from restaurants; the Company's planned marketing and investor relations initiatives; the continued development of the Perk Hero product through a series of build-measure-learn iterations; the development of Perks as a blockchain-based digital loyalty reward currency; the continued use and popularity of blockchain technology over time; and that the Company's security and fraud protection systems are sufficient to prevent and protect against unauthorized access and disclosure.

The forward-looking statements are made only as of the date of this AIF and are subject to a number of risks, uncertainties and assumptions described in this AIF, and in particular under the section entitled “Risk Factors”. Factors that could cause our actual results to differ from the forward-looking statements include:

- plans regarding our revenue, expenses and operations;
- our anticipated cash needs, our need for additional financing and ability to raise additional funds;
- the Company’s ability to continue as a going concern;
- the duration and impact of COVID-19 on our business plans, objectives and expected operating results;
- our ability to protect, maintain and enforce intellectual property rights;
- plans for and timing of expansion of solutions and services;
- future growth plans and the ability to meet our business objectives;
- the acceptance by customers and the marketplace of new technologies and solutions;
- our ability to attract new customers and develop and maintain existing customers;
- our ability to attract and retain personnel;
- expectations with respect to advancement and adoption of new technologies;
- our competitive position and expectations regarding competition;
- anticipated trends and challenges in our business and the markets in which we operate;
- our ability to respond to technological developments;
- the possibility that we will be required to pay out a significant amount of chargebacks;
- our reliance on third party processors and service providers;
- the strengthening or weakening of the Canadian dollar versus foreign currencies;
- our reliance on banks and other payment processors;
- our ability to adapt our technology with an increase in customer traffic;
- the development and maintenance of the internet infrastructure;
- damage or failure of our information technology and communications systems;
- undetected errors or “bugs”;
- the adoption of laws or regulations affecting the use of the internet as a commercial medium;
- failure or perceived failure to comply with privacy laws;
- cybersecurity risk;
- intellectual property claims with or without merit;
- fraud;
- the effectiveness and efficiency of advertising and promotional activities;
- our ability to maintain and promote our brand;
- our ability to continue to provide useful, reliable and innovative services;
- change in the payment preferences and spending patterns of consumers;
- our ability to comply with existing or potential reporting and record-keeping obligations;
- the possibility that we will be required to pay taxes on transaction processing;
- the possibility of changes to payment card networks, or bank fees or practices;
- our ability to maintain our pricing model and operating budget;
- our ability to generate cash flow for our financial obligations;
- the possibility that we will be subject to liabilities for which we do not carry insurance;

- the possibility of conflicts of interests involving our directors or officers;
- the market price for Shares may be subject to wide fluctuations; and
- the speculative nature of investments in the Shares.

Because forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in a dynamic industry and economy. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties that we may face. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Industry Data

Unless otherwise indicated, information contained in this AIF concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from our own management estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. In addition, assumptions and estimates of our and our industry’s future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.” These and other factors could cause our future performance to differ materially from our assumptions and estimates. See “Forward Looking Information.”

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF. Terms and abbreviations used in our Financial Statements and also appearing in the documents attached as schedules to this AIF may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

2020 ATM Program	means the at-the-market equity program that the Company established in July 2020.
2021 ATM Program	means the at-the-market equity program that the Company established in February 2021.
2020 Private Placement	means the non-brokered private placement of the Company involving the issuance of 3,836,845 2020 Units completed on January 31, 2020.
2020 Units	means units of the Company issued in the 2020 Private Placement.
AIF	means this Annual Information Form.
AI	means artificial intelligence.
Alipay	means Alipay.com Co., Ltd.
Amended and Restated Fobisuite Agreement	means the amended and restated agreement between the Company and Fobisuite dated May 3, 2019.
AML	means anti-money laundering.
API	means application programming interface – a set of routines, protocols, and tools for building web-enabled and mobile-based apps.
app	means ‘application’ or a computer program designed to perform a specific function for the benefit of the user
Apple	means Apple Inc.

Apple Pay	means a mobile payment and digital wallet service by Apple that enables users to use an iPhone or Apple watch as a wallet at store checkouts.
Audit Committee	means a committee established by and among the Board for the purpose of overseeing our accounting and financial reporting processes and audits of our financial statements.
BCBCA	means the <i>Business Corporations Act</i> (British Columbia) including the regulations thereunder, as amended.
BCSC	means British Columbia Securities Commission.
Board	means our board of directors.
BitPay	means BitPay B.V., a Dutch private company that provides payment processing solutions for merchants who wish to accept cryptocurrencies for payment.
CEO	means Chief Executive Officer.
CFO	means Chief Financial Officer.
CSE	means Canadian Securities Exchange.
CTO	means Chief Technology Officer.
Company	means Perk Labs Inc. and its subsidiaries.
Converge	means Converge MobiSolutions Inc.
EAP Agreement	means the licensing agreement between the Company and Euro Asia Pay dated October 2017, as amended September 30, 2018.
Euro Asia Pay	means Euro Asia Pay Holdings Inc.
Financial Statements	means our audited consolidated financial statements for the financial year ended November 30, 2021, and subsequent interim financial statements.
Fobi Pay	means Fobi Pay Technologies Inc.
Fobisuite	means Fobisuite Technologies Inc.
Fobisuite Agreement	means the short form agreement between the Company and Fobisuite dated January 22, 2018.
Forward-looking Information	means, collectively, “forward-looking information” and Forward-looking Statements within the meaning of applicable Canadian securities laws.
Forward-looking Statements	means this AIF and the documents incorporated by reference herein which are not current statements or historical facts and, together, constitute “forward-looking information” within the meaning of applicable Canadian securities laws.
Glance Pay® App	means the Company’s former mobile payment app.
InComm Canada	means InComm Canada Prepaid, Inc.
InComm USA	means InComm Digital Solutions, LLC.
Kinect	means Kinect Technology Inc.
NCIB	means normal course issuer bid.

NI 52-110	means National Instrument 52-110 <i>Audit Committees</i> .
OTCQB	means the OTCQB stock market in the U.S.
PCI DSS	means Payment Card Industry Data Security Standard.
PCT	means international Patent Cooperation Treaty.
Perk Hero	means Perk Hero Software Inc.
Perk Hero Platform	the all-in-one omnichannel ordering, payment, and customer loyalty platform named Perk Hero that connects consumers with specialty sellers and popular digital gift cards.
Perk Hero USA	means Perk Hero USA, Inc.
Perk Labs	means Perk Labs Inc.
Perks Technologies	means Perks Technologies Inc.
PIPA	means the <i>Personal Information Protection Act</i> (British Columbia) including the regulations thereunder, as amended.
PIPEDA	means the <i>Personal Information Protections and Electronic Documents Act</i> (Canada) including the regulations thereunder, as amended.
Policy	means Advance Notice Policy.
POS	means the point of sale, which is the place, whether physical or virtual, where a retail transaction is completed.
RSUs	means restricted share units.
SaaS	means software-as-a-service.
Saturna	means Saturna Group Chartered Professional Accountants.
SEDAR	means the System for Electronic Document Analysis and Retrieval.
Share	means a common share of Perk Labs.
Transfer Agent	means Computershare Investor Services Inc.
U.S.	means United States of America.
“we”, “our”, “us” or the “Company”	means the consolidated entity of Perk Labs (formerly Glance Technologies Inc.) and our wholly-owned subsidiaries, Perk Hero (formerly Glance Pay Inc.), Perk Hero USA, Inc. (formerly Glance Pay USA, Inc.), and Perks Technologies Inc. (formerly Glance Coin Inc.), unless the context requires otherwise.
White Label Solution	means the ‘Perk Hero for Businesses’ white-label enterprise solution.

CORPORATE STRUCTURE

Name, Address and Incorporation

Perk Labs Inc. (“Perk Labs”) was incorporated under the BCBCA on October 24, 2014 with incorporation number BC1017257 as “Left Bank Capital Corp.”, and subsequently changed its name on October 22, 2015 to “Glance Technologies Inc.”, and to “Perk Labs Inc.” on February 18, 2020. Our head office and registered and records office is located at Suite 1755, 555 Burrard Street, Vancouver, BC Canada V7X 1M9. Perk Labs has two wholly-owned subsidiaries: Perk Hero Software Inc. (“Perk Hero”) and Perks Technologies Inc. (“Perks Technologies”), and one indirect wholly-owned subsidiary Perk Hero USA, Inc. Perk Labs also indirectly owns 49% of the voting securities of Converge MobiSolutions Inc. (“Converge”).

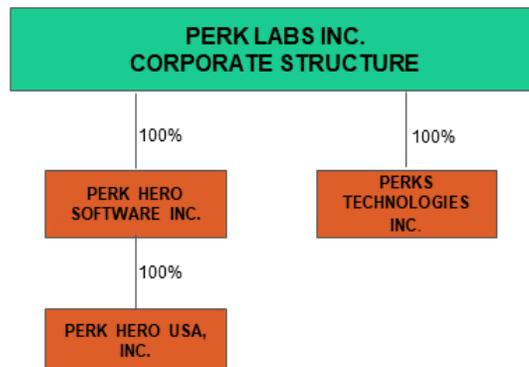
Intercorporate Relationships

Perk Hero was incorporated under the BCBCA on November 12, 2014 under incorporation number BC1018839 as “Clover Acquisitions Inc.”, and subsequently changed its name on February 20, 2015 to “Glance Mobile Inc.”, on May 5, 2016 to “Glance Pay Inc.”, and on February 18, 2020 to “Perk Hero Software Inc.”. Perk Hero’s head office and registered and records office is located at Suite 1755, 555 Burrard Street, Vancouver, BC Canada V7X 1M9. Perk Hero has one wholly-owned subsidiary, Perk Hero USA, Inc.

Perk Hero USA, Inc. was incorporated under Chapter 78 of the *Nevada Revised Statutes* of the U.S. state of Nevada on October 14, 2016 under the name “Glance Pay USA, Inc.”, and subsequently changed its name to “Perk Hero USA, Inc.” on January 25, 2021. Its registered office is located at 112 North Curry Street, Carson City, NV 89703.

Perks Technologies was incorporated under the BCBCA on December 27, 2017 under incorporation number BC1146933 as “1146933 B.C. LTD”, and subsequently changed its name to “Glance Blockchain Token Inc.” on December 28, 2017, to “Glance Coin Inc.” on January 9, 2018 and to Perks Technologies Inc. on December 6, 2021. Perks Technologies’ head office and registered and records office is located at Suite 1755, 555 Burrard Street, Vancouver, BC Canada V7X 1M9.

Separate financial statements for each partially held subsidiary are maintained in accordance with International Accounting Standard 28.



GENERAL DEVELOPMENT OF THE BUSINESS

Perk Labs owns and operates Perk Hero, which offers digital franchises for people that are looking to own their own software-as-a-service business. The software connects consumers with restaurants, specialty sellers and popular digital gift cards through a convenient all-in-one omnichannel ordering, payment, and customer loyalty platform (“Perk Hero Platform”). The Perk Hero Platform’s fast, frictionless ordering, payments and rewards experience cultivates customer loyalty by offering rewards, engaging experiences and other incentives. Users can easily order from table and pay their restaurant bills using their mobile phone, with no need to handle money, payment cards or payment terminals. Customers can also buy and sell products or services to and from each other via the Perk Hero online marketplace. Perk Hero allows customers to earn “Perk Points” every time they pay, and to earn experience points to level up and increase their reward earning power. At the same time, merchants get access to tools to drive customer loyalty and increase revenue.

Perk Hero is an everyday app that offers food ordering, mobile payments and shopping. The Company is focused on creating a seamless experience and unlocking value for its customers by offering complementary services on a single platform with digital loyalty rewards at its core.

The Perk Hero platform, currently available in Canada and the US, was engineered for reliability and scale using enterprise-level technology fit for businesses of all sizes. The platform is built on a new and advanced technology stack using offerings from leading companies like Amazon, Microsoft and Stripe. While it includes some of the best features of the Company’s previous app, Glance Pay® (the “Glance Pay App”), such as the ability to make quick secure payments by QR Code or paying by photo, it also includes many newer advanced features such as:

- Apple Pay integration;
- Google Pay integration;
- Alipay integration;
- BitPay integration;
- Shopify integration;
- Dropshipping to US and Canada;
- Order from table and mobile pre-order
- Contactless payments
- Powerful, gamified loyalty reward platform allowing users to earn virtual currency as rewards;
- Perk Points digital currency
- PERKS crypto rewards
- All-in-one user and merchant application;
- Merchant analytics and dashboard; and
- Artificial intelligence (“AI”) powered receipt recognition.

The Company generates revenues from franchising fees paid to the company and through software as a service licensing revenue from merchants, which is split according to the franchise revenue sharing agreement. The Company also earns revenue when users place an order or make a payment on the Perk Hero Platform. Merchant partners pay a commission, typically a percentage of the transaction, on orders and payments that are processed through the Perk Hero Platform. For most orders, users use a credit card to pay the Company for their items when the order is placed. For these transactions, the Company collects the total amount of the user’s order net of payment processing fees from the payment processor and remits the net proceeds to the merchant less commission and other fees.

The Perk Hero Platform was officially launched on April 2, 2020. In order to save server-hosting and maintenance costs, the Company shut down the Glance Pay® App on April 14, 2020.

Three Year Business Development History

In November 2018, the Company launched the Glance Pay® App to provide merchants with a suite of payment options.

During 2018, the Company built system integrations to point of sale (“POS”) systems to enable new product features. POS integrations allowed the Glance Pay® App to send and retrieve information directly to the POS, removing manual steps and enabling the Company’s technology to automatically perform such tasks as auto-closing bills, pulling bills electronically, and auto-inserting orders.

On December 20, 2018, the Company announced it had filed a provisional patent application for Blockchain technology with the U.S. Patent and Trademark Office, directed at methods, systems and techniques for cryptographic token transfers. This patent application is for a foundational technology to lower costs and improve the speed and efficiency of cryptocurrency transactions, even where the value of the transaction may be relatively small, as well as to facilitate converting between

cryptocurrencies whose transactions are recorded on different blockchains. It also facilitates storing information of different sensitivity levels on differently permissioned blockchains, which can be useful when privacy is important.

In 2019, the Company developed the Real-Time Bill™ feature. Real-Time Bill™ allowed users to pay for their meals using the Glance Pay® App on their phone, by scanning a QR code or tapping via NFC chip, eliminating wait times, paper bills and payment machines.

In the second half of 2019, the Company announced several management changes and recruited new talent to the organization, to better align key talent against our most important initiatives:

- Mr. Gary Zhang joined the Company as the Chief Technology Officer, following the departure of Ms. Angela Griffin.
- Mr. Jonathan Hoyles was appointed by the Board as the interim Chief Executive Officer (“CEO”) and a director, succeeding Desmond Griffin who stepped down from these roles. Mr. Hoyles previously held the role of Chief Commercial Officer and General Counsel at the Company. In December 2019, the Company’s Board named Mr. Hoyles as CEO.
- Mr. Issa Nakhleh joined the Company as the Chief Financial Officer (“CFO”), replacing Ms. Laura Burke. Subsequent to his joining the company, Mr. Nakhleh left to pursue other opportunities.
- Ms. Tracey St. Denis joined the Company as the new CFO beginning October 1, 2019.

In July 2019, the Company welcomed Mr. Neil Crist to its Board of Advisors, to assist the Company with planning our strategy of expansion into the U.S.

In August 2019, the Company entered into an agreement with EasyPark to provide the Glance Pay® App as a mobile payment option for parking violation ticket payments.

In September 2019, the Company moved to a new, much smaller office at 555 Burrard Street in Vancouver BC, achieving a sizeable reduction in our monthly costs.

On December 10, 2019, the Company announced that, subject to ratification by disinterested shareholders at the Company’s next Annual General Meeting, it adopted a restricted share unit award plan (the “RSU Plan”), to incentivize employees and foster an ownership mentality while conserving cash. Directors and senior executives also agreed to accept a portion of their compensation in restricted share units (“RSUs”) and Shares. The RSU Plan was approved by shareholders on June 10, 2020.

On January 31, 2020, the Company closed a non-brokered private placement by issuing 3,836,845 units (“2020 Units”) at a price of CAD \$0.046 per 2020 Unit, for aggregate gross proceeds of CAD \$176,495 (the “2020 Private Placement”). Each 2020 Unit consists of one Share and one Share purchase warrant, with each warrant exercisable into one Share at a price of CAD \$0.08 per Share for 24 months from the issuance date of the 2020 Units.

In February 2020, Perk Labs changed its name from “Glance Technologies Inc.” to “Perk Labs Inc.”. Perk Hero, the Company’s operating subsidiary, changed its name from “Glance Pay Inc.” to “Perk Hero Software Inc.”. The Company also changed its stock symbol on the CSE from “GET” to “PERK”, and the symbol on the OTCQB changed from “GLNNF” to “PKLBF”. On April 29, 2020, our ticker symbol on the Frankfurt Stock Exchange changed from “GJT” to “PKLB”.

Also in February 2020, Paola Ashton transitioned from the role of Vice President Business and Client Development to a new role as an advisor to the Company.

In March 2020, the Company entered into an agreement with Alipay.com Co., Ltd. (“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. The Company will be harmonizing its QR codes to enable Alipay payment at Perk Hero Platform merchants. This development adds value to the Perk Hero Platform merchants, who will be better positioned to benefit from a large, new base of Alipay users who represent increased foot traffic, spending power and revenue.

In March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a global pandemic, which led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company’s merchants, user network and operations. The Company altered its operations and business plans in response to the COVID-19 outbreak. Company staff began telecommuting and participating in Web-based meetings. In response to the decrease in in-restaurant dining transactions, the Company invested in improvements to its offerings for mobile ordering and contact free payments and offered special reduced rates to support the restaurant and service industry and small businesses.

On April 2, 2020, the Company launched the Perk Hero Platform, featuring new capabilities: contactless payment using Apple Pay, Google Pay and Alipay, a gamified loyalty program; digital gift cards; payment for parking and parking tickets; eCommerce dropshipping capabilities; preorder and pick-up; and pay at the table with QR code. On April 14, 2020, the Company shut down the Glance Pay® App.

On April 23, 2020, the Company announced a delivery feature to empower merchants to offer their own delivery option. The feature provides restaurants with the ability to offer their own delivery in their desired surrounding area while rewarding their customers for their patronage and engagement.

On May 7, 2020, the Company announced that it entered into new verticals and unveiled the design of its new contact-free payment method for safe-distance payments.

In June 2020, the Company filed a Preliminary Short Form Base Shelf Prospectus in each of the provinces of Canada, and received receipt from the British Columbia Securities Commission (the “BCSC”), acknowledging the filing and receipt in each of the other provinces. The documents can be viewed at www.sedar.com.

On July 17, 2020, the Company filed a Short Form Base Shelf Prospectus with the BCSC and using Multilateral Instrument 11-102 Passport System, filed the Prospectus in all the provinces and territories of Canada. On July 29, 2020, the Company announced an at-the-market equity program (the “2020 ATM Program”) that allows the Company to issue and sell up to \$2,000,000 of Shares of the Company from treasury to the public, from time to time, at its discretion. All Shares sold under the 2020 ATM Program were sold through the CSE, at the prevailing market price at the time of sale. Distributions of the Shares under the 2020 ATM Program were made pursuant to the terms of an equity distribution agreement dated July 28, 2020 entered into between the Company and Echelon Wealth Partners Inc.

Also in July 2020, the Company announced the appointment of Mr. Norman Tan, CFA, to the Company as its full time CFO effective July 30, 2020. Mr. Tan replaced Ms. Tracey St. Denis, who worked part-time in that role. Mr. Tan was previously the Company’s Vice President of Finance.

In August 2020, Perk announced new m-commerce features on the Perk Hero platform with the addition of support for dropshipping merchants. Perk Hero’s mobile commerce capabilities, also known as mobile eCommerce or simply m-commerce, enables businesses to use the Perk Hero platform to create and manage their mobile storefront and sell their products to consumers purchasing via a mobile device.

In September 2020, Perk entered into an agreement with EasyPark to provide their customers with the convenience of paying for parking via the Perk Hero Platform, at several of EasyPark’s busy parking locations in downtown Vancouver. The Perk Hero Platform offers customers a seamless and effective option to pay for parking in a safe and convenient way, while also earning loyalty rewards.

In October 2020, Mr. Daniel Zou was appointed as the Company’s Chief Operating Officer. Mr. Zou was previously acting as an advisor to the Company and formerly was the Head of Business Development for Alipay Canada.

On October 29, 2020, the Company announced that it had signed an agreement with InComm Canada, a leading payments technology company, to distribute digital gift cards in Canada.

In November 2020, the Company announced that it was shifting its focus from the food and beverage vertical to: (1) mobile commerce and dropshipping; (2) merchant solutions; and (3) digital gift cards.

The directors of the Company adopted amendments to the Company’s stock option plan and RSU Plan related to the minimum exercise price and the total number of shares reserved for issuance under the plans. The proposed amendments were ratified by disinterested shareholders at the Company’s 2021 Annual General Meeting.

Also in November, the Company engaged CHF Capital Markets, a highly-regarded Canadian investor relations and capital markets firm, to handle Perk’s corporate communications, shareholder relations, investment industry outreach, and social and digital marketing.

As a result of significant streamlining efforts and increased efficiencies, the Company reduced its cash used from operations. For the year ended November 2020, the Company used \$2.2 million of cash for operations compared to \$4.8 million in the prior year. Despite the lower expenditures, the Company was able to efficiently use its resources to drive research and development on the Perk Hero Platform which provides the foundation for future growth.

On January 28, 2021, the Company announced that it had built a custom app integration that connects to Shopify eCommerce sites. This integration enables Shopify merchants to quickly and easily onboard with the Perk Hero Platform through a seamless auto syncing of catalogue information such as title, inventory, pricing and order details.

On February 2, 2021, the Company announced that the Perk Hero Platform is available for customers to use in the U.S. New features in the Perk Hero Platform supporting the U.S. expansion include auto-detection of the user's country on sign-up, allowing users to select country-specific marketplace, multi-currency and U.S. shipping.

The Company completed the 2020 ATM Program on February 10, 2021. Pursuant to the 2020 ATM Program, 25,086,000 Shares were issued for aggregate gross proceeds of approximately \$2,000,000. The Company used the net proceeds from the 2020 ATM Program for investment in sales and marketing initiatives to attract and sign up restaurants to the Perk Hero Platform. In addition to sales and marketing initiatives, the Company also invested in the Perk Hero Platform through a series of build-measure-learn iterations to move beyond the restaurant vertical. This diversification included the addition of digital gift cards in Canada, eCommerce functionality and multicurrency functionality. The remainder of funds were used for general working capital purposes.

On February 17, 2021, Perk announced that it established a new at-the-market equity program (the "2021 ATM Program"), that allows the Company to periodically issue and sell up to \$4,000,000 worth of Shares in the capital of the Company from treasury to the public, at the Company's discretion. All Shares sold under the 2021 ATM Program are sold through the CSE at the prevailing market price at the time of sale. Distributions of the Shares under the 2021 ATM Program are made pursuant to the terms of an equity distribution agreement dated February 17, 2021 entered into between the Company and Echelon Wealth Partners Inc.

On February 25, 2021, Euro Asia Pay Holdings Inc. ("Euro Asia Pay") completed its initial public offering of shares at a price to the public of \$0.25 per share. Perk Labs owned 8,500,000 shares in Euro Asia Pay which it received as part of a licensing agreement dated October 14, 2017, as amended on September 30, 2018 (the "EAP Agreement"). The Euro Asia Pay shares owned by Perk Labs are subject to both a pooling and an escrow agreement pursuant to which 425,000 shares were released on the date of the initial public offering, 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. For the period ended November 30, 2021, the Company sold 157,000 (2020 - Nil) shares of EAP for proceeds of \$37,935 (2020 - \$Nil) resulting in a realized gain of \$26,945 (2020 - \$Nil).

In March 2021, the Company launched a new web app located at perkhero.com (for the U.S. market) and perkhero.ca (for the Canadian market) to enable users to make purchases and receive rewards using their desktop or mobile web browser. This new web app syncs directly with the Perk Hero database and allows for a true omnichannel experience. Furthermore, it allows the Company to build a large web presence that will help with search engine optimization and marketing campaigns.

Also in March 2021, the Company signed an agreement with InComm Payments, a leading payments technology company, to distribute digital gift cards in the U.S.

In April 2021, Mr. Hoyles presented at the Planet MicroCap Showcase, highlighting the Company's accomplishments and plans, and meeting with investors.

In May 2021, the Company launched its digital gift card offering in the United States. The digital gift cards are available on both www.perkhero.com and on the Perk Hero mobile app.

Also in May 2021, the Company announced a comprehensive technology upgrade, including a new merchant payout system, universal shopping cart, multi-level currency support, and single sign-on. These architectural changes support the scalability and fast, frictionless experience of Perk Hero.

Perk also announced that Michelle Berg joined the Company as its Director of Marketing and Daniel Zou transitioned from the role of COO to an advisor to the Company

In June 2021, the Company partnered with BitPay, the world's largest provider of Bitcoin and cryptocurrency payment service, to accept cryptocurrency as a form of payment. As a result of this partnership, Perk Hero will accept a number of cryptocurrency payments including Bitcoin, Bitcoin Cash, Ethereum, and Dogecoin. The integration with BitPay compliments Perk Hero's digital loyalty currency and provides an opportunity to market Perk to the cryptocurrency community.

Also in June, the Company launched a reseller program for its restaurant payment solution, and Century Restaurant Group signed an agreement to be its first reseller partner.

In August 2021, the Company announced that it had engaged the Jonah Group to advise on the development of Perk Coin as a cryptocurrency. Building upon Perk Labs' previous research and development, the initial scope of the engagement will entail conducting a business and technical analysis and setting out the requirements to establish Perk Coin on modern blockchain technologies focused on security, speed and environmental impact.

In October 2021, the Company announced plans to expand across Canada through franchising. Perk Hero offers a unique opportunity for franchise partners to own a leading-edge technology business and offer local businesses access to a powerful mobile payment and digital loyalty platform. To our knowledge, we are the first franchise system that enables franchisees to leverage the power of blockchain technology.

Also in October, the Company announced its plans to build its crypto loyalty reward with Solana, the fastest-growing ecosystem in crypto technology. Solana is a decentralized blockchain built to enable scalable, user-friendly apps.

In November 2021, the Company announced the issuance of a new U.S. patent that protects the Company's rights to one of its inventions for enabling the payments of invoices and bills using a mobile device. This new patent issuance enhances our intellectual property and symbolizes the underlying capabilities of Perk as an innovative technology disruptor. This also strengthens our licensing programs as we can now license patent-protected technology to potential licensees and franchisees. Perk also has several other patent applications pending.

Subsequent to the year-ended November 30, 2021

In January 2022, the Company announced the appointment of Justin Strange as its new Vice President of Franchise Sales and Operations and Jules Gagnon as its new Director of Investor Relations and Community.

In February 2022, the Company announced the launch of its cryptocurrency rewards under the symbol "PERKS". PERKS crypto rewards are designed to bring cryptocurrency to mainstream consumers by rewarding them for purchases made online, in restaurants, and other brick & mortar establishments.

Future Objectives

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 merchants 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

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.

Acquisitions/Licenses Granted

Agreement with Fobisuite Technologies Inc. ("Fobisuite")

On January 22, 2018, the Company announced a short form agreement with Fobisuite (the "Fobisuite Agreement") which included the grant of a license from the Company and Fobisuite to a newly-created company Fobi Pay. The Fobisuite Agreement was amended and restated on May 3, 2019 to substitute a new entity, Converge, for Fobi Pay (the "Amended and Restated Fobisuite Agreement").

Pursuant to the Amended and Restated Fobisuite Agreement, Fobisuite has granted the Company a non-exclusive license to use Fobisuite's technology which allows for the digitization of receipts for data collection and the ability to customize and append receipts with advertisements, deals and coupons for merchants in the hospitality industry. This technology platform will allow us to bypass traditional integrations with POS systems to access order payment information, improving our offering to both consumers and merchants in situations where integrations may not be feasible.

The following are the material terms of the Amended and Restated Fobisuite Agreement:

- Fobisuite granted the Company a non-exclusive license to certain technology for an initial term of ten years with perpetual subsequent one-year renewal terms.
- \$250,000 in cash and 250,000 Shares were released from escrow by the Company to Fobisuite on closing of the transaction in May 2019. \$750,000 had previously been paid by the Company to Fobisuite upon the signing of the Fobisuite Agreement.

Pursuant to the Amended and Restated Fobisuite Agreement, the Company, through Perk Hero, entered into a separate license and distribution agreement with Converge pursuant to which Converge has the right to sell Glance Pay® App technology. Converge has also entered into a separate license and distribution agreement pursuant to which Kinect Technologies Inc. ("Kinect"), a company independent of Fobisuite and Fobi Pay, granted Converge the right to sell certain technology that has been licensed to Kinect, in exchange for shares of Converge. The Company, through Perk Hero, indirectly owns 49% of the common shares of Converge and Kinect owns the remaining 51% of Converge. The agreements between the Company, Converge and Kinect were terminated in July 2021.

The Company entered into a marketing and business development agreement with Rob Anson, CEO of Fobisuite to grow the Company's current distribution network by making introductions to Fobisuite's current technology partners. The Company also entered into an advisory agreement with Reo Kobayashi, CEO of Kinect. The agreement with Mr. Kobayashi was terminated in July 2021.

License Agreement - Euro Asia Pay

On October 14, 2017, Perk Hero signed the EAP Agreement with Euro Asia Pay. Pursuant to the EAP Agreement, Perk Hero granted Euro Asia Pay a worldwide, non-exclusive license to use Perk Hero's intellectual property in North America to make, market and sell a mobile payment application intended for new residents to North America or tourists visiting North America from Asia or Europe.

In October 2017, the Company, through Perk Hero, received \$250,000 upon signing the EAP Agreement. November 2017, pursuant to the EAP Agreement, Euro Asia Pay issued 8,500,000 common shares at a fair market value of \$595,000 to the Company, in satisfaction of Euro Asia Pay's obligation to pay for an element of licensing, design of the app, and marketing. On September 30, 2018, the EAP Agreement was amended to reflect that that, among other things, Perk Hero had delivered and Euro Asia Pay had received certain in-kind services from Perk Hero in full consideration for shares issued to Perk Hero and that no further services shall be required to be performed by Perk Hero.

During the year ended November 30, 2020, the Company recorded an impairment loss of \$Nil (November 30, 2019 - \$493,000) on the shares of Euro Asia Pay.

On February 25, 2021, Euro Asia Pay completed its initial public offering of shares at a price to the public of \$0.25 per share. Perk Labs owned 8,500,000 shares in Euro Asia Pay which it received as part of a licensing agreement dated October 14, 2017, as amended on September 30, 2018. The Euro Asia Pay shares owned by Perk Labs are subject to both a pooling and an escrow agreement pursuant to which 425,000 shares were released on the date of the initial public offering, 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. For the period ended November 30, 2021, the Company sold 157,000 (2020 - Nil) shares of EAP for proceeds of \$37,935 (2020 - \$Nil) resulting in a realized gain of \$26,945 (2020 - \$Nil).

DESCRIPTION OF BUSINESS

General

The Company, through its wholly-owned subsidiary Perk Hero, owns and operates the Perk Hero Platform (as defined below), which offers digital franchises for people that are looking to own their own software-as-a-service business. The software connects consumers with restaurants, specialty sellers and popular digital gift cards through a convenient all-in-

one omnichannel ordering, payment, and customer loyalty platform (“Perk Hero Platform”). The Perk Hero Platform’s fast, frictionless ordering, payments and rewards experience cultivates customer loyalty by offering rewards, engaging experiences and other incentives. Users can easily order from table and pay their restaurant bills using their mobile phone, with no need to handle money, payment cards or payment terminals. Customers can also buy and sell products or services to and from each other via the Perk Hero online marketplace. The Perk Hero Platform allows customers to earn “Perk Points” every time they pay, and to earn experience points to level up and increase their reward earning power. At the same time, merchants get access to tools to drive customer loyalty and increase revenue.

Perk Hero is an everyday app that offers food ordering, mobile payments and shopping. The Company is focused on creating a seamless experience and unlocking value for its customers by offering complementary services on a single platform with digital loyalty rewards at its core.

The Company’s principal business is to operate the Perk Hero Platform. The Company launched its Glance Pay application during August 2016 and officially launched the Perk Hero Platform on April 2, 2020. The Perk Hero Platform features Shopify integration, contactless payments using Apple Pay, Google Pay, BitPay, and Alipay, its own crypto rewards called PERKS, a gamified loyalty program, pre-order and pick up, and in-store payments with a QR code. Perk Labs is a digital company helping businesses transition to the digital economy, and the Company is growing through a unique community-driven digital franchise business that is available to entrepreneurs at an attractive start-up price.

Our mission is to make shopping and dining experiences more engaging, convenient and rewarding. Our vision is to be the dominant web3 native digital loyalty platform in North America.

Our Products and Services

Digital Franchising

The Company offers digital franchises for people that are looking to own their own software-as-a-service business. Through Perk Hero, franchisees can offer restaurants and other small business with a bricks-and-mortar location, a solution that provides the convenience of mobile ordering and payment combined with a powerful digital loyalty program that empowers them to create, market, and measure real-time mobile offers and rewards to loyal customers. Each local business pays a modest monthly fee for access to tools such as order by QR, QR code payment, multiple payment methods, push notifications, digital loyalty, and the ability to reach new customers through the Perk Hero App and online marketplace.

Perk Hero Platform

The Company’s Perk Hero platform enables merchants to provide their customers with pre-order, order-from-table, and pick-up capabilities, quick secure contactless payments, digital rewards, and a better, more engaging and convenient customer experience. The software connects consumers with restaurants, specialty sellers and popular digital gift cards through a convenient all-in-one omnichannel ordering, payment, and customer loyalty platform.

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 accept orders, provide digital rewards and payments to their customers while allowing their staff to focus on the customer experience.

Platform Features and Functionality

The Perk Hero Platform is built on a new and advanced technology stack using both the Amazon Web Service (AWS) and the Azure non-relational database and React Native mobile application framework, and includes features such as:

- Apple Pay integration;
- Google Pay integration;
- Mobile pre-order;
- Powerful, gamified loyalty reward platform allowing users to earn virtual currency as rewards;
- PERKS crypto rewards;
- All-in-one user and merchant application;
- Merchant analytics and dashboard;
- Artificial intelligence-powered receipt recognition;

- Order from Table feature; and
- Custom app integration that connects with the Shopify eCommerce platform.

The Company relies on third-party off-the shelf technology as well as internally developed and proprietary products and systems to ensure rapid, high-quality customer care, software development, website integration, updates and maintenance.

Perk Hero Security

We have engineered the Perk Hero Platform with security in mind at all times. The Perk Hero Platform includes a variety of encryption, antivirus, multi-factor authentication, firewall and patch-management, technology to protect and maintain systems and computer hardware across the business. We built the Perk Hero Platform in accordance with best practices of the Payment Card Industry Data Security Standard (“PCI DSS”) which was developed by the Payment Card Industry to enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally. In addition to PCI DSS, we and our customers are subject to regulations related to privacy, data use and security in the jurisdictions in which we do business. For example, in Canada, we are subject to the *Personal Information Protections and Electronic Documents Act* (Canada) (“PIPEDA”) and the *Personal Information Protection Act* (British Columbia) (“PIPA”). For more detail on PIPEDA and PIPA and our regulatory requirements, please see “*Government Regulation*”. We have taken steps to comply with PIPEDA and PIPA, including appointing a privacy officer and establishing privacy complaint procedures.

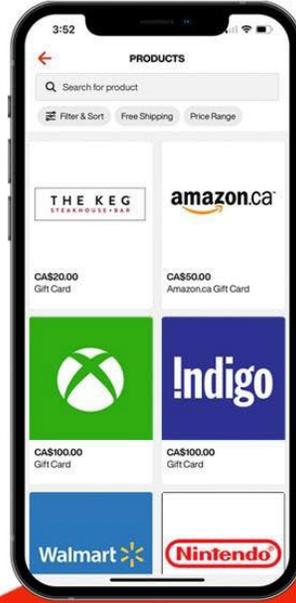
The Perk Hero Platform icon is as follows:



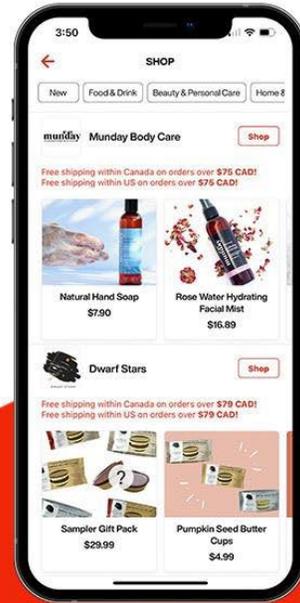
Examples of current screens and features of the Perk Hero Platform are as follows:



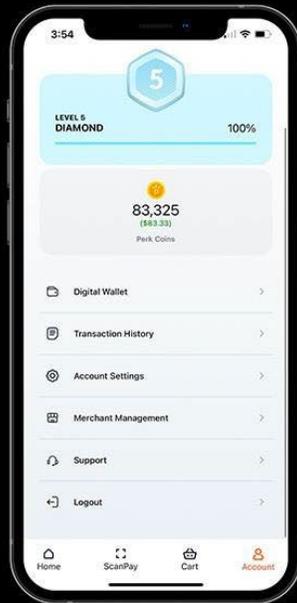
Dine. Shop. Rewards



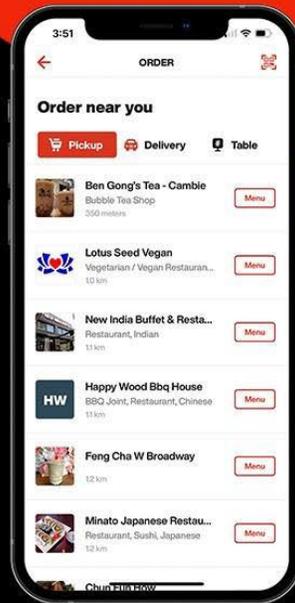
Buy Digital Gift Cards from Top Brands



Discover Unique Brands



Level Up on Cashback Rewards



Digital Dining

Benefit to Users

The Perk Hero Platform makes users' shopping and dining experiences more engaging, convenient and rewarding. Every time a user pays with the Perk Hero Platform, they earn "cash back" in the form of points towards "leveling up" to increase their reward earning power. The Perk Hero Platform uses game design elements to engage customers, build loyalty and incentivize them to pre-order from home, make quick and secure contactless mobile payments in-store, and earn instant rewards. The Perk Hero Platform points earned by users can be redeemed at any Perk Hero Platform location at the sole discretion of the user.

Another benefit of using the Perk Hero Platform is that users can pay from a safe physical distance when making in-store purchases – this is of particular importance given the current COVID-19 pandemic. Further, the Perk Hero Platform also automatically calculates the gratuity applicable to a user's purchase and keeps a digital online record of the user's receipts to facilitate expense tracking.

Benefit to Merchants

The Perk Hero Platform provides merchants with the tools to bring in additional revenue and increase operational efficiency. Available for quick download in android and "iOS", an operating system used for mobile devices manufactured by Apple, merchants can quickly and easily onboard within the Perk Hero Platform and gain access to a streamlined merchant dashboard, and create new customer communications, menus and customer incentives.

Sales, Distribution and Pricing

Revenue Model

In the financial year ended November 30, 2021, the Company had revenue of \$28,947 which was comprised of \$7,500 in licensing fees, \$6,045 in transaction fees and \$15,402 from the sale of products. For the financial year ended November 30, 2020, the Company had revenue of \$63,896 which was comprised of \$11,481 in transaction fees and \$52,416 from the sale of products. The Company plans to generate revenue through the Perk Hero Platform from a combination of ordering fees, transaction fees, advertising fees, SaaS fees, franchise fees and fees for premium features.

We are committed to improving the user experience through continuous creative innovation and new product development. Over time, we expect that increasing usage of the Perk Hero Platform, combined with new features, will deliver a growing stream of monthly revenue from merchants through a tiered SaaS subscription model. This will be in addition to our ability to generate new revenue from franchising, transactions, advertising, promotions, and merchant and consumer fees for premium features.

Technology and Development

We believe that the key to our success is our relationship with our merchants and users and we are constantly working to improve those relationships. Based on feedback from our merchants and users, we are continuously innovating and updating our products to improve our customer experience. We encourage all of our employees to regularly shop from our merchants and communicate to the rest of our organization how our business is working. We have assembled a team of software engineers and designers who have made investments in the development of the Perk Hero Platform, and we intend to utilize their expertise to continue developing and upgrading the Perk Hero Platform. The Company relies on third-party off-the-shelf technology as well as internally developed and proprietary products and systems to ensure rapid, high-quality customer care, software development, website integration, updates and maintenance.

Specialized Skill and Knowledge

The nature of our business requires specialized knowledge and technical skill around app security, payment processors, the mobile space, app volume capabilities, marketing, design and content creation, and programming. Our research and development team, led by our CTO, Gary Zhang, has expertise in the areas of app security, payment processors, the mobile space, blockchain, app volume capabilities and programming.

The Market for Restaurant Technology

According to the report "Global Restaurant Management Software Market 2021-2025" by TechNavio, restaurant management software market and it is poised to grow by \$2.95 billion during 2021-2025, progressing at a CAGR of 14.04% during the forecast period.

The Market for eCommerce

Consumers spent \$861.12 billion online with U.S. retailers in 2020, up 44.0% from \$598.02 billion in 2019, according to the latest Digital Commerce 360 analysis. Online spending represented 21.3% of total retail sales last year, compared with 15.8% the year prior.

Changing consumer spending habits as a result of the coronavirus pandemic contributed to the spike in eCommerce sales last year, as statewide lockdowns and fear of contracting the virus kept consumers out of physical stores. According to Digital Commerce 360 estimates, COVID-19-related boosts in online shopping resulted in an additional \$174.87 billion in eCommerce revenue in 2020. If it were not for the bump in online sales from the pandemic, the \$861.12 billion in eCommerce sales would not have occurred until 2022.

According to a report from eMarketer, it is estimated that worldwide eCommerce sales will reach \$5 trillion by 2022, and \$6 trillion will be reached by 2024.

The Market for Digital Gift Cards

According to the report published by Allied Market Research, the global gift cards market generated \$619.25 billion in 2019, and is estimated to reach \$1,922.87 billion by 2027, representing a CAGR of 15.4% from 2020 to 2027.

The Market for Mobile and Contactless Payments

The global mobile payment market was worth US\$881 billion in 2018. Allied Market Research projects the mobile payment market to reach \$4,574 billion by 2023, growing at a CAGR of 33.8% from 2017 to 2023.

Nearly 35 percent of Canadians have used their mobile device for contactless payments on a regular basis in 2018. A total of 4.1 billion contactless transactions worth \$129.9 billion were made, an increase of almost 30 percent in 2018 compared to 2017, in terms of both volume and value.

The Market for Customer Loyalty

As reported by LoyaltyOne, loyalty is no longer just frequent flyer programs and hotel rewards programs. Amazon Prime, Costco memberships and other programs have extended customers' willingness to loyally attach themselves to certain brands. Many companies today are rushing to adapt their business models for the digital world, driven by eCommerce, app adoption, Facebook, Amazon and Alibaba. The market size of the loyalty customer ecosystem was estimated by Loyalty One to be as follows:

- \$75B – Loyalty management – all tools that retailers use to create customer loyalty, including rewarding customers with discounts, merchandise or points that can be exchanged for rewards.
- \$46B – Tech and transaction enablers – the ecosystem requires tech developments like POS and payment, and eCommerce in order to enable a seamless, end-to-end, unified shopping experience.
- \$51B – CRM – strategies and execution across multiple channels to identify, activate and grow customers at-scale.
- \$151B – Customer engagement – ad-tech and large social media platforms like Facebook and Google that attract impressions and generate awareness.

Marketing and Sales Plan

Maintaining and promoting awareness of our marketplaces and services is important to our ability to attract and retain franchisees, restaurants, third-party sellers, and consumers.

Our marketing efforts currently include search engine optimization, search engine marketing, as well as social media, mobile push notifications, and email marketing. We also engage with key opinion leaders and influencers as part of our marketing efforts.

We plan to continue to attract and sign up new franchisees, restaurants and third-party sellers to the Perk Hero Platform through a combination of outbound efforts by our sales team using data, technology and inbound sales.

Our sales team is compensated through a combination of salary and commission for each new merchant that signs up and launches the Perk Hero Platform at their respective locations.

The Company's sales team adds new merchant partners to the network by emphasizing the Perk Hero Platform's low risk, high return proposition: providing more orders and attracting new customers, and at a favourable price point compared to the competition. In addition, we differentiate ourselves by offering transparent pricing, no long-term contracts, ease of implementation, superior customer service and our ability to innovate and expand access to traditionally unserved or underserved merchants.

To increase merchant and user adoption, we will be employing the following growth strategies and tactics:

In-App:

- Referral incentives
- Promotions
- Fine-tune our product and develop new features to enhance user acquisition

Online advertising:

- Social media influencers
- Video (TikTok, YouTube)
- Geo-targeted ads
- Search engine optimization
- Online articles
- Blogs
- Content marketing

Print advertising:

- Posters
- Sales materials

Traditional advertising:

- Radio ads

Events/Guerilla Marketing:

- Media coverage
- Contests

Customer Experience:

- By meeting and exceeding the expectations of both merchants and users through in-app experiences and customer service, the Company seeks to gain their loyalty and support for the Platform.

Competition

We compete in markets characterized by vigorous competition, changing technology, changing customer needs, evolving industry standards, and frequent introductions of new products and services. We expect competition to intensify in the future as existing and new competitors introduce new services or enhance existing services.

The restaurant industry is highly competitive and price sensitive. There are several competitors that are larger and better funded than Perk Labs. These businesses include Sunday, Ritual, Square and Toast among others.

Additionally, operating an eCommerce marketplace is highly competitive and we expect competition to increase in the future. To be successful, we need to attract and retain sellers and buyers. As a result, we face competition from a wide range of online and offline competitors.

We compete for sellers with marketplaces, retailers and companies that sell software and services to small businesses. For example, in addition to listing their goods for sale on the Perk Hero Platform, a Perk Hero Platform seller can list their goods with other online retailers, such as Etsy, Amazon, eBay, Google, or Alibaba, or sell their goods through other venues or marketplaces, including through commerce channels on social networks like Facebook, Instagram, and TikTok. They may also sell wholesale directly to traditional retailers, including large national retailers, who discover their goods in our marketplaces or otherwise.

We also compete with companies that sell software and services to small businesses, enabling a seller to sell from their own website or otherwise run their business independently of our platform, or enable them to sell through multiple channels, such as BigCommerce, Wix, and Shopify.

In addition, we compete with retailers for the attention of buyers. A buyer has the choice of shopping with any online or offline retailer, including large eCommerce marketplaces, such as Etsy, Amazon, eBay, or Alibaba, Walmart, social commerce channels like Instagram or Facebook, event-driven, resale commerce and streaming video commerce sites and apps, and other venues or marketplaces. Many of these competitors offer low-cost or free shipping, fast shipping times, favorable return policies, and other features that may be difficult or impossible for our sellers to match. As pandemic-related restrictions on movement ease, competition may intensify as buyers return to traditional brick and mortar retail stores.

Our current and future competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater market share in certain markets, larger existing user bases in certain markets, and substantially greater financial, technical and other resources than we have. Mergers and acquisitions by these companies may lead to even larger competitors with more resources.

These competitors have and may continue to introduce new products with competitive price and performance characteristics and they may undertake more aggressive marketing campaigns than ours. Large internet companies with substantial resources, users and brand power also compete with us.

We also face competition and potential competition from:

- payment services targeting users of social networks, including those offering billing to the consumer's mobile phone account;
- mobile payment services between bank accounts; and
- online shopping services that provide special offers linked to a specific payment provider.

If we are not able to differentiate our business from those of our competitors, drive value for customers and merchants, or effectively align our financial and operations resources with our goals and objectives, we may not be able to compete effectively against our competitors. If we fail to compete effectively against our competitors, our business and profitability may be adversely affected.

We are able to compete for buyers based on the unique goods that sellers list in our marketplaces, our brand awareness, customer service, our reputation for trustworthiness, our mobile apps, the availability of fair and free shipping offered by sellers, ease of payment, and the availability and reliability of our platform. We believe that our innovative all-in-one ordering, contact-free payments and loyalty rewards platform enables us to provide customers with an integrated and seamless shopping experience, which can help us gain insights into our customer's buying patterns and more accurately market to them with personalized offers. We believe that the loyalty and gamification aspects of our product, the strong brand we are developing, and our talented and diverse team will provide us with significant competitive advantages over current and future competitors.

Government Regulation

Government regulation impacts key aspects of our business. We are subject to regulations that affect the payments industry in the markets in which we operate or plan to operate.

Privacy

We are subject to regulations around the payments industry, as well as personal privacy laws. We are subject to the *Electronic Transactions Act*, SBC 2001, which governs the legality and enforceability of electronic transactions taking place inside of British Columbia. Federally, we are subject to PIPEDA and PIPA. Some other provinces have personal information protection acts as well, which apply instead of PIPEDA and PIPA to the extent that the information is acquired, used or disclosed within that province. PIPA describes how all private sector organizations must handle the personal information of the public (our users). Under PIPEDA and PIPA, businesses are made accountable for the personal information under their control. Businesses must, among other things: limit the collection of personal information to that which is necessary for their purposes; protect the privacy of any personal information under their control; designate a privacy officer for the company; establish procedures to handle privacy complaints or inquiries; obtain consent from an individual before the business collects, uses or discloses his or her personal information; and only use or disclose personal information for reasonable purposes that are appropriate in the circumstances and for the purpose according to which the personal information was collected. We have taken steps to comply with PIPEDA and PIPA, as well as any other applicable provincial privacy legislation, including appointing a privacy officer and establishing privacy complaint procedures.

Payments Regulation

Various laws and regulations govern the payments industry in Canada, the U.S. and globally. For example, certain jurisdictions in the U.S. require a license to offer money transmission services. Our payments services may be or may 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.

Anti-Money Laundering (“AML”)

We are subject to AML laws and regulations in Canada, the U.S. and other jurisdictions. We have implemented an AML program designed to prevent our payments network from being used to facilitate money laundering, terrorist financing, and other illicit activity. Our program is also designed to prevent our network from being used to facilitate business in countries, or with persons or entities, included on designated lists promulgated by the U.S. Department of the Treasury’s Office of Foreign Assets Control and equivalent applicable foreign authorities. Our AML compliance program includes policies, procedures, reporting protocols, and internal controls, including the designation of a compliance officer, and is designed to address these legal and regulatory requirements and to assist in managing risk associated with money laundering and terrorist financing.

Communications Regulation

We send texts, emails, and other communications in a variety of contexts, such as when providing digital receipts. Communications laws and regulations, including those promulgated by the Canadian Radio-television and Telecommunications Commission in Canada and the Federal Communications Commission in the U.S. may apply to certain aspects of this activity.

Additional Regulatory Developments

Various regulatory agencies also continue to examine a wide variety of issues, including virtual currencies, identity theft, account management guidelines, privacy, disclosure rules, security and marketing that would impact the Perk Hero Platform.

Intangible Properties

We rely on intellectual property laws, confidentiality agreements, contractual provisions and similar measures to protect our intellectual property. Our contracted service providers and members of management are required to sign agreements acknowledging that all intellectual property created by them on our behalf is owned by us. The following is a summary of the intellectual property that we have acquired to date.

Patent & Trademark applications

On March 31, 2016, we filed a first provisional patent application in the U.S. directed to our wireless electronic transaction system. On March 28, 2017, we filed a non-provisional patent application for this invention in the U.S., and on March 30, 2017, we filed a patent application for this invention in Canada, both of which claim the provisional patent priority date of March 31, 2016. The U.S. non-provisional patent application has since been abandoned. The Canadian patent application remains pending.

On March 16, 2017, we filed a second provisional patent application in the U.S. directed to our wireless system for bill payment using short distance positioning systems. An international Patent Cooperation Treaty (“PCT”) application claiming priority to the second provisional patent application was filed March 12, 2018. The PCT application has now been converted into national/regional patent applications in the U.S., Canada, Australia and Europe (before the European Patent Office), thereby establishing rights in key jurisdictions throughout the world, and is intended to provide significant commercial protection for the Company’s technologies. In November 2021, the U.S. patent no. 11,170,354 was issued to Perk Hero. The Canadian, Australian and European patent applications remain pending.

On September 18, 2017, we filed a third provisional patent application in the U.S. directed to an invention which allows orders and payments initiated from traditional websites on any platform to be secured via mobile devices utilizing anti-fraud technology. A PCT application claiming priority to the third provisional patent application was filed September 18, 2018. The PCT application has now been converted into national/regional patent applications in the U.S. and Canada, thereby establishing rights in key jurisdictions throughout the world, and is intended to provide significant commercial protection for the Company’s technologies. The U.S. and Canadian patent applications remain pending.

In December 2018, we filed a fourth provisional patent application in the U.S. for Blockchain technology, directed at methods, systems and techniques for cryptographic token transfers. This patent application is for a foundational technology to lower costs and improve speed and efficiency of cryptocurrency transactions, even where the value of the transaction may be relatively small, as well as to facilitate converting between cryptocurrencies whose transactions are recorded on different blockchains. It also facilitates storing information of different sensitivity levels on differently permissioned blockchains, which can be useful when privacy is important.

The Company anticipates that it will continue to file additional patent applications as it continues to develop its innovative technology. There can be no assurance that our patent applications will be granted, and it often takes a number of years before a patent application is approved.

On September 21, 2016, we filed a trademark application in Canada for the mark “GLANCE PAY®”. On March 8, 2019, the GLANCE PAY® trademark was registered in Canada.

On December 12, 2019, we filed the application for the mark “PERKHERO” in Canada, and on May 4, 2020, the application for the mark “PERKHERO” was filed in the U.S.

Despite our efforts to protect our intellectual property, unauthorized persons may attempt to obtain our intellectual property and others may develop similar intellectual property independently.

Employees

As of November 30, 2021, the Company had 17 employees.

Cycles

In metropolitan markets, the Company may experience a relative increase in diner transactions from May to August and a decrease in the month of January. In addition, the Company may benefit from increased order volumes in campus markets when school is in session and experience a decrease in order volumes when school is not in session (during summer breaks and other vacation periods).

RISK FACTORS

Investing in Shares involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this AIF, before deciding whether to invest in Shares. The occurrence of any of the events or developments described below could harm our financial condition, results of operations, business and prospects. In such an event, the market price of Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may have similar adverse effects on us.

Risks Related to Our Business

Negative Cash Flow

The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company’s inception, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Requirement to Attract and Retain Franchisees, Merchants and Users to the Perk Hero Platform

Our continued success will depend on our ability to continue to sign up new franchisees, merchants and users to the Perk Hero Platform, and to generate new and frequent business to merchants that are signed up to use the Perk Hero Platform. No assurance can be given that we will be able to procure a sufficient number of franchisees, merchants and users to the Perk Hero Platform to reach profitability or continue offering the Perk Hero Platform.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

Our future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including our ability to (i) create greater awareness of our technology and services, (ii) determine the appropriate creative message and media mix for future advertising expenditures, and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and

promotional expenditures will result in revenues in the future or will generate awareness of our technologies or services. In addition, no assurance can be given that we will be able to manage our advertising and promotional expenditures on a cost-effective basis.

Maintaining and Promoting Our Brand

We believe that maintaining and promoting our brand is critical to expanding our customer base. Maintaining and promoting our brand will depend largely on our ability to continue to provide useful, reliable and innovative services, which we may not do successfully. We may introduce new features, products, services or terms of service that our customers do not like, which may negatively affect our brand and reputation. Maintaining and enhancing our brand may require us to make substantial investments, and these investments may not achieve the desired goals. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business and operating results could be adversely affected.

Competition

We compete in markets characterized by vigorous competition, changing technology, changing customer needs, evolving industry standards, and frequent introductions of new products and services. We expect competition to intensify in the future as existing and new competitors introduce new services or enhance existing services.

The overall market for restaurant ordering and payment software is rapidly evolving and subject to changing technology, shifting customer and guest needs, and frequent introductions of new applications. Our competitors vary in size and in the breadth and scope of the products and services they offer. In addition, there are a number of companies that are not currently direct competitors but that could in the future shift their focus to the restaurant industry and offer competing products and services, which could compete directly in our entire customer community or in a certain segment within the restaurant industry.

We also compete with companies that sell software and services to small businesses other than restaurants, enabling a seller to sell from their own website or otherwise run their business independently of our platform, or enable them to sell through multiple channels, such as BigCommerce, Wix, and Shopify.

We compete for sellers with marketplaces, retailers and companies that sell software and services to small businesses. For example, in addition to listing their goods for sale on Perk Hero, a Perk Hero seller can list their goods with other online retailers, such as Etsy, Amazon, eBay, Google, or Alibaba, or sell their goods through other venues or marketplaces, including through commerce channels on social networks like Facebook, Instagram, and TikTok. They may also sell wholesale directly to traditional retailers, including large national retailers, who discover their goods in our marketplaces or otherwise.

Our current and future competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater market share in certain markets, larger existing user bases in certain markets and substantially greater financial, technical and other resources than we have. Mergers and acquisitions by these companies may lead to even larger competitors with more resources.

These competitors have and may continue to introduce new products with competitive price and performance characteristics and they may undertake more aggressive marketing campaigns than ours. Large internet companies with substantial resources, users and brand power also compete with us.

We also face competition and potential competition from:

- online food ordering businesses;
- payment services targeting users of social networks, including those offering billing to the consumer's mobile phone account; and
- online shopping services that provide special offers linked to a specific payment provider.

Pricing pressures and increased competition generally could result in reduced sales, reduced margins, increased churn, reduced customer retention, losses, or the failure of our platform to achieve or maintain more widespread market acceptance. If we are not able to differentiate our business from those of our competitors, drive value for customers and merchants, or effectively align our financial and operations resources with our goals and objectives, we may not be able to compete effectively against our competitors. If we fail to compete effectively against our competitors, our business and profitability may be adversely affected.

Changing Consumer Preferences

As a result of changing consumer preferences, many internet websites and apps are successfully marketed for a limited period of time. Even if our products become popular, there can be no assurance that any of our products will continue to be popular for any significant period of time. If demand for our services decreases, our profitability would be negatively impacted. Our success will be dependent upon our ability to develop new and improved product lines. Even if we are successful in developing the Perk Hero Platform, a failure to continue to update the app with compelling content or a subsequent shift in the payment preferences of consumers or merchants could cause a decline in our products' popularity that could reduce our revenues and harm our business, operating results and financial condition. Our failure to introduce new features and product lines and to achieve and sustain market acceptance could result in us being unable to continually meet consumer preferences and generate significant revenues. Further, if our merchants make fewer sales of their products and services, we will have fewer transactions to process and likely fewer users of our apps, resulting in lower revenue. Any decrease in the demand for our products and services could have a material adverse effect on our profitability and operations.

Response to Technological Developments

Our future success will depend in part on our ability to modify or enhance our products to meet consumer needs, add functionality and address technological developments. Technological advances in the handheld device industry may lead to changes in our customers' requirements, and to remain competitive, we will need to continuously develop new or upgraded products that address these evolving technologies. Mobile devices are continually evolving, and we may lose customers if we are not able to continue to meet our customers' mobile and multi-screen experience expectations. The variety of technical and other configurations across different mobile platforms increases the challenges associated with evolving technology. If we are unsuccessful in identifying new product opportunities or in developing or marketing new products in a timely or cost-effective manner, or if our product developments do not achieve the necessary market penetration or price levels to be profitable, our business and operating results could be adversely affected.

Sales Reporting and Record-Keeping Obligations

If we begin operating in foreign countries, one or more provinces, the federal government, or foreign countries may seek to impose reporting or record-keeping obligations on companies that engage in or facilitate mobile payments. Such obligations could be imposed by legislation intended to improve tax compliance or may be imposed if we are deemed to be the legal agent of our merchants by a jurisdiction in which we operate. We may be required to modify our software to meet these requirements and expect increased operational costs and changes to our customer experience in connection with complying with these reporting obligations. Any failure by us to comply with these and similar reporting and record-keeping obligations could result in substantial monetary penalties and other sanctions and could harm our business.

Chargeback Risk

There is a risk that we will be subject to covering the cost of significant chargebacks for payments made through the Perk Hero Platform which have been charged back to a merchant by the applicable credit card company. Although we will strive to only process non-fraudulent transactions through the Perk Hero Platform, it is possible that we could be required to pay out a significant amount in chargebacks, which could adversely affect our business and operating results.

Laws and Regulations Relating to the Electronic Payments Industry

We and our customers are subject to numerous regulations that affect the electronic payments industry. Regulation and proposed regulation of the payments industry has increased significantly in recent years, and failure to comply with such rules and regulations may have a negative adverse effect on our business and operations. We are subject to the rules of Visa, MasterCard, American Express and Alipay; regulations related to privacy, data use and security in the jurisdictions in which we do business; financial services regulations; and consumer protection laws, among others. For example, in Canada, we are subject to PIPEDA and in British Columbia, we are subject to PIPA. PIPA describes how all private sector organizations must handle the personal information of the public (our users). Under PIPA, businesses are made accountable for the personal information under their control. Businesses must, among other things, limit the collection of personal information to that which is necessary for their purposes, protect the privacy of any personal information under their control, designate a privacy officer for the company, establish procedures to handle privacy complaints or inquiries, obtain consent from an individual before the business collects, use or disclose his or her personal information, and only use or disclose personal information for reasonable purposes that are appropriate in the circumstances and for the purpose according to which the personal information was collected.

In recent years, there has been heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. Regulation of privacy, data use and security may materially increase our costs and our customers' costs and may decrease the number of merchants and customers that use our product(s), which could materially and adversely affect our profitability. Our failure, or the failure of our customers, to comply with the privacy, data use and security laws and regulations, and any other regulations to which we are or become subject, could result in fines, sanctions and damage to our reputation and our brand.

Reliance on Third-Party Processors and Service Providers

We currently rely on contractors to assist us to perform certain aspects of our services, and we do not have long-term contracts with them. The termination by our service providers of their arrangements with us or their failure to perform their services efficiently and effectively may adversely affect our ability to deliver a superior product, which in turn may adversely affect our relationships with merchants that offer the Perk Hero Platform and may cause those merchants to terminate their agreements with us.

Potential Requirement to Pay Taxes on Transaction Processing

We and other payment processing companies may become subject to federal, provincial, state or local taxation of certain portions of our fees charged to merchants for our transaction services. Application of such taxes is an emerging issue and although taxing jurisdictions have not yet adopted uniform positions on this topic, if we are required to pay such taxes and are unable to pass the expense to restaurants or other merchant clients, as applicable, or produce increased cash flow to offset the taxes, such taxes would negatively impact our profitability.

Key Personnel Risk

Our success and future growth will depend, to a significant degree, on the continued efforts of our directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, sales and marketing staff or consultants. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future. Our inability to retain and attract the necessary personnel could adversely affect our business and operations.

Fluctuations in Foreign Currency Exchange Rates

If we expand our operations internationally, we will become subject to foreign currency risk. The strengthening or weakening of the Canadian dollar versus other currencies will impact the translation of our net revenues generated in these foreign currencies into Canadian dollars. We may face financial exposure if we incorrectly set foreign exchange rates or as a result of fluctuations in foreign exchange rates between the times that we set them each day. Fluctuations in foreign exchange rates could significantly impact our financial results.

Changes to Payment Card Networks, or Bank Fees or Practices

We do not directly access the payment card networks, such as Visa, MasterCard, and Amex, that enable our ability to accept credit cards, and we are reliant on banks or other payment processors to process transactions and must pay fees for their services. Payment card networks, from time to time, increase their fees for each transaction which accesses their networks, and the cost of these increased fees may be passed on to us by our payment processor(s), who may also increase their own fees for payment processing. Any increase in these fees could increase our operating costs and reduce our profitability.

In addition, governments in some jurisdictions have required payment card networks to reduce interchange fees, or have opened investigations into the question of whether such fees and practices violate antitrust law. For example, in the U.S., the Federal Reserve Board issued a final rule capping debit card interchange fees at significantly lower rates than these networks previously charged. Any material reduction in credit card interchange rates in relevant jurisdictions could adversely affect our competitive position against traditional credit card service providers, and may subject us to pricing pressure, although it could also lower our costs.

Reliance on Development and Maintenance of the Internet Infrastructure

The success of our services will depend largely on the development and maintenance of the internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security, as well as timely

development of complementary products, for providing reliable internet access and services. The internet has experienced, and is likely to continue to experience, significant growth in the numbers of users and amount of traffic. The internet infrastructure may be unable to support such demands. In addition, increasing numbers of users, increasing bandwidth requirements, or problems caused by “viruses”, “worms”, and similar programs may harm the performance of the internet. The backbone computers of the internet have been the targets of such programs. The internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of internet usage generally as well as the level of usage of our services and reduce our revenues.

Risks Related to Potential Interruption or Failure of our Information Technology and Communications Systems

Our ability to provide our products and services depends on the continuing operation of our information technology and communications systems. Any damage to or failure of our systems could interrupt our service. Service interruptions could reduce our revenues and profits, and damage our brand if our systems are perceived to be unreliable. Our systems are vulnerable to damage or interruption as a result of terrorist attacks, war, earthquakes, floods, fires, power loss, telecommunications failures, computer viruses, interruptions in access to the Perk Hero Platform through the use of “denial of service” or similar attacks, hacking or other attempts to harm its systems, and similar events. Some of our systems are not fully redundant, and our disaster recovery planning does not account for all possible scenarios. The occurrence of a natural disaster or a closure of an internet data center by a third-party provider without adequate notice could result in lengthy service interruptions. Interruption or failure of our information technology and communications systems could impair our ability to effectively provide our products and services, which could damage our reputation and harm our operating results.

Risks Related to Potential Undetected Errors in our Software

Our software apps and products could contain undetected errors or “bugs” that could adversely affect their performance. We regularly update and enhance our apps and our other online systems and will introduce new versions of our software products and apps. The occurrence of errors in any of these may cause us to lose market share, damage our reputation and brand name, and reduce our revenues.

Risks Related to our Prices

As the market for our services matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin, and operating results.

Requirement to Generate Cash Flow for Financial Obligations

Our ability to generate sufficient cash flow from operations to make scheduled payments to our contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations to satisfy our contractual obligations, we may have to undertake alternative financing plans. Our inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on our business, financial condition and results or operations, as well as our ability to satisfy our contractual obligations. Any failure to meet our financial obligations could result in termination of key contracts, which could harm our ability to provide our products and services.

Laws and Regulations Relating to using the Internet for Commerce

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication and business services. Domestic or foreign government bodies or agencies in the past have adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations could require us to modify our services in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or reduce the demand for internet-based services such as ours. In addition, the use of the internet could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool have been adversely affected by viruses, worms, and similar malicious programs, and the internet has

experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our services could suffer.

Uninsured or Uninsurable Risk

We may become subject to liability for risks which are uninsurable or against which we may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

Conflicts of Interest Risk

Certain of our directors and officers are, and may continue to be, involved in other business ventures in the technology industry through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors to us. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from our interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to our best interests. However, in conflict of interest situations, directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to us.

Risks Related to Data Storage

We are subject to Canadian data privacy and protection laws and regulations, as well as contractual privacy obligations, and our failure to comply could subject us to fines and damages and would harm our reputation and business.

We are subject to the data privacy and protection laws and regulations adopted by federal and provincial governmental agencies. Data privacy and protection is highly regulated in some jurisdictions, and may become the subject of additional regulation in the future. Privacy laws restrict our storage, use, processing, disclosure, transfer and protection of non-public personal information, including credit card data, provided to us by our users. We strive to comply with all applicable laws, regulations, policies and legal obligations relating to privacy and data protection. However, it is possible that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure, or perceived failure, by us to comply with federal or provincial laws, including laws and regulations regulating privacy, data or consumer protection, could result in proceedings or actions against us by governmental entities or private parties.

We are subject to the privacy and data protection-related obligations in our contracts with our customers and other third parties. We may be contractually liable to indemnify and hold harmless our users from the costs or consequences of inadvertent or unauthorized disclosure of data that we store or handle as part of providing our services. Finally, we are also subject to contractual obligations and other legal restrictions with respect to our collection and use of data, and we may be liable to third parties in the event we are deemed to have wrongfully used or gathered data.

Any failure by us or a third-party contractor providing services to us to comply with applicable privacy and data protection laws, regulations, self-regulatory requirements or industry guidelines, our contractual privacy obligations or our own privacy policies, may result in fines, statutory or contractual damages, litigation or governmental enforcement actions. These proceedings or violations could force us to spend significant amounts in defense or settlement of these proceedings, result in the imposition of monetary liability, distract our management, increase our costs of doing business, and adversely affect our reputation and the demand for our products and services.

Risks Related to Intellectual Property

We have a trademark registration in Canada (but only for a word mark, not our logo), a pending provisional patent registration in the U.S., and a pending patent registration in Canada and the U.S.

Trademark protection is territorial. We have applied for trademark registration for the word PERKHERO in the U.S. and Canada. We have no trademark registration achieved or pending for our logo (only for the word mark).

We have filed several patent applications in the U.S. and Canada for our wireless electronic transaction system. One U.S. patent has been approved. There is a risk that the other patent applications may not be approved.

Risks Related to Potential Inability to Protect Intellectual Property

We rely on various methods to protect our proprietary rights, including confidentiality agreements with our consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of our confidential information. However, despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or replicate our technology. There can be no assurance that the steps taken by us to protect our technology will be adequate to prevent misappropriation or independent third-party development of our technology. Other companies may duplicate a platform similar to ours. To the extent that any of the above could occur, our revenue could be negatively affected, and in the future, we may have to litigate to enforce our intellectual property rights, which could result in substantial costs and divert our management's attention and our resources.

Further, the patent position of technology is often uncertain and involves complex legal and factual questions. We do not know whether our current or any future patent applications, if any, will result in the issuance of a patent. Even if patents are issued, they may be challenged, invalidated or circumvented. Any such patents may not provide a competitive advantage or afford protection against competitors with similar technology. Competitors or potential competitors may have filed applications for, or may have received patents and may obtain additional and proprietary rights to, technologies used by or competitive with ours. If challenged, any patents that may be issued to us in the future may not be held valid. We also may become involved in interference proceedings in connection with one or more of our current or future patent applications to determine priority of invention.

Risks Related to Potential Intellectual Property Claims

Companies in the internet, technology and mobile app industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. We may be subject to intellectual property rights claims in the future and our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products and services to others and may require that we procure substitute products or services for these members.

With respect to any intellectual property rights claim, we may have to pay damages or stop using technology found to be in violation of a third-party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase our operating expenses. The technology also may not be available for license to us at all. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and prevent us from generating sufficient revenue or achieving profitability.

Cybersecurity and Fraud Risks

Our operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. Our production payment systems are currently hosted in Amazon's secure online hosting facilities, which are generally highly regarded for security in the technology industry are used by many large well known technology companies. We did not have cybersecurity insurance in the fiscal year ended November 30, 2020. The Company obtained cybersecurity insurance as of February 2021. In February 2022, the Company's cybersecurity insurance provider declined to renew its insurance policy with a temporary extension to March 2022. After this date, there are no assurances that the Company will be able to obtain cybersecurity insurance.

Although we have advanced security systems in place and what we deem sufficient security around our system to prevent unauthorized access, we must ensure that we continually enhance security and fraud protection within our website and merchant platform, and if we are unable to do so we may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of our security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or our customers' data and to sabotage our system are constantly evolving and may be difficult to detect quickly. An information breach in our system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of our apps, could have a longer and more significant impact on our business operations than a hardware failure. A compromise in our security system could severely harm our business by the loss of our customers' confidence in us and thus the loss of their business. We may

be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding the security of eCommerce and the privacy of users may also inhibit the growth of the internet as a means of conducting commercial transactions. This may result in a reduction in revenues and increase our operating expenses, which would prevent us from achieving profitability.

Risks Related to the Shares

Market Risk for Securities

The market price of the Shares may be highly volatile, and could be subject to wide fluctuations in response to various factors, some of which are beyond our control and may not be related to our operating performance.

Fluctuations in the price of the Shares could cause investors to lose all or part of their investment because they may not be able to sell their Shares at or above the price they paid. Factors that could cause fluctuations in the market price of the Shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally or those in our industry in particular;
- sales of Shares by our shareholders;
- any changes in the financial projections that we may provide to the public, or our failure to meet those projections;
- announcements by us or our competitors of new products or services;
- the public's reaction to our press releases, other public announcements and filings with the securities commissions;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management;
- the current outbreak of COVID-19 and any future emergency and spread of similar pathogens; and
- general economic conditions and slow or negative growth of our markets.

In addition, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources.

Speculative Nature of Investment Risk

An investment in the Shares carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and the Company may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional Shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

History of Operating Losses

We have a history of operating losses and may not achieve or sustain profitability. We cannot guarantee investors that we will become profitable, and even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability and our failure to do so could adversely affect our business, including our ability to raise additional funds.

Going-Concern Risk

Our financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize our assets and satisfy our liabilities in the ordinary course of business. Our future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future.

There can be no assurances that we will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets due to the COVID-19 pandemic has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future while establishing a user base. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to us and our management. If uncertain market conditions persist, the ability to raise capital could be jeopardized and thus have an adverse impact on operations and on the trading price of our Shares on the CSE.

COVID-19 - Pandemic Risk

The Company's business could be adversely affected by the COVID-19 pandemic, which 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 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. We cannot 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. This COVID-19 pandemic may also cause staff shortages, reduced customer traffic and increased government regulation, all of which may negatively impact the business, financial condition and results of operations of the Company.

In addition, while adversely impacting the restaurant industry and our business, the COVID-19 pandemic has also increased the focus by restaurants on the need for a digital technology platform that can address the need for safe, frictionless, contact-free experiences in restaurants and address off-premise dining. While we believe these trends may positively impact our business in the longer-term, we cannot predict the extent to which the increased focus on the need for digital solutions such as those offered by our platform will persist. For example, we cannot predict the manner and extent to which the reemergence of on-premise dining and other types of in-person activity will impact our business, including with respect to levels of ordering payment activity through our platform.

Dividend Risk

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain earnings to finance further growth and, when appropriate, retire debt.

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our shares.

DIVIDENDS AND DISTRIBUTIONS

We have never declared or paid any cash dividends or distributions on the Shares. We intend to retain future earnings, if any, to finance the operation and expansion of our business and do not anticipate paying any cash dividends or distributions in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of the Board after considering our financial condition, results of operations, capital requirements, business prospects and other factors the Board deems relevant, and subject to the restrictions contained in our current or future financing instruments.

There are no restrictions in our articles or pursuant to any agreement or understanding to which we are a party that could prevent us from paying dividends or distributions.

DESCRIPTION OF CAPITAL STRUCTURE

As of the date of this AIF, our authorized capital structure consists of one class of shares: common shares.

Common Shares

We are authorized to issue an unlimited number of Shares without par value, of which 184,053,711 are issued and outstanding as fully paid and non-assessable as of the date of this report, and 182,249,919 Shares were issued and outstanding as fully paid and non-assessable as at November 30, 2021. The Shares are not subject to any further call or assessment; do not have any pre-emptive, conversion or redemption rights; and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Shares, all of which rank equally as to benefits that may accrue to the holders of the Shares. All holders of Shares are entitled to receive a notice of any meeting of the shareholders of the Company. Voting rights may be exercised in person or by proxy. Holders of Shares are entitled to receive such dividends in any financial year as the Board may declare. In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of the Shares are entitled to receive, ratably in proportion to their ownership interest, the remaining assets of our business.

The Board is authorized to issue additional Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

MARKET FOR SECURITIES

Trading Price and Volume

The Shares trade on the CSE under the symbol “PERK”. The following table sets forth the price ranges and volume of the Shares as reported by the CSE since the commencement of the year ended November 30, 2021:

Month	High (\$)	Low (\$)	Volume
December, 2020	0.14	0.055	11,761,153
January, 2021	0.25	0.055	36,793,887
February, 2021	0.21	0.115	23,041,999
March, 2021	0.155	0.10	5,958,977
April, 2021	0.13	0.09	3,228,683
May, 2021	0.11	0.075	3,253,629
June, 2021	0.095	0.085	1,564,177
July, 2021	0.105	0.07	2,549,842
August, 2021	0.09	0.06	5,235,659
September, 2021	0.075	0.06	2,148,057

October, 2021	0.09	0.055	5,198,768
November, 2021	0.075	0.045	4,909,380
December, 2021	0.055	0.045	2,450,096
January, 2022	0.05	0.04	2,998,468
February, 2022	0.05	0.035	1,333,803

PRIOR SALES

The following tables summarize the issuances of securities convertible into or exercisable for Shares by the Company since the beginning of the financial year ended November 30, 2021:

Stock Options

Date of Issuance	Number of Options	Exercise Price (\$)	Expiry Date
April 1, 2021	50,000	\$0.13	April 1, 2024
May 3, 2021	50,000	\$0.11	May 3, 2024
June 1, 2021	50,000	\$0.085	June 1, 2024
June 1, 2021	10,000	\$0.085	June 1, 2026
August 3, 2021	10,000	\$0.085	August 3, 2026
December 31, 2021	650,000	\$0.05	December 31, 2026
January 5, 2022	100,000	\$0.05	January 5, 2025
January 5, 2022	100,000	\$0.05	January 5, 2027
Total Options Granted	1,020,000		

In addition, 883,500 stock options were cancelled since the commencement of the financial year ended November 30, 2021, and 60,000 stock options were exercised during the same period. As of November 30, 2021, there were 7,902,500 stock options outstanding and as of the date of this report, there are 9,230,000 stock options outstanding.

Restricted share units (“RSUs”)

Date of Issuance	Number of RSUs	Exercise Price (\$)	Expiry Date
December 1, 2020	97,902	N/A	December 1, 2023
January 4, 2021	504,808	N/A	January 4, 2024
January 6, 2021	600,000	N/A	January 6, 2024
January 18, 2021	750,000	N/A	January 18, 2024
February 1, 2021	694,871	N/A	February 1, 2024
March 1, 2021	39,886	N/A	March 1, 2024
April 1, 2021	335,650	N/A	April 1, 2024

May 3, 2021	48,952	N/A	May 3, 2024
June 1, 2021	63,350	N/A	June 1, 2024
July 2, 2021	578,633	N/A	July 2, 2024
August 3, 2021	103,350	N/A	August 3, 2024
September 1, 2021	132,842	N/A	September 1, 2024
October 1, 2021	621,304	N/A	October 1, 2024
November 1, 2021	82,842	N/A	November 1, 2024
December 1, 2021	97,902	N/A	December 1, 2024
January 4, 2022	875,548	N/A	January 4, 2025
January 5, 2022	200,000	N/A	January 5, 2025
February 1, 2022	116,550	N/A	February 1, 2025
	5,944,390		

In addition, 1,1196,250 RSUs were cancelled since the commencement of the financial year ended November 30, 2021. As of November 30, 2021 there were 8,755,068 RSUs outstanding, and as of the date of this report, there are 9,846,068 RSUs outstanding.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date of this AIF, no securities are being held in escrow or subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, province or state and country of residence, position and offices held with our company, date appointed, number and percentage of our voting securities that each of our directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this AIF, and their respective occupations during the past five years. In the table below, incentive stock options are referred to as “options”.

Name, Province/State and Country of Residence	Position/Office and Date Appointed	Number and Percentage of Securities Held and Direct or Indirect Ownership ⁽¹⁾	Principal Occupations Held for Previous Five Years
Kirk Herrington ^{(2) (3)} British Columbia, Canada	Director October 29, 2015 Chair of the Board October 25, 2017	100,000 Shares 562,500 options 1,616,632 RSUs <1% (1.2% diluted)	Mr. Herrington is a director and the CEO of mPloy Solutions Inc., a software technology company that helps hospitality organizations find workers. He was formerly the Chief Operating Officer and Chief Technology Officer with Connect2Classes.
Jonathan Hoyles British Columbia, Canada	Director and CEO June 12, 2019 Formerly Chief Commercial Officer & General Counsel January 2, 2018	3,735,086 Shares - Direct 2,011,195 Shares - Indirect 650,000 options 2,203,021 RSUs 3.1% (4.4% diluted)	Currently: Director & CEO at Perk Labs, Perk Hero Software Inc., Perk Hero USA Inc., and Perks Technologies Inc., and Director of Converge MobiSolutions Inc. Formerly: Chief Commercial Officer & General Counsel at Perk Labs Formerly: VP, Legal & General Counsel at Skidmore Group

James Topham ⁽²⁾ British Columbia, Canada	Director May 12, 2016	100,000 Shares 500,000 options 1,616,632 RSUs <1% (1.1% diluted)	Mr. Topham is a director of Guard RFID Solutions Inc., a private technology company. He was formerly a Director of UrtheCast Inc. (TSX:UR), a technology company, a Director of Novoheart Limited (TSX-V:NVH), a biotechnology company; Director of LED Medical Diagnostics Inc. (TSX-V:LMD), a dental imaging technology company and Audit Partner in KPMG's Technology Group in Vancouver BC.
Larry Timlick ^{(2) (3)} British Columbia, Canada	Director April 18, 2017	75,000 Shares 550,000 options 1,212,476 RSUs <1% (<1% diluted)	Mr. Timlick is currently the President of Triplet Management and CEO of Turtle Island Corporation, a company formed to capitalize on the growing legal cannabis markets and to create shared economic development for First Nations across a global network with planned operations in Canada, United States and Colombia. Mr. Timlick is also the CEO and Director of Ohkwari Corporation NV, which is a public listed company on the Dutch Caribbean Security Exchange (DCSX) and the holding company of Turtle Island Corporation. He is also a Board member of Numinus Wellness Inc. (formerly Rojo Resources Ltd.) (TSXV:NUMI), a health solutions company, and Myriad Metals Corp. (MMC.CN), a resource company. Formerly: Board Member of CounterPath Corporation (NASDAQ: CPAH TSX:PATH), a software company; Soma Gold Corp. (formerly Para Resources Inc.) (TSXV:SOMA), a mining company, VP of Western Canada and Director of Networking Sales for Avaya Inc.; Regional Sales Leader, Western Canada for Arista Networks, Inc. (NYSE:ANET); Board member of Sora Capital Corp. and Elevation Capital Corp.
Steven Cadigan ⁽³⁾ California, USA	Director June 12, 2018	100,000 Shares 350,000 options 1,212,476 RSUs <1% (<1% diluted)	Currently: Founder of Cadigan Talent Ventures, a consulting company; Director of Certn, a background check company and Giroux Glass, a glass construction company; Formerly: VP Talent at LinkedIn Corporation; VP Human Resources at Electronic Arts and PMC Sierra.
Norman Tan British Columbia, Canada	CFO July 30, 2020	247,392 Shares 100,000 options 1,428,206 RSUs <1% (<1% diluted)	Formerly: CFO of Lendified Holdings Inc., a fintech company and Senior Manager in Deloitte's assurance practice.
Gary Zhang British Columbia, Canada	Chief Technology Officer June 6, 2019	110,000 Shares - Direct 2,884,550 Shares - Indirect 1,050,000 options 1.6% (2% diluted)	Currently: CTO of Signal Hill Technologies Inc., a software company, CTO of mPloy Inc., a software company and CEO of PrimeObjects Software Inc., a consulting company
Total Shares held by or over which dispositive control is exercised by our current directors and officers as a group.		9,363,223 Shares (5.1%) Fully-diluted 22,415,166 (11.4%)	

Notes:

(1) Based on 184,053,711 Shares issued and outstanding as of the date of this AIF and 197,105,654 Shares on a fully-diluted basis, assuming the exercise of all outstanding director and officer warrants, options and RSUs.

- (2) *Member of the audit committee (the "Audit Committee").*
- (3) *Member of the compensation committee.*

Term of Office

The term of office of our directors expires at the time of our annual meeting of shareholders. The term of office of our executive officers expires at the discretion of our Board.

Share Ownership

As a group, our directors and executive officers beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 9,363,223 Shares as of the date of this AIF representing approximately 5.1% of the 184,053,711 issued and outstanding Shares, and 11.4% of the fully-diluted 197,105,654 Shares including the aggregate of 3,762,500 options and 9,289,443 RSUs held by our directors and executive officers. The information as to the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by our directors and executive officers as a group is based upon information furnished by our directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To our knowledge, other than as set out below, none of our directors or executive officers is at the date of this AIF, or was within the past 10 years before the date of this AIF, a director, CEO or CFO of any company, that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO and CFO.

James Topham was a director of UrtheCast Corp. ("**UrtheCast**"), a Vancouver-based technology company that was listed on the Toronto Stock Exchange. On September 4, 2020, UrtheCast was granted an initial order pursuant to the Companies' Creditors Arrangement Act by the Supreme Court of British Columbia on application by UrtheCast seeking court protection from its creditors to allow it to pursue a restructuring of its business and property as a going concern. Trading in UrtheCast's common shares on the Toronto Stock Exchange was halted on September 4, 2020 and the common shares were delisted on October 16, 2020. On March 23, 2021, UrtheCast filed an assignment in bankruptcy.

Other than as set out above, none of our directors, executive officers or shareholders holding a sufficient number of our securities to materially affect the control of the Company is, or has been within the past 10 years:

- (a) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

None of our directors, executive officers or shareholders holding a sufficient number of our securities to materially affect the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Other than as disclosed in this AIF, there are no conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or of a subsidiary of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Management is not aware of any existing or contemplated legal proceedings material to the Company to which it is a party or to which its property is the subject.

Regulatory Actions

We have not:

- (a) had any penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during our most recently completed financial year;
- (b) had any other penalties or sanctions imposed against us by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or
- (c) entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during our most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this AIF and below, none of our directors, executive officers or principal shareholders, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect us.

Jonathan Hoyles, the CEO and a director of the Company subscribed directly for 1,326,086 of the 2020 Units for a subscription amount of \$60,999.96 and indirectly for 1,496,195 of the 2020 Units for a subscription amount of \$68,825 pursuant to the 2020 Private Placement. Gary Zhang, the CTO of the Company, subscribed for 110,000 of the 2020 Units for a subscription amount of \$5,060 pursuant to the 2020 Private Placement. Norman Tan, the CFO of the Company, subscribed for 217,391 of the 2020 Units for a subscription amount of \$10,000 pursuant to the 2020 Private Placement.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Shares is Computershare Investor Services Inc. of Canada at its offices located in Vancouver, British Columbia.

MATERIAL CONTRACTS

For further information, please see the Management Information Circular filed on SEDAR on May 13, 2020. Our material contracts, excluding those made in the ordinary course of business, entered into since December 1, 2020, or entered into prior to that date but still in effect, are as follows:

Name of Contract	Parties	Date
License Agreement	Perk Hero and Fobisuite	May 3, 2019
License Agreement	Perk Hero and Euro Asia Pay	October 14, 2017, as amended September 30, 2018
Equity Distribution Agreement	Perk Labs and Echelon Wealth Partners Inc.	February 17, 2021

The particulars of these agreements are detailed in this AIF in the section titled 'Acquisitions/Licenses Granted'.

NAME AND INTERESTS OF EXPERTS

Our consolidated financial statements for the year ended November 30, 2021 have been audited by Saturna Group Chartered Professional Accountants (“Saturna”). Saturna has confirmed that, with respect to the Company, it is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations

ADDITIONAL INFORMATION

Audit Committee

Pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“NI 52-110”), reporting issuers in those jurisdictions which have adopted NI 52-110 are required to provide disclosure with respect to its audit committee including the text of the audit committee’s charter, composition of the committee, and the fees paid to the external auditor. The Audit Committee charter is attached as Schedule “A” to this AIF.

Composition of Audit Committee

As at the date of this AIF, the Audit Committee is comprised of James Topham, Kirk Herrington and Larry Timlick. Mr. Topham, Mr. Herrington and Mr. Timlick are independent directors within the meaning of NI 52-110. The chairman of the Audit Committee is James Topham. All members of the Audit Committee are financially literate. “Financial literacy” is considered to be the ability to read and understand a company’s fundamental financial statements, including a company’s balance sheet, statement of income (loss) and cash flow. The members of the Audit Committee are appointed by the Board at its first meeting following the annual shareholders’ meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

James Topham is a Fellow Chartered Professional Accountant (FCPA and FCA) specializing in technology companies. Mr. Topham was an audit partner in KPMG’s Technology Group in Vancouver, B.C. office for 20 years, and has served as a director of several publicly traded companies. Mr. Topham has extensive audit and accounting experience.

Kirk Herrington was responsible for reviewing and presenting the financial statements of GaleForce Solutions Inc. to its board of directors for a period of three years while he was the CEO of the company. Mr. Herrington has founded a number of software companies and was an integral part of the development of these companies.

Larry Timlick has served as a director of many publicly traded companies. He has served on the audit committee and the compensation for several publicly traded companies in addition to the Company.

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year has the Company relied on an exemption in or from NI 52-110, other than the exemption in section 6.1 as described below.

Reliance on Section 6.1

Pursuant to section 6.1 of NI 52-110, as a venture issuer, we are relying on the exemption from certain reporting obligations found in Parts 3 and 5 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is required to approve the engagement of our external auditors in respect of non-audit services. The aggregate fees billed by our external auditors for the last two fiscal years are provided below.

Audit Service Fees	Fiscal Year Ended November 30, 2021(\$)	Fiscal Year Ended November 30, 2020(\$)
Audit Fees ⁽¹⁾	48,143	47,355
Audit-Related Fees	-	-
Tax Fees ⁽²⁾	3,465	7,823
All other fees ⁽³⁾	3,412	3,465
Total	55,020	58,643

Notes:

(1) Auditing financial statements for the fiscal years ended November 30, 2021 and November 30, 2020.

(2) Preparation and consulting fees for corporate tax return and US tax consequences.

(3) Fees related to ATM Offering

General

Additional information relating to the Company and our business may be found on the SEDAR website at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities, and securities authorized for issuance under equity compensation plans is contained in the information circular for our annual meeting of shareholders that will be held on April 12, 2022. Additional financial information is provided in our audited consolidated financial statements and management's discussion and analysis for the financial year ended November 30, 2021.

SCHEDULE A

PERK LABS INC. (the “Company”)

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company’s audit committee, or its Board of Directors in lieu thereof (the “**Audit Committee**”). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. **Composition**

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the “**Chair**”) to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.
- (d) *Independence.* At least a majority of the members of the Audit Committee must be independent within the meaning of Section 1.4 of National Instrument 52-110.

2. **Meetings**

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company’s auditors (the “**Auditors**”) will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor’s duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. **Roles and Responsibilities**

The roles and responsibilities of the Audit Committee include the

following: External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company’s accounts, controls and financial statements.
- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor’s review, including the Auditor’s engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.

- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Responsibility for Oversight.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.
- (c) *Communication.* The Audit Committee may communicate directly with management and any internal auditor, and with the Auditor directly without the presence or involvement of management.
- (d) *Expenses.* The Audit Committee may incur such ordinary administrative expenses that it deems necessary and appropriate to carry out its duties, which expenses the Company will pay or reimburse upon receiving an invoice or receipt, as applicable.

5. Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.