



FORM 7

MONTHLY PROGRESS REPORT

January 2021

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

Trading Symbol: **PERK**

Number of Outstanding Listed Securities: **168,064,813 common shares (as at the date of this report)**

Date: **February 5, 2021**

Report on Business

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

Developments

In January, the Company continued to expand its mobile commerce platform by increasing the number of merchants and products on the Perk Hero app.

The Company announced that it has 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.

Perk also continued its At-The-Market Program and raised net proceeds of \$828,535 in the month of January. The financing proceeds strengthen the Company’s balance sheet and will allow Perk to expand its sales and marketing efforts and continue development of the Perk Hero App.

In early February, the Company announced that the Perk Hero app is available for customers to use in the United States. New features in the Perk Hero app supporting the US expansion include auto detection of the user’s country on sign-up, allowing users to select country specific marketplace, multi-currency and US shipping.

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

Please see item 1.

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

Please see item 1.

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

Please see item 1.

4. **Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a**

Related Person of the Issuer and provide details of the relationship.

Please see item 1.

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

None.

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

None.

7. **Describe the acquisition of new customers or loss of customers.**

Please see item 1.

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

Please see item 1.

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

None, except in the ordinary course of business.

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

None.

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

None.

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

None.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	9,783,560	9,154,000 common shares were issued at an average price of \$0.0933 pursuant to the Company's previously announced At-the-Market ("ATM") equity program. 99,778 common shares @ \$0.18 were issued as partial compensation for the services of the Company's Chief Technology Officer, Chief Operating Officer and an Advisor.	\$828,535 (net proceeds) will be used for the expansion of sales & marketing efforts, continued development of the Perk Hero App, and general working capital purposes.

		469,782 common shares @ \$0.08 were issued pursuant to exercise of warrants. 60,000 common shares @ \$0.15 were issued pursuant to exercise of stock options.	
RSUs	1,444,871	44,871 RSUs were granted to the CEO and CFO as partial compensation for their services. 750,000 RSUs were granted to the CEO as compensation for his service. 437,500 RSUs were granted to the independent directors as partial director compensation for the prior quarter. 650,000 RSUs were granted to 13 employees	N/A

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

A total of 12,500 stock options, with exercise price of \$0.10 were cancelled, and no stock options were granted during January 2021. No RSUs were cancelled in January.

There are presently 8,603,500 stock options and 8,563,634 RSUs outstanding.

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

None.

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

None.

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

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

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

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

The COVID-19 pandemic has impacted and could further impact the Company's merchants, user network and operations as a result of quarantines, facility closures, and travel and logistics restrictions. The COVID-19 pandemic has disproportionately impacted the restaurant industry and specifically restaurants that rely on revenue generated by in-restaurant dining. With restrictions on dining in, many restaurants have limited their operations solely to takeout and delivery, while others have decided to pause or cease operations or drastically cut costs. Historically, a significant percentage of the Company's operating revenue was generated from

transaction fees on in-restaurant dining transactions. As a result of the restrictions on in-restaurant dining, we experienced reduced revenues from in-restaurant dining transactions and we may continue to see a reduction in revenue from in-restaurant dining transactions if these conditions continue into future periods. Based on the Company's results from the third quarter, management decided to shift the Company's focus away from the food and beverage vertical to focus more on eCommerce dropshipping merchants, Perk Hero managed stores and digital gift cards.

We believe that the Company will emerge from these events well positioned for long-term growth, however, the Company cannot reasonably estimate the duration or severity of the economic impact to our users and merchant partners caused by the restrictions on daily life to curb the spread of COVID-19. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

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

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All the information in this Form 7 Monthly Progress Report is true.

Dated: February 5, 2021

Jonathan Hoyles
Name of Director or Senior Officer

"Jonathan Hoyles"
Signature

Director and CEO
Official Capacity

<i>Issuer Details</i>		
Name of Issuer: Perk Labs Inc.	For Month End January 2021	Date of Report: YYYYMMDD 2021/02/05
Issuer Address: 555 Burrard Street, Two Bentall Centre, Suite 1755, Box 240		
City/Province/Postal Code: Vancouver, BC V7X 1M8	Issuer Fax No.: N/A	Issuer Telephone No. 855.288.6044
Contact Name: Jonathan Hoyles	Contact Position: Director & CEO	Contact Telephone No. 855.288.6044
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