



**PERK LABS INC.**

**(formerly Glance Technologies Inc.)**

**Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended February 29, 2020 and February 28, 2019**

**(Unaudited)**

**(Expressed in Canadian Dollars)**

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**PERK LABS INC.**  
(formerly Glance Technologies Inc.)

**Condensed Interim Consolidated Financial Statements**

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**PERK LABS INC.**  
(formerly Glance Technologies Inc.)

**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in Canadian Dollars)

<b>As at</b>	<b>(Unaudited) February 29 2020</b>	<b>(Audited) November 30 2019</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,693,516	\$ 1,918,626
Amounts receivable (note 5)	14,285	20,839
Marketable securities (note 6)	1,338,964	1,710,530
Prepaid expenses and deposits (note 7)	79,225	64,245
<b>Total current assets</b>	<b>3,125,990</b>	<b>3,714,240</b>
<b>Non-current assets</b>		
Property and equipment (note 8)	20,542	31,606
Marketable securities (note 6)	482,772	882,785
Investment (note 10)	102,000	102,000
Investment in joint venture (note 11)	1	1
<b>Total non-current assets</b>	<b>605,315</b>	<b>1,016,392</b>
<b>Total assets</b>	<b>\$ 3,731,305</b>	<b>\$ 4,730,632</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 18)	\$ 316,535	\$ 367,730
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 12)	33,097,910	32,903,790
Reserves	5,073,796	4,998,540
Deficit	(34,756,936)	(33,539,428)
<b>Total shareholders' equity</b>	<b>3,414,770</b>	<b>4,362,902</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,731,305</b>	<b>\$ 4,730,632</b>
<b>Nature of operations and going concern</b> (notes 1 and 2)		
<b>Commitments</b> (note 19)		
<b>Subsequent events</b> (note 22)		

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 27, 2020. They are signed on the Company's behalf by:

"Kirk Herrington"

Director

"James Topham"

Director

**PERK LABS INC.**  
(formerly Glance Technologies Inc.)

**Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)**  
(Expressed in Canadian Dollars)

	<b>Three Months Ended</b>	
	<b>(Unaudited)</b>	<b>Restated (note 21) (Unaudited)</b>
	<b>February 29 2020</b>	<b>February 28 2019</b>
<b>Revenue</b>	<b>\$ 6,042</b>	<b>\$ 7,009</b>
<b>Expenses</b>		
Depreciation and amortization (notes 8 and 9)	11,064	128,503
General and administration (note 14)	457,365	1,237,810
Sales and marketing (note 15)	156,732	425,999
Share-based compensation (notes 13 and 18)	75,256	132,973
	<b>700,417</b>	<b>1,925,285</b>
<b>Loss from operations</b>	<b>(694,375)</b>	<b>(1,918,276)</b>
Other income (expense)		
Foreign exchange gain (loss)	(602)	(1,521)
Gain on sale of marketable securities (note 6)	219,936	231,130
Interest income	5,737	23,051
Other income	-	2,700
Unrealized gain (loss) on marketable securities (note 6)	(748,204)	6,442,200
	<b>(523,133)</b>	<b>6,697,560</b>
<b>Net and comprehensive income (loss) for the period</b>	<b>\$ (1,217,508)</b>	<b>\$ 4,779,284</b>
Net income (loss) per share		
Basic	\$ (0.01)	\$ 0.03
Diluted	\$ (0.01)	\$ 0.03
<b>Weighted average number of shares outstanding - basic</b>	<b>138,244,921</b>	<b>136,737,783</b>
<b>Weighted average number of shares outstanding - diluted</b>	<b>147,494,460</b>	<b>145,248,917</b>

**PERK LABS INC.**  
(formerly Glance Technologies Inc.)

**Condensed Interim Consolidated Statements of Changes in Equity**  
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Shares to be Issued	Reserves	Deficit	(Unaudited) Total Equity
Balance, November 30, 2019	136,817,783	\$ 32,903,790	\$ -	\$ 4,998,540	\$(33,539,428)	\$ 4,362,902
Shares issued for cash	3,836,845	176,495	-	-	-	176,495
Shares issued for debt	369,949	17,625	-	-	-	17,625
Share-based compensation	-	-	-	75,256	-	75,256
Net loss for the period	-	-	-	-	(1,217,508)	(1,217,508)
<b>Balance, February 29, 2020</b>	<b>141,024,577</b>	<b>\$ 33,097,910</b>	<b>\$ -</b>	<b>\$ 5,073,796</b>	<b>\$(34,756,936)</b>	<b>\$ 3,414,770</b>

	Number of Shares	Share Capital	Shares to be Issued	Reserves	Restated (note 20) Deficit	(Unaudited) Restated (note 21) Total Equity
Balance, November 30, 2018	136,737,783	\$ 32,899,790	\$ 15,866	\$ 4,509,832	\$(25,474,990)	\$ 11,950,498
Share-based compensation	-	-	-	132,973	-	132,973
Net income for the period	-	-	-	-	4,779,284	4,779,284
<b>Balance, February 28, 2019</b>	<b>136,737,783</b>	<b>\$ 32,899,790</b>	<b>\$ 15,866</b>	<b>\$ 4,642,805</b>	<b>\$(20,695,706)</b>	<b>\$ 16,862,755</b>

**PERK LABS INC.**  
(formerly Glance Technologies Inc.)

**Condensed Interim Consolidated Statements of Cash Flows**  
(Expressed in Canadian Dollars)

	<b>Three Months Ended</b>	
	<b>(Unaudited)</b>	Restated (note 21) <b>(Unaudited)</b>
	<b>February 29</b>	February 28
	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Net income (loss) for the period	\$ (1,217,508)	\$ 4,779,284
Items not affecting cash		
Depreciation and amortization	11,064	128,502
Gain on sale of marketable securities	(219,936)	(231,130)
Share-based compensation	75,256	132,973
Unrealized (gain) loss on marketable securities	748,204	(6,442,200)
	<b>(602,920)</b>	<b>(1,632,571)</b>
Net change in non-cash working capital	<b>(41,996)</b>	<b>(149,285)</b>
	<b>(644,916)</b>	<b>(1,781,856)</b>
<b>Investing activities</b>		
Acquisition of property and equipment	-	(1,418)
Proceeds from sale of marketable securities	243,311	474,130
	<b>243,311</b>	<b>472,712</b>
<b>Financing activities</b>		
Proceeds from share issuances	176,495	-
	<b>176,495</b>	<b>-</b>
<b>Net decrease in cash</b>	<b>(225,110)</b>	<b>(1,309,144)</b>
<b>Cash, beginning of period</b>	<b>1,918,626</b>	<b>5,626,789</b>
<b>Cash, end of period</b>	<b>\$ 1,693,516</b>	<b>\$ 4,317,645</b>
<b>Supplemental cash flow information (note 17)</b>		

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**PERK LABS INC.**  
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**Notes to the Condensed Interim Consolidated Financial Statements**  
(Unaudited)  
(Expressed in Canadian Dollars)

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**For the Three Months Ended February 29, 2020 and February 28, 2019**

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**1. NATURE OF OPERATIONS**

Perk Labs Inc. (formerly Glance Technologies Inc.) (“Perk Labs” or the “Company”) was incorporated under the laws of the Province of British Columbia on October 24, 2014. The Company’s office is located at Suite 1755, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9.

The Company’s common shares trade on the Canadian Securities Exchange (“CSE”) under the symbol PERK (formerly GET) and began trading on September 7, 2016; on the OTCQB under the symbol GLNNF; and on the Frankfurt Stock Exchange under the symbol GJT.

These condensed interim consolidated financial statements include the accounts of Perk Labs Inc. and its three wholly owned subsidiaries: Perk Hero Software Inc. (formerly Glance Pay Inc.); Glance Pay USA Inc.; and Glance Coin Inc.

The Company’s principal business is to enhance the payment process for both consumers and merchants online and in brick-and-mortar environments using proprietary technology that combines mobile technologies and traditional payment processing using *Glance Pay*. The Company launched its *Glance Pay* application during August 2016 and subsequently announced the launch of *Perk Hero*.

**2. GOING CONCERN**

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company incurred a net loss of \$1,217,508 (February 28, 2019 – net income of \$4,779,284) and used cash of \$644,916 (February 28, 2019 - \$1,781,856) for operating activities during the three months ended February 29, 2020 and, as of that date, had a deficit of \$34,756,936 (November 30, 2019 - \$33,539,428).

The Company is continuing to enhance its mobile payment applications. The continued operations of the Company are dependent on future profitable operations, management’s ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to February 29, 2020 is uncertain. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate and the impact of those adjustments could be material.

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**PERK LABS INC.**  
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**2. GOING CONCERN** (continued)

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. 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.

**3. BASIS OF PREPARATION**

**a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 34, "*Interim Financial Reporting*" ("IAS 34") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Certain information and note disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

The unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods as those used in the annual audited consolidated financial statements for the year ended November 30, 2019, and should be read in conjunction with those financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance by the Board of Directors on April 27, 2020.

**a) Basis of measurement**

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments that are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.



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**3. BASIS OF PREPARATION** (continued)

**c) Presentation and functional currency**

The presentation and functional currency of the Company and its subsidiaries is the Canadian Dollar.

**d) Foreign currency transactions**

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the condensed interim consolidated statement of financial position. Income and expenses are translated at the exchange rate in the month they are recorded for each statement of condensed interim consolidated statement of operations and comprehensive loss. Foreign exchange differences are recognized in the condensed interim consolidated statement of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**e) Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls where it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

**f) Reclassifications**

Certain of the prior year figures have been reclassified to conform to the current year's presentation.

**g) Critical accounting judgments and estimates**

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include revenue recognition, the collectability of amounts receivable, the useful lives and carrying values of property and equipment and intangible assets, the carrying value of marketable securities and investments, and the measurement of share-based compensation.

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**3. BASIS OF PREPARATION** (continued)

**g) Critical accounting judgments and estimates** (continued)

Judgments made by management in the application of IFRS that have significant effect on the condensed interim consolidated financial statements include the factors that are used in determining the fair value of privately held investments, the fair value of share-based compensation, the discount rates applied on marketable securities held in escrow, and the application of the going concern assumption which requires management to take into account all available information about the future, at least but not limited to twelve months from the reporting period.

**4. ADOPTION OF NEW STANDARD – IFRS 16, LEASES**

In January 2016, the IASB issued IFRS 16 *Leases* (“IFRS 16”) and brings most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease or an entity’s incremental borrowing rate if the implicit rate cannot be readily determined. Lessees are permitted to make an election for leases with a term of 12 months or less, or where the underlying asset is of low value, and not recognize lease assets and lease liabilities. The expense associated with these leases can be recognized on a straight-line basis over the lease term or on another systematic basis.

IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 and a lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. The Company implemented IFRS 16 for the year beginning December 1, 2019 using the election for short-term leases for their existing office premises lease which had a nine-month term at inception. As such, there was no impact on the condensed interim consolidated statement of financial position at the date of initial application. This new standard will subsequently impact the consolidated statement of financial position by adding a lease liability and a right-of-use asset. (Refer to note 19)

**5. AMOUNTS RECEIVABLE**

	<b>February 29 2020</b>	November 30 2019
Accounts receivable - customers	\$ 2,078	\$ 2,306
Goods and services tax receivable	11,591	18,117
Other receivables	616	416
	<b>\$ 14,285</b>	<b>\$ 20,839</b>

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**For the Three Months Ended February 29, 2020 and February 28, 2019**

**6. MARKETABLE SECURITIES**

	February 29 2020	November 30 2019	February 29 2020	November 30 2019	February 29 2020	November 30 2019
	Number		Cost		Fair Value	
Current						
Loop Insights Inc.	689,825	783,325	\$ 195,831	\$ 195,831	\$ 93,126	\$ 148,832
Yield Growth Corp. (shares)	3,130,000	2,700,000	-	-	618,027	688,500
Yield Growth Corp. (warrants)	5,460,000	5,460,000	-	-	627,811	873,198
			195,831	195,831	1,338,964	1,710,530
Non-current						
Yield Growth Corp. (shares)	2,700,000	4,050,000	-	-	482,772	882,785
			\$ 195,831	\$ 195,831	\$ 1,821,736	\$ 2,593,315

**Loop Insights Inc.**

On January 4, 2018, Yield Growth Corp, (“Yield”), then a private company that was partially owned but not controlled by the Company, signed a definitive agreement for licensing and product pre-sales with Loop Insights Inc. (“Loop”) (formerly “Big Cannabis Data”). Under the terms of the agreement, Yield sublicensed the *Glance Pay* mobile payment platform technology to Loop for \$2,000,000 for a one year license, payable in stock at a fair value of \$0.25 per share for 8,000,000 common shares, of which 4,000,000 common shares was paid to the Company as a sublicense royalty, and the sublicense was renewable for \$10,000 per year. On February 6, 2018, the 4,000,000 Loop common shares were transferred by Yield to the Company. Loop was a private company incorporated under the laws of the Province of British Columbia on January 2, 2018. Loop is a Vancouver-based technology company that has developed a unique proprietary platform that combines the power of IoT and AI to level the playing field between brick and mortar retailers and their online competition. On June 12, 2019, Loop announced that it completed a reverse takeover with AlkaLi3 Resources Inc. and listed as a Tier 2 Technology Issuer on the TSX Venture Exchange.

During the year ended November 30, 2018, the Company recognized revenue of \$1,000,000 from Loop in connection with a royalty fee for sublicensing the mobile payment platform from Yield. In November 2018, a modified agreement was put in place to cancel the Yield sublicense and the Company entered into a more limited scope license agreement to work directly with Loop and leverage each other’s technology. There has been no impact to revenue as the licensed patents were already provided under the original agreement. There are no remaining obligations under the contract prior to modification and there are no new performance obligations under the modified contract. The Company received 1,000,000 common shares of Loop at a fair value of \$0.25 per share of Loop in connection with the license agreement in place of the 4,000,000 common shares it previously owned.

During the three months ended February 29, 2020, the Company sold 93,500 (November 30, 2019 - 216,675) shares of Loop for net proceeds of \$13,895 (November 30, 2019 - \$84,272) with a cost of \$23,375 (November 30, 2019 - \$54,169) resulting in a realized loss of \$9,480 (November 30, 2019 – gain of \$30,103).

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**PERK LABS INC.**  
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**Notes to the Condensed Interim Consolidated Financial Statements**  
(Unaudited)  
(Expressed in Canadian Dollars)

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**For the Three Months Ended February 29, 2020 and February 28, 2019**

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**6. MARKETABLE SECURITIES (continued)**

**Yield Growth Corp.**

On May 29, 2017 (and as amended and restated on May 31, 2017), the Company's subsidiary Perk Hero Software Inc. (formerly Glance Pay Inc.) entered into a licensing agreement with Yield Growth Corp. ("Yield"), a company incorporated in the Province of British Columbia. Pursuant to the licensing agreement, the Company granted Yield a worldwide, non-exclusive license to use its intellectual property in the marijuana financial technology industry.

The license had an initial term of one year and with automatic renewals for up to 50 additional one year terms upon Yield's payment of the annual renewal fee of \$10,000. As consideration for the license, Yield agreed to pay the Company a fee of \$912,500 for the initial term of one year, which was paid as follows:

- \$100,000 on May 31, 2017;
- \$200,000 on June 20, 2017; and
- \$612,500 from the issuance of 2,450,000 common shares of Yield on November 28, 2017.

Pursuant to the terms of the licensing agreement, on May 31, 2017 and June 20, 2017, the Company acquired 8,000,000 common shares of Yield for proceeds of \$400,000. This was in addition to 2,450,000 shares at a fair value of \$0.25 per share for services. The cost amount was subsequently written down to \$Nil when proportional losses were attributed from Yield to the Company. On June 4, 2018, Yield split their common shares on the basis of two for one, increasing the Company's holdings in Yield to 20,900,000 common shares.

As part of an agreement modification in November 2018, the Company returned 11,900,000 Yield common shares in exchange for the issuance of 6,000,000 warrants to purchase Yield shares with a five-year term at a price of \$0.50 per share. As a result of the modification, the Company amended its accounting of its investment in Yield from the equity method to FVTPL as the Company no longer had significant influence of Yield as its common share holdings were less than 20%, had no representation on the Board of Directors of Yield, and had no participation or significant influence in the operations of Yield. As part of the modified agreement, the Company agreed not to sell more than 20,000 of its Yield shares in a single day when Yield became listed on a Canadian stock exchange, which occurred on December 14, 2018.

During the three months ended February 29, 2020, the Company exercised Nil (November 30, 2019 - 540,000) warrants for Nil (November 30, 2019 - \$240,000) and sold 920,000 (November 30, 2019 - 2,250,000) shares of Yield for proceeds of \$229,416 (November 30, 2019 - \$1,257,168) resulting in a realized gain of \$229,416 (November 30, 2019 - \$987,168).

At February 29, 2020, the fair value of the 5,460,000 (November 30, 2019 - 5,460,000) Yield warrants was \$627,811 (November 30, 2019 - \$873,198) calculated using the Black-Scholes option pricing model assuming no (February 28, 2019 - no) expected dividends, an expected life remaining of 3.60 (February 28, 2019 - 4.67) years, volatility of 106% (February 28, 2019 - 150%), and a risk-free rate of 1.10% (February 28, 2019 - 1.81%). At February 29, 2020, the Company recognized an unrealized loss of \$245,388 (November 30, 2019 - \$334,219) on the Yield warrants.

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**6. MARKETABLE SECURITIES (continued)**

**Yield Growth Corp. (continued)**

Of the Company's 5,830,000 Yield common shares, 430,000 shares have been released from escrow with the remainder released from escrow on the following dates: (i) June 15, 2020 – 1,350,000 shares; (ii) December 15, 2020 – 1,350,000; (iii) June 15, 2021 – 1,350,000 shares; and (iv) December 15, 2021 – 1,350,000 shares. At February 29, 2020, the Company recorded a discount of \$123,501 (November 30, 2019 – \$149,965) on the carrying value of Yield common shares held in long-term escrow with a corresponding entry to unrealized loss.

**7. PREPAID EXPENSES AND DEPOSITS**

	<b>February 29 2020</b>	November 30 2019
Deposit on office premises	\$ 26,529	\$ 26,529
Other prepaid expenses	52,696	37,716
	<b>\$ 79,225</b>	<b>\$ 64,245</b>

**8. PROPERTY AND EQUIPMENT**

	November 30 2018	Dispositions	November 30 2019	Additions	<b>February 29 2020</b>
<b>Cost</b>					
Computer equipment	\$ 362,346	\$ (188,752)	\$ 173,594	\$ -	<b>\$ 173,594</b>
Furniture and fixtures	26,075	(5,288)	20,787	-	<b>20,787</b>
Leasehold improvements	220,474	-	220,474	-	<b>220,474</b>
	<b>\$ 608,895</b>	<b>\$ (194,040)</b>	<b>\$ 414,855</b>	<b>\$ -</b>	<b>\$ 414,855</b>
<b>Accumulated Depreciation/Amortization</b>					
Computer equipment	\$ 208,154	\$ (59,137)	\$ 149,017	\$ 9,336	<b>\$ 158,353</b>
Furniture and fixtures	8,613	5,145	13,758	1,728	<b>15,486</b>
Leasehold improvements	75,877	144,597	220,474	-	<b>220,474</b>
	<b>\$ 292,644</b>	<b>\$ 90,605</b>	<b>\$ 383,249</b>	<b>\$ 11,064</b>	<b>\$ 394,313</b>
<b>Carrying Amounts</b>	<b>\$ 316,251</b>		<b>\$ 31,606</b>		<b>\$ 20,542</b>

**PERK LABS INC.**  
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**Notes to the Condensed Interim Consolidated Financial Statements**  
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For the Three Months Ended February 29, 2020 and February 28, 2019

**9. INTANGIBLE ASSETS**

	Computer Software	Payment Processing Patents	Intellectual Property	Patent and Domain Names	Total
<b>Cost</b>					
Balance November 30, 2018	\$ 493,244	\$ 26,667	\$ -	\$ 17,800	\$ 537,711
Additions	-	-	1,419,844	14,311	1,434,155
<b>Balance November 30, 2019 and February 29, 2020</b>	<b>\$ 493,244</b>	<b>\$ 26,667</b>	<b>\$ 1,419,844</b>	<b>\$ 32,111</b>	<b>\$ 1,971,866</b>
	Computer Software	Payment Processing Patents	Intellectual Property	Patent and Domain Names	Total
<b>Accumulated Amortization</b>					
Balance November 30, 2018	\$ 369,933	\$ 20,000	\$ 1,419,844	\$ -	\$ 1,809,777
Amortization	123,311	6,667	-	-	129,978
Impairment	-	-	-	32,111	32,111
<b>Balance, November 30, 2019 and February 29, 2020</b>	<b>\$ 493,244</b>	<b>\$ 26,667</b>	<b>\$ 1,419,844</b>	<b>\$ 32,111</b>	<b>\$ 1,971,866</b>
<b>Carrying Amounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**10. INVESTMENT**

	February 29 2020	November 30 2019	February 29 2020	November 30 2019	February 29 2020	November 30 2019
	Number		Cost		Fair Value	
Euro Asia Pay Holdings Inc.	8,500,000	8,500,000	\$ 595,000	\$ 595,000	\$ 102,000	\$ 102,000

In October 2017, the Company received \$250,000 upon signing an agreement with Euro Asia Pay Holdings Inc. ("EAP"). In November 2017, EAP issued 8,500,000 common shares at a fair market value of \$595,000, pursuant to its obligation to pay for an element of licensing, design of the application, and marketing. EAP is a private company incorporated under the laws of the Province of British Columbia on October 16, 2017. EAP combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the tourism and education industry. During the three months ended February 29, 2020, the Company recorded an impairment loss of \$Nil (November 30, 2019 - \$493,000).

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**For the Three Months Ended February 29, 2020 and February 28, 2019**

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**11. JOINT VENTURE AGREEMENT – CONVERGE MOBISOLUTIONS INC.**

The Company previously announced an agreement with Fobisuite which included the grant of a license from the Company and Fobisuite to a newly created company, Fobi Pay Technologies Inc. (“Fobi Pay”). The terms of the agreement were amended to substitute a new entity, Converge MobiSolutions Inc. (“Converge”), for Fobi Pay. As part of the amended agreement, the Company has entered into a license and distribution agreement with Converge pursuant to which Converge has the right to sell its technology. Converge has also entered into a separate license and distribution agreement pursuant to which it has the right to sell certain other technology that has been licensed to Kinect Technology Inc. (“Kinect”).

Converge will be focused on marketing and selling technology to certain types of merchants such as casinos, hotels, restaurants, and nightclubs and will target certain geographies including Las Vegas. The Company owns 20,000,000 shares or 49% of the common shares of Converge and Kinect owns 20,500,000 shares for the remaining 51% of Converge. Each company has elected one board member. The investment will be recorded under the equity method. During the year ended November 30, 2019, the shares were acquired for a nominal cash value.

No transactions took place during the three months ended February 29, 2020.

**12. SHARE CAPITAL**

**a) Common shares**

**Authorized:**

Unlimited number of common shares without par value.

**Issued:**

	<b>Issued Number</b>	<b>Amount</b>
Balance, November 30, 2018	136,737,783	\$ 32,899,790
Shares issued for debt	80,000	4,000
Balance, November 30, 2019	136,817,783	32,903,790
Shares issued for cash	3,836,845	176,495
Shares issued for debt	369,949	17,625
<b>Balance, February 29, 2020</b>	<b>141,024,577</b>	<b>\$ 33,097,910</b>

On November 8, 2019, 80,000 common shares were issued at \$0.05 per share as settlement of an amount payable.

On December 3, 2019, the Company issued 88,889 common shares at \$0.045 as settlement for an amount payable.

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**12. SHARE CAPITAL** (continued)

**a) Common shares** (continued)

On January 6, 2020, the Company issued 80,000 common shares at \$0.05 as settlement for an amount payable.

On January 8, 2020, the Company issued 20,000 common shares at \$0.05 as settlement for an amount payable.

On January 31, 2020, the Company closed a private placement for 3,836,845 Units at a price of \$0.046 per Unit for gross proceeds of \$176,495. Each Unit consists of one common share and one common share purchase warrant. Warrants issued have an exercise price of \$0.08 per share for a period of 24 months from the date of issue. Warrants were valued at \$Nil using the residual value method. The Company paid no share issue costs in connection with this financing.

On February 3, 2020, the Company issued 133,333 common shares at \$0.045 as settlement for amounts payable.

On February 18, 2020, the Company issued 47,727 common shares at \$0.055 as settlement for an amount payable.

**b) Escrow shares**

At February 29, 2020, there were 10,593,767 (November 30, 2019 – 10,593,767) common shares held in escrow. Half of the amount in escrow will be released March 7, 2020 and the balance will be released on September 7, 2020.

**c) Warrants**

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2018	6,281,687	\$ 2.81
Expired	(6,274,190)	\$ (2.81)
Balance, November 30, 2019	7,497	\$ 0.33
Issued	3,836,845	\$ 0.08
Expired	(7,497)	\$ 0.33
<b>Balance, February 29, 2020</b>	<b>3,836,845</b>	<b>\$ 0.08</b>

  

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
January 31, 2022	2.92	3,836,845	\$ 0.08



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**12. SHARE CAPITAL** (continued)

**d) Restricted share units**

The Company has established a long-term incentive plan for executives and certain employees. Under the terms of this plan, participants are eligible to receive common shares without any monetary consideration payable to the Company. Each award is considered a separate award with its own vesting period and grant date fair value. Each RSU is convertible into one common share. All RSUs will vest three years after the date of grant, where the date of grant is expected to be finalized and approved at the Company's Annual General Meeting to be held on June 10, 2020. As at February 29, 2020, the Company has proposed to grant 3,119,866 (November 30, 2019 – 1,126,000) RSUs which are subject to shareholder approval on June 10, 2020 where the grant date for the proposed RSUs will be approved.

**13. SHARE-BASED COMPENSATION**

The Company is authorized to grant options to directors, officers, employees, and consultants to acquire common shares under the 2016 Incentive Stock Option Plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's common shares issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less \$0.10. Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors. Stock options granted under the Plan are to be settled with the issuance of equity instruments.

The following summarizes the stock options outstanding:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Balance, November 30, 2018	8,540,250	\$ 0.85
Granted	5,000,000	\$ 0.16
Cancelled	(5,011,750)	\$ 0.79
Balance, November 30, 2019	8,528,500	\$ 0.23
Granted	100,000	\$ 0.10
Cancelled	(547,500)	\$ (0.22)
<b>Balance, February 29, 2020</b>	<b>8,081,000</b>	<b>\$ 0.23</b>

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**13. SHARE-BASED COMPENSATION** (continued)

Date of Grant	Expiry Date	Remaining Life (Years)	Number of Options Vested	Number of Options Outstanding	Exercise Price
May 3, 2019	May 3, 2021	1.17	75,000	100,000	\$ 0.15
May 12, 2016	May 12, 2021	1.20	75,000	75,000	\$ 0.15
June 15, 2016	June 15, 2021	1.29	50,000	50,000	\$ 0.15
September 6, 2016	September 6, 2021	1.52	25,000	25,000	\$ 0.15
January 22, 2018	January 22, 2023	2.90	500,000	500,000	\$ 1.46
June 28, 2018	June 28, 2023	3.33	25,000	25,000	\$ 0.50
December 17, 2018	December 17, 2023	3.80	-	100,000	\$ 0.18
April 23, 2019	April 23, 2024	4.15	2,934,750	4,556,000	\$ 0.16
May 3, 2019	May 3, 2024	4.17	555,000	1,250,000	\$ 0.15
May 8, 2019	May 8, 2024	4.19	25,000	200,000	\$ 0.14
May 22, 2019	May 22, 2024	4.23	-	100,000	\$ 0.15
June 25, 2019,	June 25, 2024	4.32	262,500	400,000	\$ 0.11
September 17, 2019	September 17, 2024	4.55	-	100,000	\$ 0.10
October 1, 2019	October 1, 2024	4.59	18,750	150,000	\$ 0.10
October 28, 2019	October 28, 2024	4.66	-	350,000	\$ 0.10
January 31, 2020	January 31, 2025	4.92	-	100,000	\$ 0.10
		3.86	4,546,000	8,081,000	\$ 0.23

On December 17, 2018, the Company granted 100,000 options to a consultant to acquire 100,000 common shares of the Company with an expiry date of December 17, 2023 at \$0.18 per share. The options vest over two years with 25% six months from the date of grant and 25% every six months thereafter. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$3,224 or \$0.02 per option, assuming an expected life of two years, a risk-free interest rate of 1.59%, an expected dividend rate of 0.00%, stock price of \$0.55, and an expected annual volatility coefficient of 135%. Volatility was determined using historical stock prices.

On April 23, 2019, the Company granted 6,146,500 options to directors, certain employees and consultants to acquire 6,146,500 common shares of the Company with an expiry date of April 23, 2024 at \$0.155 per share. The options vest over two years with 25% six months from the date of grant and 25% every six months thereafter. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$163,180 or \$0.03 per option, assuming an expected life of two years, a risk-free interest rate of 1.59%, an expected dividend rate of 0.00%, stock price of \$0.155, and an expected annual volatility coefficient of 197%. Volatility was determined using historical stock prices, At November 30, 2019, 1,273,000 options were cancelled.

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**13. SHARE-BASED COMPENSATION** (continued)

On May 3, 2019, the Company granted 100,000 options to a consultant to acquire 100,000 common shares of the Company with an expiry date of May 3, 2021 at \$0.15 per share. The options vest over two years with 25% three months from the date of grant and 25% every three months thereafter. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$1,985 or \$0.03 per option, assuming an expected life of two years, a risk-free interest rate of 1.59%, an expected dividend rate of 0.00%, stock price of \$0.055, and an expected annual volatility coefficient of 135%. Volatility was determined using historical stock prices,

On May 3, 2019, the Company granted 1,250,000 options to a consultant to acquire 1,250,000 common shares of the Company with an expiry date of May 3, 2024 at \$0.15 per share. The options vest based on achieving certain milestones. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$56,880 or \$0.03 per option, assuming an expected life of two years, a risk-free interest rate of 1.59%, an expected dividend rate of 0.00%, stock price of \$0.055, and an expected annual volatility coefficient of 135%. Volatility was determined using historical stock prices.

On May 8, 2019, the Company granted 200,000 options to a consultant to acquire 200,000 common shares of the Company with an expiry date of May 8, 2024 at \$0.14 per share. The options vest based on achieving certain milestones. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$3,355 or \$0.03 per option, assuming an expected life of two years, a risk-free interest rate of 1.59%, an expected dividend rate of 0.00%, stock price of \$0.055, and an expected annual volatility coefficient of 135%. Volatility was determined using historical stock prices.

On May 22, 2019, the Company granted 100,000 options to a consultant to acquire 100,000 common shares of the Company with an expiry date of May 22, 2024 at \$0.15 per share. The options vest based on achieving certain milestones. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$899 or \$0.03 per option, assuming an expected life of two years, a risk-free interest rate of 1.59%, an expected dividend rate of 0.00%, stock price of \$0.055, and an expected annual volatility coefficient of 135%. Volatility was determined using historical stock prices.

On June 25, 2019, the Company granted 800,000 options to an employee, and two officers to acquire 800,000 common shares of the Company with an expiry date of June 25, 2024 at \$0.11 per share. The options vest: for the employee, over two years with 25% six months from the date of grant and 25% of six months thereafter; for one officer, over two years with 12.5% three months from the date of grant and then 12.5% very three months thereafter; and for the other officer, 250,000 on the grant date and then 100,000 on achievement of a specific milestone. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$24,809 or \$0.07 per option, assuming an expected life of two years, a risk-free interest rate of 1.45%, an expected dividend rate of 0.00%, stock price of \$0.11, and an expected annual volatility coefficient of 196%. Volatility was determined using historical stock prices. At November 30, 2019, 350,000 options were cancelled.

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**13. SHARE-BASED COMPENSATION** (continued)

On September 17, 2019, the Company granted 100,000 options to employees to acquire 100,000 common shares of the Company with an expiry date of September 17, 2024 at \$0.10 per share. The options vest over two years with 25% six months from the date of grant and then 25% every six months thereafter. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$828 or \$0.04 per option, assuming an expected life of five years, a risk-free interest rate of 1.47%, an expected dividend rate of 0.00%, stock price of \$0.05, and an expected annual volatility coefficient of 125%. Volatility was determined using historical stock prices.

On October 1, 2019, the Company granted 150,000 options to an officer to acquire 150,000 common shares of the Company with an expiry date of October 1, 2024 at \$0.10 per share. The options vest over five years with 12.5% three months from the date of grant and then 12.5% every three months thereafter. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$778 or \$0.03 per option, assuming an expected life of five years, a risk-free interest rate of 1.37%, an expected dividend rate of 0.00%, stock price of \$0.04, and an expected annual volatility coefficient of 125%. Volatility was determined using historical stock prices.

On October 28, 2019, the Company granted 350,000 options to an officer to acquire 350,000 common shares of the Company with an expiry date of October 28, 2024 at \$0.10 per share. The options vest over five years based on achieving certain milestones. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$4,030 or \$0.05 per option, assuming an expected life of five years, a risk-free interest rate of 1.64%, an expected dividend rate of 0.00%, stock price of \$0.065, and an expected annual volatility coefficient of 130%. Volatility was determined using historical stock prices.

During the year ended November 30, 2019, a total of 8,285,700 (November 30, 2018 – 3,712,000) stock options were cancelled. Of these cancellations, 3,946,500 (November 30, 2018 – 1,544,500) were re-issued under the same vesting terms and conditions to employees, directors and officers at a price of \$0.155 (November 30, 2018 - \$0.34) and was treated as a modification of stock options in accordance with IFRS 2 resulting in an increase in incremental value of share-based compensation of \$62,246 (November 30, 2018 - \$132,638).

On January 31, 2020, the Company granted 100,000 stock options to employees to acquire 100,000 common shares of the Company with an expiry date of January 31, 2025 at an exercise price of \$0.10 per share. The options vest over five years. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$3,591 or \$0.036 per option, assuming an expected life of five years, a risk-free interest rate of 1.29%, an expected dividend rate of 0.00%, stock price of \$0.045, and an expected annual volatility coefficient of 131%. Volatility was determined using historical stock prices.

During the three months ended February 29, 2020, a total of 547,500 (February 28, 2019 – 1,581,250) stock options were cancelled.

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**14. GENERAL AND ADMINISTRATION EXPENSES**

Following is a breakdown of general and administration expenses:

	<b>February 29 2020</b>	February 28 2019
Bank charges and interest	\$ 9,029	\$ 15,760
Consulting fees	58,200	101,821
Director fees (note 21)	70,000	-
Information technology	39,940	60,962
Insurance	2,387	2,850
Investor relations	9,993	87,869
Legal, accounting, and auditing	23,605	101,945
Office	10,169	71,528
Rent	38,474	137,274
Transfer agent and filing fees	14,251	12,748
Travel	-	6,637
Wages and benefits (note 21)	181,317	638,416
	<b>\$ 457,365</b>	<b>\$ 1,237,810</b>

**15. SALES AND MARKETING EXPENSES**

	<b>February 29 2020</b>	February 28 2019
Consulting fees	\$ 49,869	\$ -
Promotions and events	10,297	-
Sales and marketing	28,016	127,841
Travel	615	15,652
Wages and benefits	67,935	282,506
	<b>\$ 156,732</b>	<b>\$ 425,999</b>

**16. SEGMENTED INFORMATION**

The Company has one operating segment with assets located in Canada and the USA. The USA operating segment does not exceed 10% of reported revenue or 10% of the combined assets of the Company. The geographic segments have been aggregated into a single operating segment based on similar economic characteristics.

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**17. SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>February 29 2020</b>	February 28 2019
<b>Non-cash investing and financing activities</b>		
Common shares issued for debt	\$ 17,625	\$ -
<b>Supplementary disclosures</b>		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Interest received	\$ 5,737	\$ 23,051

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**18. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	<b>February 29 2020</b>	February 28 2019
Director fees	\$ 70,000	\$ -
Remuneration and fees	103,200	377,000
Share-based compensation	31,116	74,892
	<b>\$ 204,316</b>	<b>\$ 451,892</b>

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At February 29, 2020, the Company owed \$113,125 (November 30, 2019 - \$91,469) to officers and directors which is included in accounts payable and accrued liabilities.

Amounts due to or from related parties are unsecured, do not bear interest, and are classified as a current asset or liability due to their nature and expected time of repayment.

**19. COMMITMENTS**

On July 15, 2019, the Company entered into an agreement to sublease their premises located on the 17th floor at 555 Burrard Street, Vancouver, British Columbia, V7X 1M9. The term of the lease commenced on September 1, 2019 and expires on May 30, 2020. The sub-landlord is to be compensated with a monthly fee of \$12,633 (plus applicable taxes).

On February 24, 2020, the Company signed a lease for its current office premises to begin on June 1, 2020 for three years. It is a triple net lease with the base rent \$9,485 per month in Year 1; \$9,716 per month in Year 2; and \$9,947 per month in Year 3. As the lease is with a different lessor, the Company has taken the position that this constitutes a new and separate lease under IFRS 16 and the impact of adoption of the new lease will be June 1, 2020 when the new lease takes effect.

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**19. COMMITMENTS** (continued)

<b>Year Ended</b>	<b>Amount</b>
2020	\$ 94,809
2021	115,206
2022	117,978
2023	59,682
	\$ 387,675

**20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Fair value of financial assets and liabilities that are measured at fair value on a recurring basis**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

Marketable securities and investments are carried at fair value, calculated in accordance with Level 1 for marketable securities and Level 2 for financial instruments where the Black-Scholes Pricing Model has been used to determine fair value.

The Company's cash, amounts receivable, investment in joint venture, and accounts payable and accrued liabilities, all approximate their fair values due the short-term nature of the financial instrument, or the market rates of interest attached thereto.

**b) Market risk**

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

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**20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**b) Market risk (continued)**

**(i) Interest rate risk**

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity. The Company is not exposed to cash flow interest rate risk on cash balances as the rate of interest is currently very low.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets. Management does not believe this risk is significant.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

At February 29, 2020, the Company is exposed to foreign currency risk with respect to its US denominated bank account. A 10% change in foreign exchange rates is not expected to have a material impact on the Condensed Interim Consolidated financial statements.

At February 29, 2020, 2019, financial instruments were converted at a rate of \$1 US dollar to \$1.3429 (November 30, 2019 – \$1.3289) Canadian.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

**(iii) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. At February 29, 2020 and November 30, 2019, all amounts receivable were current.



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**20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**b) Market risk (continued)**

**(iii) Credit risk (continued)**

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or the proposed transaction. The Company manages liquidity risk by maintaining adequate cash balances when possible.

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at February 29, 2020 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

**(v) Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital and there was no material change from the prior year.

**(vi) Price risk**

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company's marketable securities are exposed to price risk.

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**21. RESTATEMENT**

The Company has amended its condensed interim consolidated financial statements as at and for the three months ended February 28, 2019 as a result of amending the consolidated financial statements for the year ended November 30, 2018 to reflect the recognition of license revenue, adjustment to the carrying value of marketable securities that are held in escrow, and record an accrual of directors' fees. For the three months ended February 28, 2019, the effects of the restatement resulted in a decrease in net income of \$36,101 as result of reversing license revenue. Although the restatement had no impact to the condensed interim consolidated statement of cash flows for the three months ended February 28, 2019, and had an immaterial impact on the working capital as at February 28, 2019 and to the net income for the three months ended February 28, 2019, management has retroactively restated the February 28, 2019 financial information to ensure better transparency of its financial information for comparative purposes. The restatement had the following effects on the Company's condensed interim consolidated financial statements:

**Condensed Interim Consolidated Statement of Operations and Comprehensive Loss**

	Three months ended February 28, 2019		
	Previously Reported	Adjustment	Restated
Revenue	\$ 43,110	\$ (36,101)	\$ 7,009
Loss from operations	\$ (1,882,175)	\$ (36,101)	\$ (1,918,276)
Net and comprehensive income for the period	\$ 4,815,385	\$ (36,101)	\$ 4,779,284

**Condensed Interim Consolidated Statement of Changes in Equity**

	As at February 28, 2019		
	Previously Reported	Adjustment	Restated
Net income for the period	\$ 4,815,385	\$ (36,101)	\$ 4,779,284
Balance, February 28, 2019	\$(20,659,605)	\$ (36,101)	\$(20,695,706)

**Condensed Interim Consolidated Statement of Cash Flows**

	Three months ended February 28, 2019		
	Previously Reported	Adjustment	Restated
Net income for the period	\$ 4,815,385	\$ (36,101)	\$ 4,779,284
Deferred revenue	\$ (36,101)	\$ 36,101	\$ -

**22. SUBSEQUENT EVENTS**

On March 2, 2020, the Company issued 52,631 common shares at \$0.095 as settlement for amounts payable.

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**PERK LABS INC.**  
(formerly Glance Technologies Inc.)

**Notes to the Condensed Interim Consolidated Financial Statements**  
(Unaudited)  
(Expressed in Canadian Dollars)

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**For the Three Months Ended February 29, 2020 and February 28, 2019**

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**22. SUBSEQUENT EVENTS** (continued)

On March 3, 2020, the Company granted 60,000 stock options to consultants at a price of \$0.18 per share that expire on March 3, 2025.

On March 3, 2020, the Company granted 167,094 restricted share units to an officer and employees that expire on March 3, 2023. This grant is subject to shareholder approval at the Company's Annual General Meeting to be held on June 10, 2020.

On March 4, 2020, 62,500 stock options were exercised at \$0.155 per share for proceeds of \$9,688.

On March 4, 2020, the Company cancelled 25,000 stock options exercisable at \$0.50 per share that expire on June 28, 2023 and 25,000 stock options exercisable at \$0.155 per share that expire on April 23, 2024.

On March 16, 2020, 45,000 stock options were exercised at \$0.15 per share for proceeds of \$6,750.

On March 31, 2020, the Company cancelled 12,500 stock options exercisable at \$0.155 per share that expire on April 23, 2024.

On April 1, 2020, the Company issued 50,000 common shares at \$0.10 per share as settlement for amounts payable.

On April 1, 2020, the Company granted 20,000 stock options to a consultant at a price of \$0.10 per share that expire on April 1, 2025.

On April 1, 2020, the Company granted 30,770 restricted share units to an officer that expires on April 1, 2023. This grant is subject to shareholder approval at the Company's Annual General Meeting to be held on June 10, 2020.

On April 6, 2020, the Company granted 368,420 restricted share units to directors that expire on April 1, 2023. This grant is subject to shareholder approval at the Company's Annual General Meeting to be held on June 10, 2020.

On April 10, 2020, the Company cancelled 35,000 stock options exercisable at \$0.155 per share that expire on April 23, 2024.

On April 15, 2020, the Company issued 16,666 common shares at \$0.10 as settlement for amounts payable.