

**No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.**

This prospectus supplement (the “**Prospectus Supplement**”), together with the accompanying short form base shelf prospectus dated July 17, 2020 (the “**Base Shelf Prospectus**”) and, as supplemented by this Prospectus Supplement, the “**Prospectus**”) to which it relates, as amended or supplemented, and each document incorporated by reference into this Prospectus Supplement and the Base Shelf Prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States of America, its territories, possessions or the District of Columbia (the “**United States**”), and may not be offered or sold in the United States or to, or for the account or benefit of, “**U.S. persons**” (as such term is defined under the U.S. Securities Act) or persons in the United States, unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. Neither this Prospectus Supplement, nor the Base Shelf Prospectus to which it relates, constitutes an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “**Plan of Distribution**”.

**Information has been incorporated by reference in this Prospectus Supplement and the accompanying Base Shelf Prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the legal department of Perk Labs Inc. at Suite 1755, 555 Burrard Street Vancouver, BC Canada V7X 1M9, Telephone 855-288-6044, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## **PROSPECTUS SUPPLEMENT**

**To the Short Form Base Shelf Prospectus dated July 17, 2020**

New Issue

February 17, 2021



**PERK LABS INC.**

**\$4,000,000  
COMMON SHARES**

Perk Labs Inc. (the “**Company**”) is hereby qualifying the distribution (the “**Offering**”) of common shares in the capital of the Company (“**Common Shares**”) having an aggregate sale price of up to \$4,000,000. See “**Plan of Distribution**”.

The Common Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the symbol “**PERK**”, are quoted on the OTCQB under the symbol “**PKLBF**” and on the Frankfurt Stock Exchange under the symbol “**PKLB**”. On February 16, 2021, the last trading day of the Common Shares on the CSE prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the CSE was \$0.15. On February 16, 2021 the last trading day of the Common Shares on the OTCQB and Frankfurt Stock Exchange prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the OTCQB was US\$0.1194 and the closing price of the Common Shares on the Frankfurt Stock Exchange was €0.086. The Company has given notice to the CSE to list the Common Shares offered by this Prospectus Supplement on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

The Company has entered into an equity distribution agreement dated February 17, 2021 (the “**Distribution Agreement**”) with Echelon Wealth Partners Inc. (the “**Agent**”) pursuant to which the Company may distribute Common Shares in the Offering from time to time through the Agent, as agent, in accordance with the terms of the Distribution Agreement. Sales of Common Shares, if any, under this Prospectus are anticipated to be made in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions* (“**NI 44-102**”), including sales made directly on the CSE or on any other existing Canadian

trading market for the Common Shares. The Common Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices at which Common Shares are sold in the Offering may vary as between purchasers and during the period of any distribution. **There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after only raising a portion of the Offering amount set out above, or none at all. See “Plan of Distribution”.**

The Company will pay the Agent compensation for its services in acting as agent in connection with the sale of Common Shares pursuant to the Distribution Agreement of up to 3.0% of the gross sales price per Common Share sold (the “**Agent’s Fee**”).

Neither the Agent, nor any person or company acting jointly or in concert with the Agent, may, in connection with the Offering, enter into any transaction that is intended to stabilize or maintain the market price of the Offered Shares or securities of the same class as the Offered Shares, including selling an aggregate number or principal amount of securities that would result in the Agent creating an over-allocation position in the Offered Shares.

**Any investment in our Common Shares involves significant risks that should be carefully considered by prospective investors before purchasing Common Shares. The risks outlined in this Prospectus Supplement, the Base Shelf Prospectus, and in the documents incorporated by reference herein and therein, should be carefully reviewed and considered by prospective investors in connection with any investment in Common Shares. See the “Risk Factors” section of the accompanying Base Shelf Prospectus and in this Prospectus Supplement.**

Steven Cadigan, a director of the Company, resides outside Canada. Mr. Cadigan has appointed Borden Ladner Gervais LLP, 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2, as his agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the person or company has appointed an agent for service of process in Canada.

**You should be aware that the acquisition of the Common Shares may subject you to tax consequences. This Prospectus Supplement and the Base Shelf Prospectus may not fully describe such tax consequences. See “Certain Canadian Federal Income Tax Considerations”. Prospective purchasers are advised to consult their own tax advisers regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.**

The Company’s head and registered office is located at Suite 1755, 555 Burrard Street Vancouver, BC Canada V7X 1M9.

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## **IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING BASE SHELF PROSPECTUS**

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the securities the Company is offering and also adds to and updates certain information contained in the Base Shelf Prospectus and the documents incorporated by reference herein and therein. The second part, the Base Shelf Prospectus, gives more general information, some of which may not apply to the Common Shares offered hereunder. This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Offering constituted by this Prospectus Supplement.

**No representation is made in respect of information that is not included in, or specifically incorporated by reference into this Prospectus Supplement and the Base Shelf Prospectus. The Company has not authorized any other person to provide purchasers with additional or different information. Purchasers should assume that the information appearing in this Prospectus Supplement and the Base Shelf Prospectus, as well as information the Company has previously filed with the securities regulatory authority in each of the provinces and territories of Canada that is incorporated herein and in the Base Shelf Prospectus by reference, is accurate as of their respective dates only. The Company's business, financial condition, results of operations and prospects may have changed since those dates.**

**The Company is offering to sell, and seeking offers to buy, these securities only in jurisdictions where offers and sales are permitted.**

Unless the context otherwise requires, references in this Prospectus Supplement to "Perk Labs", the "Company", "we", "us" or "our" includes Perk Labs Inc. and each of its material subsidiaries.

All dollar amounts in this Prospectus Supplement are expressed in Canadian dollars unless otherwise indicated.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Statements in this Prospectus 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**"). 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. 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. All statements other than statements of historical facts contained in this Prospectus and the documents incorporated by reference herein are forward-looking statements, including, but not limited to, statements regarding the aggregate amount of the total proceeds the Company will receive pursuant to the Offering; termination of the Offering upon the maximum amount of sales of Common Shares being completed thereunder; the use of proceeds from the Offering, 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, future results of current and anticipated products, that our latest innovation will give our merchants access to advanced data analytics; that Perk Hero App (as defined below) merchants will be better positioned to benefit from a massive, new base of Alipay (the world's largest mobile payment platform) users who represent increased foot traffic, spending power and revenue; that the Company will harmonize its QR codes to enable Alipay payment at Perk Hero App merchants; that we will continue to file additional patent applications; 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 fee 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; that the Company's brand appeals to the optimal target demographic; that the Company will improve its capacity for monetization; that the Company will become the dominant mobile-first digital loyalty platform in North America; 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; that the Perk Hero App will move into the delivery order market space; the effectiveness and efficiency of our advertising and promotional activities; volatility in the market price of the Common 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 in the mobile payments industry; our prioritization of product innovation and user experience over short-term operating results; that Converge MobiSolutions Inc. will focus on marketing and selling technology to certain types of merchants and will target certain geographies; 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 App and introduce new features; that we will increase the number of merchants and users using the Perk Hero App; that the Company will use data, technology, and inbound selling to ramp up sales and revenue generation; that the Company will sign enterprise accounts for the White Label Solution; 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; that the Company's marketing and branding efforts toward user adoption will be targeted at the Gen Z and Millennial demographics who are 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; expectations regarding the acquisition of patents; the Company's focus away from the food and beverage verticle to focus more on eCommerce dropshipping merchants, Perk Hero managed stores and digital gift cards; the Company continuing to refine its marketing and sales strategy to expand its user base, and the Company's intention to scale its marketing efforts and expenditures; and the market for mobile and contactless payments, are forward-looking statements.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- the intention of the Company to complete any offering of Common Shares on the terms and conditions described herein and the aggregate amount of the total proceeds that the Company will receive pursuant to the Offering;
- the Company's expected use of the net proceeds from any sales of Common Shares in the Offering;
- the listing of any Common Shares issued in the Offering;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- the Company's development plans and timeframe for completion of such plans;
- general economic, financial market, regulatory and political conditions in which the Company operates;
- general demand and consumer interest in the Company's products;
- competition;
- anticipated and unanticipated costs;
- the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms;
- the ability of the Company to continue as a going concern;
- government regulation of the Company's activities and products;
- the timely receipt of any required regulatory approvals;
- the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner; and
- the ability of the Company to conduct operations in a safe, efficient and effective manner.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

The forward-looking statements are made only as of the date of this Prospectus and are subject to a number of risks and uncertainties described in this Prospectus and in the documents incorporated by reference herein, and in particular under the section entitled "Risk Factors" in the AIF (as defined below) available under the Company's profile at [www.sedar.com](http://www.sedar.com). 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;
- adverse change in the conditions of the restaurant industry;
- 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 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 Common Shares may be subject to wide fluctuations; and
- the speculative nature of investments in the Common 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, the Company operates 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.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Base Shelf Prospectus solely for the purposes of the Offering. Other documents are also incorporated, or are deemed to be incorporated by reference, into the accompanying Base Shelf Prospectus and reference should be made to the accompanying Base Shelf Prospectus for full particulars thereof.**

**Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities regulatory authorities or similar authorities in Canada (the “Commissions”).** Copies of the documents incorporated herein by reference may be obtained on request without charge from Perk Labs at Suite 1755, 555 Burrard Street Vancouver, BC Canada V7X 1M9, Telephone 855-288-6044 and are also available



under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") which can be accessed at [www.sedar.com](http://www.sedar.com).

The following documents of the Company, which have been filed with the Commissions in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the accompanying Base Shelf Prospectus:

- a) the annual information form of the Company dated May 7, 2020 for the year ended November 30, 2019 (the "**AIF**");
- b) the annual audited consolidated financial statements of the Company for the year ended November 30, 2019 (the "**Annual Financial Statements**"), together with the notes thereto and the auditors' report thereon dated March 30, 2020;
- c) the management's discussion and analysis of financial results related to the Annual Financial Statements;
- d) the unaudited condensed interim consolidated financial statements of the Company for the nine months ended August 31, 2020 and related notes thereto (the "**Interim Financial Statements**");
- e) the management's discussion and analysis of financial results related to the Interim Financial Statements;
- f) the management information circular dated May 8, 2020 in connection with the annual and special meeting of shareholders to be held on June 10, 2020;
- g) the material change report dated July 31, 2020 in respect of the Company's "at-the-market" offering of up to \$2,000,000 of Common Shares (the "**2020 ATM**");
- h) the material change report dated February 19, 2020 in respect of the name change to Perk Labs Inc.;
- i) the amended and restated material change report dated February 6, 2020 in respect of the closing of a non-brokered private placement;
- j) the material change report dated February 3, 2020 in respect of the closing of a non-brokered private placement; and
- k) the material change report dated December 23, 2019 in respect of the appointment of a new chief executive officer.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") to be incorporated by reference in a short form prospectus, including any annual information form, material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements and related management discussion and analysis, information circulars (excluding those portions that, pursuant to NI 44-101, are not required to be incorporated by reference herein), any business acquisition reports, any news releases or public communications containing financial information about the Company for a financial period more recent than the periods for which financial statements are incorporated herein by reference, and any other disclosure documents required to be filed pursuant to an undertaking to a provincial or territorial securities regulatory authority that are filed by the Company with the Commissions after the date of this Prospectus Supplement shall be deemed to be incorporated by reference in this Prospectus Supplement and the accompanying Base Shelf Prospectus. If we disseminate a news release in respect of previously undisclosed information that, in our determination, constitutes a "material fact" (as such term is defined under applicable Canadian securities laws), we will identify such news release as a "designated news release" for the purposes of this Prospectus Supplement and the Base Shelf Prospectus in writing on the face page of the version of such news release that we file on the SEDAR (each such news release a "**Designated News Release**"), and each such Designated News Release shall be deemed to be incorporated by reference into this Prospectus Supplement and the Base Shelf Prospectus only for the purposes of the Offering. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus Supplement, the accompanying Base Shelf Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein.

**Any statement contained in this Prospectus Supplement, in the accompanying Base Shelf Prospectus or in a document incorporated or deemed to be incorporated by reference herein or therein shall be deemed to be modified or superseded for purposes of this Prospectus Supplement to the extent that a statement contained herein or in the accompanying Base Shelf Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus Supplement, except as so modified or superseded.**

Upon a new annual information form and the related audited annual financial statements and management's discussion and analysis being filed by the Company with, and, where required, accepted by, the Commissions during the currency of this Prospectus Supplement, the previous annual information form, the previous audited annual financial statements and related management's discussion and analysis, and all interim financial statements and related management's discussion and analysis, material change reports and business acquisition reports filed prior to the commencement of the Company's financial year in which the new annual information form and the related annual financial statements and management's discussion and analysis are filed shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of further offers and sales of Common Shares hereunder. Upon new interim financial statements and related management's discussion and analysis being filed by the Company with the Commissions during the currency of this Prospectus Supplement, all interim financial statements and related management's discussion and analysis filed prior to the new interim consolidated financial statements and related management's discussion and analysis shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of future offers and sales of Common Shares hereunder. Upon a new information circular relating to an annual general meeting of holders of Common Shares of the Company being filed by us with the Commissions during the currency of this Prospectus Supplement, the information circular for the preceding annual general meeting of holders of Common Shares shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of future offers and sales of Common Shares hereunder.

## **SUMMARY DESCRIPTION OF BUSINESS**

Perk Labs is the owner of Perk Hero, the all-in-one mobile ordering, contact-free payments and loyalty app (the "**Perk Hero App**"). The Perk Hero App's all-in-one fast, frictionless mobile ordering, payments and rewards platform promotes customer loyalty by offering rewards, engaging in-app experiences and other incentives. It allows customers to earn coins every time they pay, and to earn experience points to level up and increase their reward earning power. At the same time, merchants get real time transactional data and access to tools to drive customer loyalty and increase revenue.

### **Perk Hero Technology**

The Perk Hero App 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. While it includes some of the best features of our previous app, Glance Pay, such as the ability to make quick secure payments by QR code or paying by photo, it also includes many new advanced features such as:

- Apple Pay integration
- Google Pay integration
- Mobile pre-order
- Powerful, gamified loyalty reward platform allowing users to earn virtual coins as rewards
- All-in-one user and merchant application

- Merchant analytics and dashboard
- Artificial intelligence powered receipt recognition
- Order from Table feature
- Custom app integration that connects with the Shopify eCommerce platform

### **Perk Hero Security**

The Perk Hero App has been engineered with security in mind at all times. The Perk Hero App 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. The Company built the Perk Hero App in accordance with best practices of the payment card industry data security standard which was developed to enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally.

### **Revenue Strategy**

The Company plans to generate revenue through the Perk Hero App from a combination of ordering fees, transaction fees, advertising fees, Software-as-a-Service (SaaS) fees, and fees for premium features.

### **RECENT DEVELOPMENTS**

For a further description of the business of the Company, see the sections entitled “General Development of the Business” and “Description of the Business” in the AIF.

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

On November 17, 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.

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 App 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 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.

The Company completed its previous 2020 ATM on February 10, 2021. Pursuant to the 2020 ATM, 25,086,000 Common Shares were issued for aggregate gross proceeds of approximately \$2,000,000. The Company used the net proceeds from the 2020 ATM for investment in sales and marketing initiatives to attract and sign up restaurants to the Perk Hero App. In addition to sales and marketing initiatives, the Company also invested in the Perk Hero App 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 multi-currency functionality. The remainder of funds were used for general working capital purposes.

### **COVID-19**

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, which 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 merchants, user network and operations. 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 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 on the Company's merchants, user network and operations, and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. It is impossible to predict all effects and the ultimate impact of the COVID-19 pandemic, as the situation continues to rapidly evolve. The COVID-19 pandemic has disrupted the global supply chain and the preventative and protective measures currently in place, or which may be instituted or re-instituted in the future, such as quarantines, closures, and travel restrictions, may interfere with the ability of our sellers to deliver products to our buyers. If delivery services are delayed or shut down, our gross merchandise volume and revenue could be negatively impacted.

As a result of the COVID-19 pandemic, our employees continue to work remotely, and it is possible that this could have a negative impact on the execution of our business plans and operations. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. Further, as the COVID-19 pandemic continues and as certain businesses return to on-site operations, we may experience disruptions if our employees or third-party service providers' employees become ill and are unable to perform their duties, and our operations, internet, or mobile networks, or the operations of one or more of our third-party service providers, is impacted. The increase in remote working may also result in consumer privacy, IT security, and fraud concerns.

Over the past year, the Company has been monitoring the impact of the COVID-19 pandemic on our business, our industry and the broader economy. The pandemic has impacted and could further impact our operations and the operations of our customers, largely due to stay-at-home orders and restrictions on in-restaurant dining, which have contributed to changes in consumer behavior. 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.

The sustainability and growth of our merchant and user network remains paramount, and therefore, the Company intends to increase its investment in programs designed to drive more business to our merchant partners including advertising, promotions and product improvements. We also believe there is an opportunity for our Company to support independent businesses with the digital tools such as mobile ordering, contact free payment and digital loyalty that will help small businesses recover and prosper in the post-COVID-19 environment. In order to bring these tools to small businesses the Company will need to invest in its sales and marketing efforts. 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, or the ultimate impact on the Company's operations and liquidity. Conditions may worsen further as governments and businesses continue to take actions to respond to the risks of the COVID-19 pandemic, if there is a third wave of the COVID-19 pandemic, or a delay in the roll out of the COVID-19 vaccines.

Our results of operations may be materially affected by adverse conditions in the capital markets and the economy generally. The pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which could reduce our ability to access capital and could negatively impact our liquidity in the future. Uncertainty in the economy in Canada and the United States could adversely impact consumer purchases of discretionary items across all of our product categories, and demand for products available in our

marketplace may be reduced. We have also seen significant and rapid shifts in consumer purchasing behavior as this pandemic has evolved, particularly as it relates to what may be perceived as “essential” versus “non-essential items.” Our results of operations have also been positively impacted by several trends related to the COVID-19 pandemic, including the shift from off-line to online shopping, specific competitive dynamics, and retail business closures. However, we cannot predict whether these trends will continue as businesses return to on-site operations and economies reopen. It is also difficult to predict how our business might be impacted by changing consumer spending patterns. Factors that could affect consumers’ willingness to make discretionary purchases include, among others: general business conditions, levels of employment, interest rates, tax rates, inflation, the availability of consumer credit, consumer confidence in future economic conditions, government stimulus spending, or the public perception of risks related to epidemics or pandemics like COVID-19. In the event of a prolonged economic downturn, fiscal crisis, stock market crash or acute recession, consumer spending habits could be adversely affected, and we could experience lower than expected gross merchandise volume and revenue.

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.

## **RISK FACTORS**

*An investment in Common Shares of the Company is subject to a number of risks, including those set forth in the AIF, and in the management’s discussion and analysis for our most recently completed financial year and in the Base Shelf Prospectus. Prospective investors should carefully consider these risks in addition to information contained in this Prospectus Supplement and the information incorporated by reference herein, as well as the following risk factors, before purchasing Common Shares.*

### **Price Volatility of Common Shares**

The market price of the Common Shares has in the past been, and may in the future be, subject to large fluctuations which may result in losses for investors. The market price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- a) the Company’s operating performance and the performance of competitors and other similar entities;
- b) the public’s reaction to the Company’s press releases, other public announcements and filings with the various securities regulatory authorities;
- c) changes in earnings estimates or recommendations by research analysts who track the Company’s securities;
- d) the operating and share price performance of other entities that investors may deem comparable;
- e) changes in general economic and/or political conditions;
- f) the arrival or departure of key personnel;
- g) acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and
- h) the number of Common Shares sold on any one day or in the aggregate pursuant to the Offering.

In addition, the market price of the Common Shares is affected by many variables not directly related to the success of the Company and not within the Company’s control, including other developments that affect the equity markets generally, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. These variables may adversely affect the prices of the Common Shares regardless of the Company’s operating performance.

### **Discretion to Use Capital Resources Other than as Specified in the Prospectus Supplement**

The Company currently intends to use the net proceeds of the Offering and the Company's working capital, together with future cash flows from operations and borrowings, if required, to accomplish the business objectives set out under "Use of Proceeds" and in the Prospectus and the documents incorporated by reference therein. However, the Board of Directors of the Company (the "**Board**") and/or management will have discretion in the actual application of the Company's capital resources and may elect to allocate proceeds differently from that described under "Use of Proceeds" if they believe it would be in the Company's best interests to do so. Shareholders may not agree with the manner in which the Board and/or management choose to allocate and spend the Company's capital resources. The failure by the Board and/or management to apply the Company's capital resources effectively could have a material adverse effect on the development of the Company's projects and the Company's business, financial condition, results of operations or cash flows. There is also no guarantee that the Company will raise the maximum amount of funds allocated in this Offering, and there is no minimum amount for the Offering, and as a result may have to substantially alter its plans from those set out in the section "Use of Proceeds".

### **Dilution from Future Offerings**

The Company may raise funds in the future through the sale of additional Common Shares or securities convertible into Common Shares. Any such issuances may dilute the interests of holders of Common Shares and may have a negative impact on the market price of the Common Shares, including the Common Shares offered hereunder.

### **An investment in the Common Shares may result in the loss of an investor's entire investment.**

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

### **There is no assurance of a sufficient liquid trading market for the Common Shares in the future.**

Our shareholders may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the CSE or achieve listing on any other public listing exchange.

### **Future issuances of equity securities by the Company or sales by its existing shareholders may cause the price of the Common Shares to fall.**

The market price of the Common Shares could decline as a result of issuances of securities or sales by the Company's existing shareholders in the market, or the perception that these sales could occur. Sales of Common Shares by shareholders might also make it more difficult for the Company to sell Common Shares at a time and price that it deems appropriate. With an additional sale or issuance of Common Shares, investors will suffer dilution of their voting power and may experience dilution in earnings per share.

### **USE OF PROCEEDS**

The net proceeds from the Offering are not determinable in light of the nature of the distribution. The net proceeds of any given distribution of Common Shares through the Agent in an "at-the-market distribution" will represent the gross proceeds after deducting the applicable compensation payable to the Agent under the Distribution Agreement and the expenses of the distribution. See "Plan of Distribution". The gross proceeds of the Offering will be up to \$4,000,000. The Company estimates that the total expenses that it will incur for the commencement of the Offering (including fees payable to stock exchanges, securities regulatory authorities and

its counsel and its auditors, but excluding the Agent’s Fee (as defined below) payable to the Agent under the terms of the Distribution Agreement) will be approximately \$100,000. There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after raising only a portion of the offering amount set out above, or none at all. See “Plan of Distribution”.

The Company currently expects to use the net proceeds from the Offering for investment in sales and marketing initiatives to attract and sign up new merchants and users to the Perk Hero App, to continue development of the Perk Hero App through a series of build-measure-learn iterations and for general working capital purposes.

The Company will continue to refine its marketing and sales strategy to expand its user base. It intends to scale its marketing efforts and expenditures as the Perk Hero App undergoes further development. The Company estimates that these sales and marketing initiatives will cost approximately \$27,000,000 to complete over the next 2 years.

The Company also seeks to further develop the Perk Hero App to include additional API integrations with cloud-based eCommerce systems and other platforms, improved merchant data analytics, AI-powered recommendation engine, enhanced game-design, and virtual assistant. The Company estimates that these development updates will cost approximately \$3,000,000 to complete over the next 2 years.

The Company had negative operating cash flow in its most recently completed financial period and therefore a portion of the net proceeds from the Offering will be used to fund negative operating cash flow for the 2021 fiscal year and for future financial years. See “Risk Factors”.

The Company may, from time to time, issue securities (including equity securities) other than pursuant to this Prospectus Supplement.

#### PRIOR SALES

The following tables set forth the date, number and prices at which the Company has issued Common Shares and securities that are convertible into Common Shares in the 12-month period prior to the date hereof:

#### Common Shares

| <b>Date of Issuance</b> | <b>Price per Common Share (\$)</b> | <b>Number of Common Shares</b> | <b>Reason for Issuance</b>        |
|-------------------------|------------------------------------|--------------------------------|-----------------------------------|
| Feb. 18, 2020           | 0.055                              | 47,727                         | compensation for services         |
| Mar. 2, 2020            | 0.095                              | 52,631                         | compensation for services         |
| Mar. 4, 2020            | 0.155                              | 62,500                         | exercise of stock options         |
| Mar. 16, 2020           | 0.150                              | 45,000                         | exercise of stock options         |
| Apr. 1, 2020            | 0.10                               | 50,000                         | compensation for services         |
| Apr. 15, 2020           | 0.10                               | 16,666                         | compensation for services         |
| May 1, 2020             | 0.11                               | 154,546                        | compensation for services         |
| May 14, 2020            | 0.12                               | 63,333                         | compensation for services         |
| May 25, 2020            | 0.13                               | 36,000                         | compensation for services         |
| June 1, 2020            | 0.115                              | 100,870                        | compensation for services         |
| July 2, 2020            | 0.08                               | 104,166                        | compensation for services         |
| Aug. 4, 2020            | 0.07                               | 100,000                        | compensation for services         |
| Aug. 4, 2020            | 0.10                               | 157,000                        | vesting of restricted share units |
| Aug. 10, 2020           | 0.065 <sup>(1)</sup>               | 10,000                         | issued pursuant to 2020 ATM       |
| Aug. 11, 2020           | 0.065 <sup>(1)</sup>               | 20,000                         | issued pursuant to 2020 ATM       |

| <b>Date of Issuance</b> | <b>Price per Common Share (\$)</b> | <b>Number of Common Shares</b> | <b>Reason for Issuance</b>        |
|-------------------------|------------------------------------|--------------------------------|-----------------------------------|
| Aug. 17, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 18, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 19, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 20, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 21, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 24, 2020           | 0.055 <sup>(1)</sup>               | 34,000                         | issued pursuant to 2020 ATM       |
| Aug. 25, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 26, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Aug. 28, 2020           | 0.05 <sup>(1)</sup>                | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 1, 2020           | 0.055                              | 141,818                        | compensation for services         |
| Sept. 1, 2020           | 0.055                              | 106,500                        | vesting of restricted share units |
| Sept. 1, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 2, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 4, 2020           | 0.055 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 8, 2020           | 0.050 <sup>(1)</sup>               | 2,000                          | issued pursuant to 2020 ATM       |
| Sept. 9, 2020           | 0.050 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 10, 2020          | 0.050 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 11, 2020          | 0.050 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 15, 2020          | 0.050 <sup>(1)</sup>               | 40,000                         | issued pursuant to 2020 ATM       |
| Sept. 18, 2020          | 0.045 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 21, 2020          | 0.045 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 22, 2020          | 0.045 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 23, 2020          | 0.045 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 24, 2020          | 0.0463 <sup>(1)</sup>              | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 25, 2020          | 0.040 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 28, 2020          | 0.045 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 29, 2020          | 0.040 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM       |
| Sept. 30, 2020          | 0.0404 <sup>(1)</sup>              | 100,000                        | issued pursuant to 2020 ATM       |
| Oct. 1, 2020            | 0.045                              | 278,888                        | compensation for services         |
| Oct. 1, 2020            | 0.05 <sup>(1)</sup>                | 30,000                         | issued pursuant to 2020 ATM       |
| Oct. 2, 2020            | 0.049 <sup>(1)</sup>               | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 5, 2020            | 0.04 <sup>(1)</sup>                | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 6, 2020            | 0.041 <sup>(1)</sup>               | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 8, 2020            | 0.042 <sup>(1)</sup>               | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 9, 2020            | 0.04 <sup>(1)</sup>                | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 13, 2020           | 0.04 <sup>(1)</sup>                | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 14, 2020           | 0.041 <sup>(1)</sup>               | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 15, 2020           | 0.04 <sup>(1)</sup>                | 120,000                        | issued pursuant to 2020 ATM       |
| Oct. 16, 2020           | 0.04 <sup>(1)</sup>                | 99,000                         | issued pursuant to 2020 ATM       |
| Oct. 19, 2020           | 0.043 <sup>(1)</sup>               | 200,000                        | issued pursuant to 2020 ATM       |
| Oct. 20, 2020           | 0.045 <sup>(1)</sup>               | 41,000                         | issued pursuant to 2020 ATM       |
| Oct. 21, 2020           | 0.04 <sup>(1)</sup>                | 175,000                        | issued pursuant to 2020 ATM       |
| Oct. 22, 2020           | 0.04 <sup>(1)</sup>                | 25,000                         | issued pursuant to 2020 ATM       |



| <b>Date of Issuance</b> | <b>Price per Common Share (\$)</b> | <b>Number of Common Shares</b> | <b>Reason for Issuance</b>        |
|-------------------------|------------------------------------|--------------------------------|-----------------------------------|
| Nov. 2, 2020            | 0.04                               | 434,000                        | compensation for services         |
| Nov. 2, 2020            | 0.04 <sup>(1)</sup>                | 175,000                        | issued pursuant to 2020 ATM       |
| Nov. 3, 2020            | 0.04 <sup>(1)</sup>                | 25,000                         | issued pursuant to 2020 ATM       |
| Nov. 4, 2020            | 0.04 <sup>(1)</sup>                | 46,000                         | issued pursuant to 2020 ATM       |
| Nov. 5, 2020            | 0.042 <sup>(1)</sup>               | 254,000                        | issued pursuant to 2020 ATM       |
| Nov. 6, 2020            | 0.04 <sup>(1)</sup>                | 213,000                        | issued pursuant to 2020 ATM       |
| Nov. 9, 2020            | 0.04 <sup>(1)</sup>                | 387,000                        | issued pursuant to 2020 ATM       |
| Nov. 11, 2020           | 0.04 <sup>(1)</sup>                | 151,000                        | issued pursuant to 2020 ATM       |
| Nov. 12, 2020           | 0.04 <sup>(1)</sup>                | 249,000                        | issued pursuant to 2020 ATM       |
| Nov. 13, 2020           | 0.037 <sup>(1)</sup>               | 500,000                        | issued pursuant to 2020 ATM       |
| Nov. 16, 2020           | 0.04 <sup>(1)</sup>                | 179,000                        | issued pursuant to 2020 ATM       |
| Nov. 17, 2020           | 0.0533 <sup>(1)</sup>              | 356,000                        | issued pursuant to 2020 ATM       |
| Nov. 18, 2020           | 0.0512 <sup>(1)</sup>              | 400,000                        | issued pursuant to 2020 ATM       |
| Nov. 19, 2020           | 0.0458 <sup>(1)</sup>              | 310,000                        | issued pursuant to 2020 ATM       |
| Nov. 20, 2020           | 0.045 <sup>(1)</sup>               | 209,000                        | issued pursuant to 2020 ATM       |
| Nov. 23, 2020           | 0.0429 <sup>(1)</sup>              | 500,000                        | issued pursuant to 2020 ATM       |
| Nov. 24, 2020           | 0.05 <sup>(1)</sup>                | 400,000                        | issued pursuant to 2020 ATM       |
| Nov. 25, 2020           | 0.06 <sup>(1)</sup>                | 370,000                        | issued pursuant to 2020 ATM       |
| Nov. 26, 2020           | 0.05 <sup>(1)</sup>                | 165,000                        | issued pursuant to 2020 ATM       |
| Nov. 27, 2020           | 0.0451 <sup>(1)</sup>              | 400,000                        | issued pursuant to 2020 ATM       |
| Nov. 30, 2020           | 0.0552 <sup>(1)</sup>              | 500,000                        | issued pursuant to 2020 ATM       |
| Dec. 1, 2020            | 0.055                              | 341,092                        | compensation for services         |
| Dec. 1, 2020            | 0.055                              | 101,500                        | vesting of restricted share units |
| Dec. 1, 2020            | 0.0607 <sup>(1)</sup>              | 230,000                        | issued pursuant to 2020 ATM       |
| Dec. 2, 2020            | 0.065 <sup>(1)</sup>               | 216,000                        | issued pursuant to 2020 ATM       |
| Dec. 3, 2020            | 0.06 <sup>(1)</sup>                | 71,000                         | issued pursuant to 2020 ATM       |
| Dec. 4, 2020            | 0.06 <sup>(1)</sup>                | 283,000                        | issued pursuant to 2020 ATM       |
| Dec. 7, 2020            | 0.0825 <sup>(1)</sup>              | 400,000                        | issued pursuant to 2020 ATM       |
| Dec. 8, 2020            | 0.1094 <sup>(1)</sup>              | 500,000                        | issued pursuant to 2020 ATM       |
| Dec. 9, 2020            | 0.0949 <sup>(1)</sup>              | 228,500                        | issued pursuant to 2020 ATM       |
| Dec. 10, 2020           | 0.95 <sup>(1)</sup>                | 171,500                        | issued pursuant to 2020 ATM       |
| Dec. 11, 2020           | 0.09 <sup>(1)</sup>                | 200,000                        | issued pursuant to 2020 ATM       |
| Dec. 14, 2020           | 0.08 <sup>(1)</sup>                | 50,000                         | issued pursuant to 2020 ATM       |
| Dec. 15, 2020           | 0.0839 <sup>(1)</sup>              | 356,000                        | issued pursuant to 2020 ATM       |
| Dec. 16, 2020           | 0.1039 <sup>(1)</sup>              | 81,000                         | issued pursuant to 2020 ATM       |
| Dec. 17, 2020           | 0.0956 <sup>(1)</sup>              | 113,000                        | issued pursuant to 2020 ATM       |
| Dec. 18, 2020           | 0.09 <sup>(1)</sup>                | 50,000                         | issued pursuant to 2020 ATM       |
| Dec. 21, 2020           | 0.081 <sup>(1)</sup>               | 214,000                        | issued pursuant to 2020 ATM       |
| Dec. 22, 2020           | 0.0854 <sup>(1)</sup>              | 286,000                        | issued pursuant to 2020 ATM       |
| Dec. 23, 2020           | 0.0916 <sup>(1)</sup>              | 74,000                         | issued pursuant to 2020 ATM       |
| Dec. 24, 2020           | 0.095 <sup>(1)</sup>               | 176,000                        | issued pursuant to 2020 ATM       |
| Dec. 29, 2020           | 0.09 <sup>(1)</sup>                | 132,500                        | issued pursuant to 2020 ATM       |
| Jan. 4, 2021            | 0.08                               | 244,166                        | compensation for services         |

| <b>Date of Issuance</b> | <b>Price per Common Share (\$)</b> | <b>Number of Common Shares</b> | <b>Reason for Issuance</b>  |
|-------------------------|------------------------------------|--------------------------------|-----------------------------|
| Jan. 4, 2021            | 0.0826 <sup>(1)</sup>              | 250,000                        | issued pursuant to 2020 ATM |
| Jan. 5, 2021            | 0.071 <sup>(1)</sup>               | 500,000                        | issued pursuant to 2020 ATM |
| Jan. 6, 2021            | 0.084 <sup>(1)</sup>               | 500,000                        | issued pursuant to 2020 ATM |
| Jan. 7, 2021            | 0.0835 <sup>(1)</sup>              | 1,000,000                      | issued pursuant to 2020 ATM |
| Jan. 8, 2021            | 0.08 <sup>(1)</sup>                | 800,000                        | issued pursuant to 2020 ATM |
| Jan. 11, 2021           | 0.082 <sup>(1)</sup>               | 500,000                        | issued pursuant to 2020 ATM |
| Jan. 12, 2021           | 0.08 <sup>(1)</sup>                | 301,000                        | issued pursuant to 2020 ATM |
| Jan. 13, 2021           | 0.08 <sup>(1)</sup>                | 249,000                        | issued pursuant to 2020 ATM |
| Jan. 14, 2021           | 0.0807 <sup>(1)</sup>              | 200,000                        | issued pursuant to 2020 ATM |
| Jan. 15, 2021           | 0.08 <sup>(1)</sup>                | 150,000                        | issued pursuant to 2020 ATM |
| Jan. 18, 2021           | 0.0751 <sup>(1)</sup>              | 254,000                        | issued pursuant to 2020 ATM |
| Jan. 19, 2021           | 0.075 <sup>(1)</sup>               | 350,000                        | issued pursuant to 2020 ATM |
| Jan. 20, 2021           | 0.075 <sup>(1)</sup>               | 100,000                        | issued pursuant to 2020 ATM |
| Jan. 21, 2021           | 0.075 <sup>(1)</sup>               | 200,000                        | issued pursuant to 2020 ATM |
| Jan. 22, 2021           | 0.07 <sup>(1)</sup>                | 1,000,000                      | issued pursuant to 2020 ATM |
| Jan. 25, 2021           | 0.0667 <sup>(1)</sup>              | 300,000                        | issued pursuant to 2020 ATM |
| Jan. 26, 2021           | 0.0693 <sup>(1)</sup>              | 350,000                        | issued pursuant to 2020 ATM |
| Jan. 27, 2021           | 0.0712 <sup>(1)</sup>              | 150,000                        | issued pursuant to 2020 ATM |
| Jan. 28, 2021           | 0.1168 <sup>(1)</sup>              | 1,000,000                      | issued pursuant to 2020 ATM |
| Jan. 29, 2021           | 0.1862 <sup>(1)</sup>              | 1,000,000                      | issued pursuant to 2020 ATM |
| Jan. 29, 2021           | 0.08                               | 35,000                         | exercise of warrants        |
| Feb. 1, 2021            | 0.18                               | 99,778                         | compensation for services   |
| Feb. 1, 2021            | 0.1457 <sup>(1)</sup>              | 800,000                        | issued pursuant to 2020 ATM |
| Feb. 2, 2021            | 0.08                               | 434,782                        | exercise of warrants        |
| Feb. 2, 2021            | 0.1691 <sup>(1)</sup>              | 283,000                        | issued pursuant to 2020 ATM |
| Feb. 3, 2021            | 0.1548 <sup>(1)</sup>              | 131,500                        | issued pursuant to 2020 ATM |
| Feb. 4, 2021            | 0.15                               | 60,000                         | exercise of options         |
| Feb. 5, 2021            | 0.1407                             | 220,000                        | issued pursuant to 2020 ATM |
| Feb. 8, 2021            | 0.135                              | 200,000                        | Issued pursuant to 2020 ATM |
| Feb. 9, 2021            | 0.1623                             | 576,000                        | issued pursuant to 2020 ATM |
| Feb. 10, 2021           | 0.155                              | 70,000                         | issued pursuant to 2020 ATM |
| Feb. 11, 2021           | \$0.08                             | 217,391                        | exercise of warrants        |

Note:

(1) Represents the average price for shares sold on such date pursuant to the 2020 ATM.

### Stock Options and Restricted Share Units

| <b>Date of Issuance</b> | <b>Security</b>        | <b>Exercise Price per Security (\$)</b> | <b>Number of Securities</b> |
|-------------------------|------------------------|---|-----------------------------|
| Mar. 3, 2020            | Restricted Share Units | N/A                                     | 167,094                     |
| Mar. 3, 2020            | Stock Options          | 0.18                                    | 60,000                      |
| Apr 1, 2020             | Restricted Share Units | N/A                                     | 30,770                      |
| Apr. 1, 2020            | Stock Options          | 0.10                                    | 20,000                      |

| <b>Date of Issuance</b> | <b>Security</b>        | <b>Exercise Price per Security (\$)</b> | <b>Number of Securities</b> |
|-------------------------|------------------------|---|-----------------------------|
| Apr 6, 2020             | Restricted Share Units | N/A                                     | 368,420                     |
| May 1, 2020             | Restricted Share Units | N/A                                     | 27,972                      |
| May 1, 2020             | Stock Options          | 0.11                                    | 20,000                      |
| June 1, 2020            | Restricted Share Units | N/A                                     | 26,756                      |
| June 1, 2020            | Stock Options          | 0.115                                   | 20,000                      |
| July 2, 2020            | Restricted Share Units | N/A                                     | 38,462                      |
| July 2, 2020            | Stock Options          | 0.10                                    | 120,000                     |
| July 6, 2020            | Restricted Share Units | N/A                                     | 437,500                     |
| Aug. 4, 2020            | Restricted Share Units | N/A                                     | 241,759                     |
| Aug. 4, 2020            | Stock Options          | 0.10                                    | 40,000                      |
| Aug. 6, 2020            | Stock Options          | 0.10                                    | 150,000                     |
| Sept. 1, 2020           | Restricted Share Units | N/A                                     | 97,902                      |
| Oct. 1, 2020            | Stock Options          | 0.10                                    | 20,000                      |
| Oct. 1, 2020            | Restricted Share Units | N/A                                     | 991,346                     |
| Oct. 5, 2020            | Restricted Share Units | N/A                                     | 800,000                     |
| Nov. 2, 2020            | Restricted Share Units | N/A                                     | 128,206                     |
| Nov. 6, 2020            | Stock Options          | 0.05                                    | 350,000                     |
| Nov. 13, 2020           | Stock Options          | 0.05                                    | 300,000                     |
| Nov. 16, 2020           | Stock Options          | 0.05                                    | 300,000                     |
| Nov. 16, 2020           | Stock Options          | 0.10                                    | 300,000                     |
| Dec. 1, 2020            | Restricted Share Units | N/A                                     | 97,902                      |
| Jan. 4, 2021            | Restricted Share Units | N/A                                     | 504,808                     |
| Jan. 6, 2021            | Restricted Share Units | N/A                                     | 600,000                     |
| Jan. 18, 2021           | Restricted Share Units | N/A                                     | 750,000                     |
| Feb. 1, 2021            | Restricted Share Units | N/A                                     | 694,871                     |

#### TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the symbol “PERK”. The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the CSE:

| <b>Month</b>          | <b>High (\$)</b> | <b>Low (\$)</b> | <b>Volume</b> |
|-----------------------|------------------|-----------------|---------------|
| February 2020         | 0.500            | 0.045           | 12,583,706    |
| March 2020            | 0.265            | 0.080           | 9,754,640     |
| April 2020            | 0.135            | 0.085           | 3,224,977     |
| May 2020              | 0.145            | 0.100           | 2,721,991     |
| June 2020             | 0.120            | 0.080           | 3,451,063     |
| July 2020             | 0.090            | 0.050           | 3,910,680     |
| August 2020           | 0.070            | 0.050           | 2,730,265     |
| September 2020        | 0.060            | 0.040           | 2,550,470     |
| October 2020          | 0.050            | 0.035           | 4,938,747     |
| November 2020         | 0.075            | 0.035           | 13,126,376    |
| December 2020         | 0.140            | 0.055           | 11,761,153    |
| January 2021          | 0.250            | 0.055           | 37,214,364    |
| February 1 – 16, 2021 | 0.210            | 0.130           | 15,604,011    |

On February 16, 2021, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the CSE was \$0.15.

#### **DIVIDEND POLICY**

The Company has not declared or paid any dividends on its Common Shares since the date of formation. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of the earnings, financial requirements, applicable corporate law requirements and other conditions existing at such time.

#### **CONSOLIDATED CAPITALIZATION**

There have been no material changes in the consolidated capitalization of the Company since the date of the Interim Financial Statements, which have not been disclosed in this Prospectus Supplement or the documents incorporated by reference herein.

The Company may, from time to time during the period that the Offering remains in effect, issue and sell Common Shares having an aggregate sale price of up to \$4,000,000. See "Plan of Distribution".

#### **DESCRIPTION OF COMMON SHARES**

We are authorized to issue an unlimited number of Common Shares, of which 169,548,204 were issued and outstanding as of February 16, 2021. For a summary of certain material attributes and characteristics of the Common Shares, see "Description of Common Shares" in the Base Shelf Prospectus.

#### **PLAN OF DISTRIBUTION**

The Company has entered into the Distribution Agreement with the Agent under which the Company may issue and sell from time to time Common Shares having an aggregate sale price of up to \$4,000,000 in each of the provinces and territories of Canada pursuant to placement notices delivered by the Company to the Agent from time to time in accordance with the terms of the Distribution Agreement. Sales of Common Shares, if any, will be made in transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102, including sales made by the Agent directly on the CSE or any other trading market for the Common Shares in Canada. Subject to the pricing parameters in a placement notice, the Common Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices may vary as between purchasers and during the period of distribution. The Company cannot predict the number of Common Shares that it may sell under the Distribution Agreement on the CSE, or any other trading market for the Common Shares in Canada, or if any Common Shares will be sold.

From time to time, the Company may instruct the Agent to offer the Common Shares under the Distribution Agreement by sending the Agent a placement notice that requests that the Agent sell up to a specified dollar amount or a specified number of Common Shares pursuant to the terms and conditions of the Distribution Agreement, and specifies any parameters in accordance with which the Company requires that the Common Shares be sold. Subject to the terms and conditions of the Distribution Agreement, the Agent will use its commercially reasonable efforts to sell, on the Company's behalf, all of the Common Shares requested to be sold by the Company by the placement notice.

Under the Distribution Agreement, the Agent does not have any obligation to purchase as principal for its own account any Common Shares that the Company proposes to sell pursuant to any placement notice delivered by the Company to the Agent.

Either the Company or the Agent may suspend the Offering upon proper notice to the other party. The Company and the Agent each have the right, by giving 15 days prior written notice as specified in the Distribution Agreement, to terminate the Distribution Agreement in each party's sole discretion at any time.

The Company will pay the Agent the Agent's Fee for its services in acting as agent in connection with the sale of Common Shares pursuant to the Distribution Agreement. The amount of the Agent's Fee shall not exceed 3.0% of the gross sales price per Common Share sold. The sales proceeds remaining after payment of the Agent's Fee and after deducting any expenses payable by the Company and any transaction or filing fees imposed by any governmental, regulatory, or self-regulatory organization in connection with the sales, will equal the net proceeds to the Company from the sale of such Common Shares.

The Agent will provide written confirmation to the Company no later than the close of trading on the trading day immediately following the trading day on which it has made sales of the Common Shares under the Distribution Agreement. Each confirmation will include the number of Common Shares sold on such day, the average price of the Common Shares sold on such day, the gross proceeds, the Agent's Fee payable by the Company to the Agent with respect to such sales and the net proceeds payable to the Company.

The Company will also disclose the number and average price of Common Shares sold under this Prospectus Supplement, as well as gross proceeds, commissions and net proceeds, in its annual and interim financial statements and management's discussion and analysis filed on SEDAR, for any financial periods in which sales of Common Shares occur.

Settlement for sales of Common Shares will occur, unless the parties agree otherwise, on the second trading day on the applicable exchange following the date on which any sales were made in return for payment of the net proceeds to the Company. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of Common Shares in Canada will be settled through the facilities of CDS Clearing and Depository Services Inc. or by such other means as the Company and the Agent may agree.

The Agent will only sell Common Shares on marketplaces in Canada.

In connection with the sales of the Common Shares on the Company's behalf, the Agent may be deemed to be an "underwriter" within the meaning of the applicable securities legislation, and the compensation paid to the Agent may be deemed to be underwriting commissions or discounts. The Company has agreed in the Distribution Agreement to provide indemnification and contribution to the Agent against certain liabilities, including liabilities under the applicable securities legislation. In addition, the Company has agreed to pay all reasonable out-of-pocket fees, disbursements and other charges of the Agent incurred in connection with the Offering, pursuant to the terms of the Distribution Agreement. Neither the Agent, nor any person or company acting jointly or in concert with the Agent, may, in connection with the Offering, enter into any transaction that is intended to stabilize or maintain the market price of the Offered Shares or securities of the same class as the Offered Shares, including selling an aggregate number or principal amount of securities that would result in the Agent creating an over-allocation position in the Offered Shares.

The Common Shares offered hereby have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States, or to a U.S. Person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person.

The total expenses related to the commencement of the Offering to be paid by the Company, excluding the Agent's Fee payable to the Agent under the Distribution Agreement, are estimated to be approximately \$100,000. Pursuant to the Distribution Agreement, the Offering will terminate upon the earlier of (i) the issuance

and sale of all of the Common Shares subject to the Distribution Agreement, (ii) the receipt issued for the Prospectus ceases to be effective, or (iii) the termination of the Distribution Agreement as permitted therein.

The Company has given notice to the CSE to list the Common Shares offered by this Prospectus Supplement on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

### EXEMPTIONS

Pursuant to a decision of the Autorité des marchés financiers dated June 9, 2020, the Company was granted a permanent exemption from the requirement to translate into French the Base Shelf Prospectus, this Prospectus Supplement and the documents incorporated by reference therein and herein to be filed in relation to an “at-the-market” distribution. This exemption is granted on the condition that the Base Shelf Prospectus and any Prospectus Supplement (other than in relation to an “at-the-market” distribution) be translated into French if the Company offers Securities (as defined under the Prospectus) to Québec purchasers in connection with an offering other than in relation to an “at-the-market” distribution.

### CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In this summary, an otherwise undefined term that first appears in quotation marks has the meaning ascribed to it in the *Income Tax Act* (Canada) (the “**Tax Act**”).

In the opinion of Borden Ladner Gervais LLP, counsel to the Company, and Goodmans LLP, counsel to the Agent, the following summarizes the principal Canadian federal income tax considerations under the Tax Act generally applicable as of this date to an investor who acquires, as beneficial owner, Common Shares pursuant to the Offering and who, at all relevant times for the purposes of the Tax Act,

- deals at arm’s length with the Company and the Agent,
- is not affiliated with the Company or the Agent,
- holds all Common Shares as capital property, and

is not, at any relevant time for those purposes,

- exempt from tax under Part I of the Tax Act,
- a “financial institution” for the purposes of the “mark-to-market” property rules in the Tax Act,
- a “specified financial institution,”
- an entity or partnership an interest in which is a “tax shelter investment,”
- a taxpayer who reports its “Canadian tax results” in a currency other than Canadian currency, or
- a taxpayer, any of whose Common Shares will be the subject of a “derivative forward agreement,” “synthetic disposition arrangement”, or “dividend rental arrangement”

(each such shareholder, in this summary, a “**Holder**”).

A Holder’s Common Shares will generally be considered to be capital property of the Holder provided that the Holder does not hold or use the Common Shares in the course of carrying on a business of trading or dealing in securities, and has not acquired or been deemed to have acquired the Common Shares in one or more transactions considered to be an adventure or concern in the nature of trade. A Holder who is resident in Canada and whose Common Shares might not otherwise be capital property may, subject to certain restrictions and limitations in the Tax Act, be entitled to elect irrevocably pursuant to subsection 39(4) of the Tax Act that the Holder’s Common Shares, and every other “Canadian security” of the Holder, be capital property. Any Holder

who is considering making a subsection 39(4) election should consult the Holder's Canadian tax advisers before making the election.

This summary is based on the current provisions of the Tax Act and the *Income Tax Regulations* (Canada) (the "Regulations") in force as of the date hereof, all specific proposals to amend the Tax Act or Regulations publicly announced by or on behalf of the Minister of Finance of Canada on or before the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA"). It is assumed that all such amendments will be enacted as currently proposed and that there will be no other change to the Tax Act, the Regulations, or the CRA's administrative policies and assessing practices, although no assurance can be given in these respects. This summary does not otherwise take into account or anticipate any change in law or administrative policy or assessing practice whether by legislative, governmental, or judicial decision or action, and does not take into account or consider any provincial, territorial or foreign income tax considerations, which may differ significantly from the Canadian federal income tax considerations discussed below.

Additional considerations, not discussed in this summary, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their Canadian tax advisers with respect to the consequences of acquiring Common Shares.

**This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder. Each Holder should consult the Holder's own tax advisers with respect to the tax and legal consequences of acquiring, holding, and disposing of Common Shares applicable to the Holder's particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisers regarding the consequences of acquiring, holding and disposing of Common Shares under the Tax Act and any jurisdiction in which they may be subject to tax.**

### **Adjusted Cost Base**

A Holder's initial adjusted cost base of the Holder's Common Shares acquired pursuant to this Offering will be determined by averaging the cost of those Common Shares with the Holder's adjusted cost base of all Common Shares owned by the Holder as capital property immediately before the acquisition.

### **Resident Holders**

The following section of this summary applies solely to Holders each of whom at all relevant times is or is deemed to be resident solely in Canada for the purposes of the Tax Act (each a "Resident Holder").

#### *Dividends*

A Resident Holder who is an individual (other than certain trusts) and receives or is deemed to receive a dividend on the Resident Holder's Common Shares in a taxation year will generally be required to include the amount of the dividend in income for the taxation year and be subject to the gross-up and dividend tax credit rules applicable to a "taxable dividend" received from a "taxable Canadian corporation," including the enhanced gross-up and dividend tax credit rules applicable to any dividend that the Company designates as an "eligible dividend" in accordance with the Tax Act. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

A Resident Holder that is a corporation will generally be required to include the amount of any dividend received or deemed to be received on the Common Shares in its income for the taxation year, and entitled to deduct an equivalent amount from its taxable income for the year. In certain circumstances, subsection 55(2) of the Tax Act may deem some or all of the dividend to be proceeds of disposition or a gain from the disposition of capital property rather than a dividend, in which case the rules described below under “*Capital Gains and Capital Losses*” would apply. Corporate Resident Holders should consult their own tax advisers regarding the potential application of subsection 55(2) to their particular circumstances.

A Resident Holder that is a “private corporation” or “subject corporation” may be subject to refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent that the dividend is deductible in computing the corporation’s taxable income.

#### *Disposition of Common Shares*

A Resident Holder who disposes or is deemed to dispose of a Common Share in a taxation year will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share, net of any reasonable costs of disposition, are greater (or less) than the Resident Holder’s adjusted cost base of the Common Shares determined immediately before the disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “*Capital Gains and Capital Losses*.”

#### *Capital Gains and Capital Losses*

A Resident Holder who realizes or is deemed to realize a capital gain or capital loss in a taxation year on the disposition of a Common Share will generally be required to include one half of any such capital gain (a “taxable capital gain”) in income for the year, and entitled to deduct one half of any such capital loss (an “allowable capital loss”) from taxable capital gains realized by the Resident Holder in the year or, to the extent not so deductible, in any of the Resident Holder’s three preceding taxation years or any subsequent taxation year, subject to the detailed rules in the Tax Act regarding the deductibility of allowable capital losses.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may be reduced by the amount of dividends that the Resident Holder received or is deemed to have received on the Common Share or a share substituted therefor, to the extent and in the circumstances specified by the Tax Act. Similar rules may apply to a Common Share owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary, as the case may be. Resident Holders to whom these rules may be relevant should consult their own tax advisers.

#### *Refundable Tax*

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” may be liable to pay an additional refundable tax on certain investment income including taxable capital gains, and dividends or deemed dividends that are not deductible in computing taxable income.

#### *Alternative Minimum Tax*

A Resident Holder who is an individual (including certain trusts) and realizes a capital gain or receives a dividend may thereby be subject to alternative minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisers in this regard.



## Non-resident Holders

The following section of this summary is applicable solely to Holders each of whom, at all relevant times for the purposes of the Tax Act,

- is not, and it not deemed to be, resident in Canada,
- does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada, and
- is not an insurer that carries on business in Canada and elsewhere,

(each a “**Non-resident Holder**”).

### *Dividends*

A Non-resident Holder to whom a dividend is or is deemed to be paid or credited on the Non-resident Holder’s Common Shares will generally be subject to Canadian withholding tax equal to 25% of the gross amount of the dividend, or such lower rate as may be provided by an applicable income tax treaty between Canada and another country. The rate of withholding tax under the Canada-U.S. Income Tax Convention (1980) (the “**U.S. Treaty**”) applicable to a dividend paid or credited to a Non-resident Holder who beneficially owns the dividend, and is a resident of the United States under the U.S. Treaty and entitled to its benefits, is 5% if the Non-resident Holder is a company that owns (or is considered to own) at least 10% of the Company’s voting stock, and 15% in any other case.

### *Disposition of Common Shares*

A Non-resident Holder who disposes or is deemed to dispose of a Common Share generally will not be subject to tax under the Tax Act in respect of any capital gain, or entitled to deduct any capital loss, thereby realized unless the Common Share, at the time of the disposition,

- is, or is deemed to be, “taxable Canadian property,” and
- is not “treaty-protected property,”

of the Non-resident Holder.

Generally, a Non-resident Holder’s Common Share will not be taxable Canadian property to the Non-resident Holder at the time of disposition if at that time the Common Shares are listed on a designated stock exchange (which currently includes the CSE) unless, at the time of disposition or at any time in the preceding 60 months,

- the Non-resident Holder, one or more persons with whom the Non-resident Holder did not deal at arm’s length for the purposes of the Tax Act, or one or more partnerships in which the Non-resident Holder or persons with whom the Non-resident Holder did not deal at arm’s length holds or held a membership interest (either directly or indirectly through one or more partnerships), alone or in any combination owned 25% or more of the issued shares of any class of shares of the Company, and
- the Common Share derived more than 50% of its fair market value directly or indirectly from one, or any combination of, real or immovable property situated in Canada, “Canadian resource properties,” “timber resource properties,” or options in respect of, interests in, or for civil law purposes rights in, any such property, whether or not the property exists.

Notwithstanding the foregoing, a Common Share may also be deemed to be taxable Canadian property to a Non-resident Holder in certain circumstances.

Generally, a Non-resident Holder's Common Shares will be treaty-protected property at the time of disposition if, at that time, the terms of a tax treaty between Canada and another country exempt the Non-resident Holder from tax under Part I of the Tax Act on any gain from the disposition of the Common Shares.

**Non-resident Holders should consult their own tax advisers regarding whether their Common Shares are taxable Canadian property or treaty-protected property.**

A Non-resident Holder who disposes or is deemed to dispose of a Common Share in a taxation year at a time when the Common Share is taxable Canadian property and is not treaty-protected property of the Non-resident Holder generally will be required to file a Canadian tax return to report the disposition. The Non-resident Holder generally will be required to include any resulting taxable capital gain in the Non-resident Holder's taxable income earned in Canada for the taxation year, and entitled to deduct any resulting allowable capital loss from taxable capital gains included in the Non-resident Holder's taxable income earned in Canada for the year or, to the extent not so deductible, in any of the Non-resident Holder's three preceding taxation years or any subsequent taxation year, subject to the detailed rules regarding the deductibility of allowable capital losses in the Tax Act.

#### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Borden Ladner Gervais LLP, counsel to the Company, and Goodmans LLP, counsel to the Agent, based on the current provisions of the Tax Act and the Regulations, a Common Share offered hereunder will be a "qualified investment" under the Tax Act and the Regulations for a trust governed by a "registered retirement savings plan", a "registered retirement income fund", a "registered education savings plan", a "registered disability savings plan", a "tax-free savings account" (each one a "**Registered Plan**"), or a "deferred profit sharing plan" (as those terms are defined in the Tax Act), provided that the Common Share is listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE) when it is acquired. Notwithstanding that a Common Share may be a qualified investment for a Registered Plan, if the Common Share is a "prohibited investment" within the meaning of the Tax Act for a Registered Plan, the annuitant, holder, or subscriber of the Registered Plan, as the case may be (the "**Controller**") will be subject to penalty taxes as set out in the Tax Act. A Common Share will generally not be a prohibited investment for a Registered Plan if the Controller:

- deals at arm's length with the Company for the purposes of the Tax Act, and
- does not have a "significant interest" (as defined in the Tax Act for the purposes of the prohibited investment rules) in the Company.

Generally, a Controller of a Registered Plan will not have a significant interest in the Company unless the Controller owns, directly or indirectly, 10% or more of the outstanding shares of any class of the Company or any corporation related to the Company (for purposes of the Tax Act), either alone or together with persons with which the Controller does not deal at arm's length for the purposes of the Tax Act or certain partnerships or trusts. In addition, a Common Share will not be a "prohibited investment" if the Common Share is "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for a Registered Plan.

**Purchasers of Common Shares should consult their own tax advisers with respect to whether Common Shares would be prohibited investments having regard to their particular circumstances.**

#### **TRANSFER AGENT AND REGISTRAR**

The transfer and registrar agent for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

## **LEGAL MATTERS**

Certain legal matters in connection with the issue and sale of the Common Shares will be passed upon on behalf of the Company by Borden Ladner Gervais LLP, and on behalf of the Agent by Goodmans LLP. As of February 16, 2021, the partners and associates of Borden Ladner Gervais LLP, as a group, and the partners and associates of Goodmans LLP, as a group, each beneficially own, directly or indirectly, less than one percent of any class or series of outstanding securities of the Company.

## **EXPERTS**

Saturna Group Chartered Professional Accountants LLP of 1066 West Hastings Street, Suite 1250, Vancouver, BC Canada V6E 3X1 are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of Common Shares distributed under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase the Common Shares and do not have remedies of rescission or, in some jurisdictions, revisions of the price or damages for non-delivery of the prospectus, prospectus supplement and any amendment relating to the Common Shares purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Common Shares purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement and any amendment relating to securities purchased by a purchaser contains a misrepresentation. Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares distributed under an at-the-market distribution by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement and any amendment relating to securities purchased by a purchaser contains a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

The foregoing statements in this Prospectus Supplement regarding a purchaser's statutory rights of withdrawal and rescission supersede the statements contained under the heading "Statutory Rights of Withdrawal and Rescission" in the Base Shelf Prospectus, solely with respect to the Offering.

**CERTIFICATE OF PERK LABS INC.**

Dated: February 17, 2021

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

***“Jonathan Hoyles”***

Chief Executive Officer

***“Norman Tan”***

Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

***“Kirk Herrington***

Director

***“James Topham”***

Director

## CERTIFICATE OF THE AGENT

Dated: February 17, 2021

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of each of the provinces and territories of Canada.

ECHELON WEALTH PARTNERS INC.

***“Christine Young”***

Christine Young  
Managing Director, Head of  
Origination

*This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities except in cases where an exemption from such delivery requirement has been obtained or is otherwise available.*

**No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.**

**Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the legal department of Perk Labs Inc. at Suite 1755, 555 Burrard Street Vancouver, BC Canada V7X 1M9, Telephone 855-288-6044, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## **SHORT FORM BASE SHELF PROSPECTUS**

New Issue

July 17, 2020



**PERK LABS INC.**

**\$30,000,000**

**COMMON SHARES**

**DEBT SECURITIES**

**SUBSCRIPTION RECEIPTS**

**WARRANTS**

**UNITS**

Perk Labs Inc. (the “**Company**” or “**Perk Labs**”) may from time to time offer and issue the following securities: (a) common shares in the capital of the Company (“**Common Shares**”); (b) debentures, notes or other evidence of indebtedness of any kind, nature or description and which may be issuable in series (collectively, “**Debt Securities**”); (c) subscription receipts of the Company exchangeable for Common Shares and/or other securities of the Company (“**Subscription Receipts**”); (d) warrants exercisable to acquire Common Shares and/or other securities of the Company (“**Warrants**”); and (e) securities comprised of more than one of Common Shares, Debt Securities, Subscription Receipts and/or Warrants offered together as a unit (“**Units**”); or any combination thereof, up to an aggregate offering price of \$30,000,000 (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be) at any time during the 25-month period that this short form base shelf prospectus (including any amendments hereto, the “**Prospectus**”) remains valid. The Common Shares, Debt Securities, Subscription Receipts, Warrants and Units are referred to in this Prospectus as the “**Securities**”. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set out in an accompanying prospectus supplement (each, a “**Prospectus Supplement**”).

The specific terms of any offering of Securities will be set forth in a Prospectus Supplement and may include, without limitation, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*

("NI 44-102")) and any other specific terms; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, currency or currency unit for the Debt Securities, maturity, interest rate (which may be fixed or variable) and time of payment of interest, authorized denominations, covenants, events of default, any terms for redemption, any terms for sinking fund payments, any exchange or conversion provisions, the initial offering price (or the manner of determination thereof if offered on a non-fixed price basis), any terms for subordination of the Debt Securities to other indebtedness, whether the Debt Securities will be secured by any assets or guaranteed by any subsidiaries of the Company and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the terms, conditions and procedures for the exchange or conversion of the Subscription Receipts for or into Common Shares and/or other Securities and any other specific terms; (iv) in the case of Warrants, the number of Common Shares and/or other Securities issuable upon exercise thereof, the exercise price and exercise period and the terms of any provisions allowing or providing for adjustments in the exercise price or the number of Securities issuable upon exercise thereof; and (v) in the case of Units, the designation, number and terms of the Common Shares, Debt Securities, Subscription Receipts or Warrants comprising the Units. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus to the extent required by applicable securities laws (except where an exemption from such delivery requirement has been obtained). Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. Purchasers should read this Prospectus and any applicable Prospectus Supplement carefully before they invest in any Securities issued pursuant to this Prospectus.

**Any offering of Debt Securities, Subscription Receipts, Warrants or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities exchange and there is no market through which the Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities, and the extent of issuer regulation. Prospective investors should review the risk factors in the Prospectus Supplement to be issued in relation to any particular offering of Debt Securities, Subscription Receipts, Warrants or Units. See "Risk Factors".**

The Company may offer and sell Securities to or through underwriters or dealers purchasing as principals, and may also sell Securities directly to one or more purchasers or through dealers acting as agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged in connection with the offering and sale of Securities, and will set forth the terms of the offering of such Securities, including the method of distribution of such Securities, the proceeds to the Company and any fees, discounts or other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102, including sales made directly on the CSE or other existing trading markets for the Common Shares, and as set forth in a Prospectus Supplement for such purpose. See "*Plan of Distribution*".

Unless otherwise specified in the relevant Prospectus Supplement, in connection with any offering of Securities, other than an "at-the-market distribution", the underwriters, dealers or agents who participate in the distribution of Securities may over-allot or effect transactions which stabilize or maintain the market price of the Securities at a higher level than that which might exist in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter of an at-the-market distribution, and no person or company acting jointly

or in concert with an underwriter, may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the Securities or securities of the same class as the Securities distributed under this Prospectus, including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities. See *“Plan of Distribution”*.

The Company’s head office and registered and records office is located at Suite 1755, 555 Burrard Street Vancouver, BC Canada V7X 1M9 Telephone 855-288-6044.

The Common Shares are listed on the Canadian Securities Exchange (the “CSE”) under the symbol “PERK”, are quoted on the OTCQB under the symbol “PKLBF” and on the Frankfurt Stock Exchange under the symbol “PKLB”. On July 16, 2020, the last trading day of the Common Shares on the CSE prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.0800. On July 16, 2020 the last trading day of the Common Shares on the OTCQB and Frankfurt Stock Exchange prior to the date of this Prospectus, the closing price of the Common Shares on the OTCQB was US\$0.0585 and the closing price of the Common Shares on the Frankfurt Stock Exchange was €0.0370.

**There are certain significant risks inherent in an investment in the Securities and in the Company’s activities. The risks outlined in this Prospectus and in the documents incorporated by reference herein, including the applicable Prospectus Supplement, should be actively reviewed and considered by prospective investors in connection with any investment in the Securities. Prospective investors should carefully consider these risk factors before purchasing Securities. See “Risk Factors”.**

**Prospective investors should be aware that the acquisition and disposition of the Securities described herein may have tax consequences, which may not be fully described in this Prospectus or in any Prospectus Supplement. Prospective investors should read any tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities and consult with an independent tax advisor.**

**No underwriter, agent or dealer has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**



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## ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference into this Prospectus and any applicable Prospectus Supplement. Perk Labs has not authorized anyone to provide you with different information. Perk Labs is not making an offer of the Securities in any jurisdiction where the offer is not permitted. You should bear in mind that although the information contained in this Prospectus and any Prospectus Supplement is accurate as of the date on the front of such documents, such information may also be amended, supplemented or updated by the subsequent filing of additional documents deemed by law to be or otherwise incorporated by reference into this Prospectus, or any applicable Prospectus Supplement, and by any subsequently filed prospectus amendments.

This Prospectus provides a general description of the Securities that the Company may offer. Each time the Company sells Securities under this Prospectus, it will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering, except to the extent permitted by law. A Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, you should read both this Prospectus and any applicable Prospectus Supplement together with additional information described below under “Documents Incorporated by Reference”.

Unless stated otherwise or if the context otherwise requires, all references to dollar amounts in this Prospectus and any Prospectus Supplement are references to Canadian dollars. References to “US\$” are to U.S. dollars. References to “€” are to the Euro. The Company’s financial statements that are incorporated by reference into this Prospectus and any Prospectus Supplement have been prepared in accordance with IFRS.

Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to “Perk Labs”, the “Company”, “we”, “us” or “our” includes Perk Labs Inc. and each of its material subsidiaries.

Market data and certain industry forecasts used in this Prospectus or any applicable Prospectus Supplement and the documents incorporated by reference herein or therein were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of the information is not guaranteed. We have not independently verified this information and do not make any representation as to the accuracy of this information.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this Prospectus 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**”). 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. 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. All statements other than statements of historical facts contained in this Prospectus and the documents incorporated by reference herein are forward-looking statements, including, but not limited to, 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, future results of current and anticipated products, the future issuance of Common Shares, Debt Securities, Subscription Receipts, Warrants and Units and the terms, conditions and amount thereof, the creation and content of any future Prospectus Supplements, the lack of an established trading market for the Debt Securities, Subscription Receipts, Warrants and Units and the consequences thereof, the use of proceeds from any future issuance of Securities, including the potential use of proceeds to fund negative cash flow for the 2020 fiscal year and future financial years; the plan of distribution during the 25-month period that this Prospectus remains valid; compensation payable to underwriters, dealers or agents in connection with the sale of Securities; that our latest

innovation will give our merchants access to advanced data analytics; that Perk Hero App (as defined below) merchants will be better positioned to benefit from a massive, new base of Alipay (the world's largest mobile payment platform) users who represent increased foot traffic, spending power and revenue; that the Company will harmonize its QR codes to enable Alipay payment at Perk Hero App merchants; that the Company will launch a delivery feature that will provide restaurants with the ability to offer their own delivery in their desired surrounding area while rewarding their customers for their patronage and engagement; that we will continue to file additional patent applications; 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 fee 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 restaurants and other 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; that the Company's brand appeals to the optimal target demographic; that the Company will improve its capacity for monetization; that the Company will become the dominant mobile-first digital loyalty platform in North America; 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; that the Perk Hero App will move into the delivery order market space; estimated Canadian online food delivery market; the potential to establish new verticals of revenue and increase customer retention with a singular payment platform; the need for "contact free" payments in multiple verticals including dental clinics, medical professionals, retail stores and health and beauty; the effectiveness and efficiency of our advertising and promotional activities; volatility in the market price of the Common 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 in the mobile payments industry; our prioritization of product innovation and user experience over short-term operating results; that Converge MobiSolutions Inc. will focus on marketing and selling technology to certain types of merchants and will target certain geographies; 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 pursue in-dining restaurants, and will expand to new verticals; that the Company will continue to develop the Perk Hero App and introduce new features; that we will increase the number of merchants and users using the Perk Hero App; that the Company will use data, technology, and inbound selling to ramp up sales and revenue generation; that the Company will offer a 'Perk Hero for Businesses' white label enterprise solution (the "**White Label Solution**") to chains that can be branded and customized under their respective names; that the Company will sign enterprise accounts for the White Label Solution, which the Company expects will be available by the end of May, 2020; 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; the anticipated relative increase, in metropolitan markets, in diner transactions from May to August and a decrease in the month of January; the potential benefit from increased order volumes in campus markets when school is in session and the potential decrease in order volumes when school is not in session (during summer breaks and other vacation periods); 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; that the Company's marketing and branding efforts toward user adoption will be targeted at the Gen Z and

Millennial demographics who are 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 will focus its expansion plans on the following markets: Edmonton, Seattle, Portland, Las Vegas, Los Angeles, and the Canadian and U.S. east coast; expectations regarding the acquisition of patents; and the market for mobile and contactless payments, are forward-looking statements.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- the Company's development plans and timeframe for completion of such plans;
- general economic, financial market, regulatory and political conditions in which the Company operates;
- general demand and consumer interest in the Company's products;
- competition;
- anticipated and unanticipated costs;
- the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms;
- the ability of the Company to continue as a going concern;
- government regulation of the Company's activities and products;
- the timely receipt of any required regulatory approvals;
- the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner; and
- the ability of the Company to conduct operations in a safe, efficient and effective manner.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

The forward-looking statements are made only as of the date of this Prospectus and are subject to a number of risks and uncertainties described in this Prospectus and in the documents incorporated by reference herein, and in particular under the section entitled "Risk Factors" in the AIF (as defined below) available under the Company's profile at [www.sedar.com](http://www.sedar.com). 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;
- adverse change in the conditions of the restaurant industry;
- 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 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 Common Shares may be subject to wide fluctuations; and
- the speculative nature of investments in the Common 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, the Company operates 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.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with securities regulatory authorities or similar authorities in Canada (the “Commissions”).** Copies of the documents incorporated herein by reference may be obtained on request without charge from Perk Labs at Suite 1755, 555 Burrard Street Vancouver, BC Canada V7X 1M9, Telephone 855-288-6044 and are also available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) which can be accessed at [www.sedar.com](http://www.sedar.com).

The following documents of the Company, which have been filed with the Commissions in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- a) the annual information form of the Company dated May 7, 2020 for the year ended November 30, 2019 (the “AIF”);
- b) the annual audited consolidated financial statements of the Company for the year ended November 30, 2019 (the “Annual Financial Statements”), together with the notes thereto and the auditors’ report thereon dated March 30, 2020;
- c) the management’s discussion and analysis of financial results related to the Annual Financial Statements;
- d) the unaudited condensed interim consolidated financial statements of the Company for the three months ended February 29, 2020 and related notes thereto (the “Interim Financial Statements”);
- e) the management’s discussion and analysis of financial results related to the Interim Financial Statements;
- f) the management information circular dated May 8, 2020 in connection with the annual and special meeting of shareholders to be held on June 10, 2020;
- g) the material change report dated February 19, 2020 in respect of the name change to Perk Labs Inc.;
- h) the amended and restated material change report dated February 6, 2020 in respect of the closing of a non-brokered private placement;
- i) the material change report dated February 3, 2020 in respect of the closing of a non-brokered private placement; and
- j) the material change report dated December 23, 2019 in respect of the appointment of a new chief executive officer.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* (“NI 44-101”) to be incorporated by reference in a short form prospectus, including any annual information form, material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements and related management discussion and analysis, information circulars (excluding those portions that, pursuant to NI 44-101, are not required to be incorporated by reference herein), any business acquisition reports, any news releases or public communications containing financial information about the Company for a financial period more recent than the periods for which financial statements are incorporated herein by reference, and any other disclosure documents required to be filed pursuant to an undertaking to a provincial or territorial securities regulatory authority that are filed by the Company with the Commissions after the date of this Prospectus and prior to the termination of the offering under any Prospectus Supplement, shall be deemed to be incorporated by reference in this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.**

A Prospectus Supplement containing the specific terms of an offering of Securities, disclosure of earnings coverage ratios, if applicable, and other information relating to the Securities, will be delivered to prospective purchasers of such Securities together with this Prospectus (except in cases where an exemption from such delivery requirement has been obtained) and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of securities covered by that Prospectus Supplement.

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”)) pertaining to a distribution of Securities will be filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). In the event that such marketing materials are filed subsequent to the date of filing of the applicable Prospectus Supplement pertaining to the distribution of the Securities to which such marketing materials relates and prior to the termination of such distribution, such filed versions of the marketing materials will be deemed to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

Upon a new annual information form and the related audited annual financial statements and management’s discussion and analysis being filed by the Company with, and, where required, accepted by, the Commissions during the currency of this Prospectus, the previous annual information form, the previous audited annual financial statements and related management’s discussion and analysis, and all interim financial statements and related management’s discussion and analysis, material change reports and business acquisition reports filed prior to the commencement of the Company’s financial year in which the new annual information form and the related annual financial statements and management’s discussion and analysis are filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of further offers and sales of Securities hereunder. Upon new interim financial statements and related management’s discussion and analysis being filed by us with the Commissions during the currency of this Prospectus, all interim financial statements and related management’s discussion and analysis filed prior to the new interim consolidated financial statements and related management’s discussion and analysis shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new information circular relating to an annual general meeting of holders of Common Shares of the Company being filed by us with the Commissions during the currency of this Prospectus, the information circular for the preceding annual general meeting of holders of Common Shares shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

## **SUMMARY DESCRIPTION OF BUSINESS**

Perk Labs is the owner of Perk Hero, the all-in-one mobile ordering, contact-free payments and loyalty app (the “**Perk Hero App**”). The Perk Hero App’s all-in-one fast, frictionless mobile ordering, payments and rewards platform promotes customer loyalty by offering rewards, engaging in-app experiences and other incentives. It allows customers to earn coins every time they pay, and to earn experience points to level up and increase their reward earning power. At the same time, merchants get real time transactional data and access to tools to drive customer loyalty and increase revenue.

### **Perk Hero Technology**

The Perk Hero App is built on a new and advanced technology stack using an Amazon Web Service (AWS) non-relational database and React Native mobile application framework. While it includes some of the best features of our previous app, Glance Pay, such as the ability to make quick secure payments by QR code or paying by photo, it also includes many new advanced features such as:

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

## **Perk Hero Security**

The Perk Hero App has been engineered with security in mind at all times. The Perk Hero App 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. The Company built the Perk Hero App in accordance with best practices of the payment card industry data security standard which was developed to enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally.

## **Revenue Strategy**

The Company plans to generate revenue through the Perk Hero App from a combination of ordering fees, transaction fees, advertising fees, Software-as-a-Service (SaaS) fees, and fees for premium features. For the Company's White Label offering, fees are customized depending on the requirements of the enterprise customer.

## **RECENT DEVELOPMENTS**

### **Entry into New Verticals**

On May 7, 2020, the Company announced that it had formally launched new verticals and unveiled the design of its new contact free payment method for safe-distance payments. There is a tremendous amount of interest in contact free payments from restaurateurs as they prepare to re-open their doors for dine-in following shut downs caused by the COVID-19 pandemic. The Company also sees the need for contact free payments in multiple verticals including dental clinics, medical professionals, retail stores and health and beauty. The initial merchants in these verticals that have signed up to be listed on the Perk Hero App include three dental clinics and a hair salon/barber shop.

For a further description of the business of the Company, see the sections entitled "General Development of the Business" and "Description of the Business" in the AIF.

## **RISK FACTORS**

*Investment in the Securities is subject to various risks including those risks inherent to the industries in which the Company operates. Discussions of certain risk factors affecting the Company in connection with the Company's businesses are provided in the Company's disclosure documents filed from time to time with the Commissions which are incorporated by reference in this Prospectus. In particular, see "Risk Factors" in the AIF and "Financial Instruments and Risk Management" in the Company's management discussion and analysis available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

Before making an investment decision, prospective investors should carefully consider the information described in this Prospectus and the documents incorporated by reference herein. There are certain risks inherent in an investment in the Securities, including the factors described under the heading "Risk Factors" in the AIF and any other risk factors described herein or in a document incorporated by reference herein, which investors should carefully consider before investing. Additional risk factors relating to a specific offering of securities will be described in the Prospectus Supplement. Some of the factors described herein, in the documents incorporated by reference herein, and/or the Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any of the risk factors described herein, in the AIF, in another document incorporated by reference herein or in the Prospectus Supplement occur, it could have a material adverse effect on the business, financial condition and results of operations of the Company. Additional risks and uncertainties of which the Company currently is unaware or that are unknown or that we currently deem to be immaterial could have a material adverse effect on the Company's business, financial condition and results of operation. The Company cannot assure purchasers that it will successfully address any or all of these risks. There is no assurance that any risk



management steps taken will avoid future loss due to the occurrence of the risks described herein, in the AIF, in the other documents incorporated by reference herein or in the Prospectus Supplement or other unforeseen risks.

These risks and uncertainties are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's business and operations. If any such risks actually occur, the Company's business, financial condition and operating results could be materially harmed.

#### **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.

#### **Dividend Risk**

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, where appropriate, retire debt.

#### **No Market for the Securities**

There is currently no trading market for any of the Securities (other than the Common Shares) that may be offered. No assurance can be given that an active or liquid trading market for the Securities will develop or be sustained. If an active or liquid market for the Securities fails to develop or be sustained, the prices at which the Securities trade may be adversely affected. Whether or not the Securities will trade at lower prices depends on many factors, including liquidity of the Securities, prevailing interest rates and the markets for similar securities, general economic conditions and the Company's financial condition, historic financial performance and future prospects.

#### **Market Risk for Securities**

There can be no assurance that an active trading market for the Securities will be established and sustained. Upon listing, the market price for the Securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

#### **Speculative Nature of Investment Risk**

An investment in the Securities 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 Common 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.

### **Going-Concern Risk**

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's 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 the Company will be successful in completing equity or debt financing or in achieving profitability. The Company's 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 the Company be unable to continue as a going concern.

### **Management Experience and Dependence on Key Personnel and Employees**

The Company's success is currently largely dependent on the performance of the Company's directors and officers. Certain members of the Company's management team have experience in development of technology, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on board of director (the "Board") members, as well as independent consultants, for certain aspects of the Company's business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the Board, or any key employee or consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in the Securities.

### **Business Interruption Risks**

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to the COVID-19 pandemic. An outbreak of infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of the novel coronavirus known as COVID-19, or a fear of any of the foregoing, could adversely impact the Company. It is unknown whether and how the Company may be affected if such an epidemic persists for an extended period of time. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition.

## **USE OF PROCEEDS**

Unless otherwise indicated in a Prospectus Supplement, the Company currently expects to use the net proceeds from the sale of Securities for investment in sales and marketing initiatives to attract and sign up restaurants to the Perk Hero App, to continue development of the Perk Hero App through a series of build-measure-learn iterations and moving beyond the restaurant vertical, and for general working capital purposes. Any specific allocation of the net proceeds of any offering of Securities to a specific purpose will be determined at the time of the offering and will be described in the relevant Prospectus Supplement.

After refining its marketing and sales strategy in Vancouver, one of the Company's key business objectives and milestones is to expand into the additional markets of Calgary, Edmonton, Seattle, Portland, Las Vegas, Los Angeles, and the Canadian and U.S. east coast. The Company estimates that these sales and marketing initiatives will cost approximately \$27,000,000 to complete over the next 2 years.

The Company also seeks to further develop the Perk Hero App to include delivery, refer-a-friend, API integrations with cloud-based POS systems and other platforms, improved merchant data analytics, AI-powered recommendation engine, enhanced game-design, and virtual assistant. The Company estimates that these development updates will cost approximately \$30,000,000 to complete over the next 2 years.

The Company had negative operating cash flow in its most recently completed financial period and therefore anticipates that a portion of the net proceeds from any offering of Securities also may potentially be used to fund negative operating cash flow for the 2020 fiscal year and for future financial years. Any specific allocation of the net proceeds of any offering of Securities to a specific purpose will be determined at the time of the offering and will be described in the relevant Prospectus Supplement. See "Risk Factors".

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of the Securities, unless otherwise stated in the applicable Prospectus Supplement.

#### **COVID-19**

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Over the past few months, the Company has been monitoring the impact of the COVID-19 pandemic on our business, our industry and the broader economy. The pandemic has impacted and could further impact our operations and the operations of our customers, largely due to stay-at-home orders and restrictions on in-restaurant dining, which have contributed to changes in diner behavior. 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 and we may continue to see a reduction in revenue from in-restaurant dining transactions if these conditions continue into future periods.

In response to the decrease in in-restaurant dining transactions, the Company has invested in improvements to its offerings for mobile ordering and contact free payments. As a result of the dine-in restrictions, new users and new restaurants have joined our platform as a way to experience pre-order and pick-up and self-managed delivery. Further we have expanded into new verticals as other types of business have seen a need to adopt contactless payments such as payment by quick response codes or payment by taking a photo of a bill as a better way to serve their customers and provide a safe environment for their employees.

The sustainability and growth of our merchant and user network remains paramount, and therefore, the Company intends to increase its investment in programs designed to drive more business to our merchant partners including promotions, reduced fees and product improvements. We also believe there is an opportunity for our Company to support restaurants and other small businesses with the digital tools such as mobile ordering, contact free payment and digital loyalty that will help small businesses recover and prosper in the post-COVID-19 environment. In order to bring these tools to small businesses the Company will need to invest in its sales and marketing efforts and expand into new geographic areas. 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, or the ultimate impact on the Company's operations and liquidity. Conditions may worsen further as governments and businesses continue to take actions to respond to the risks of the COVID-19 pandemic or if there is a second wave

of the COVID-19 pandemic. The pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which could reduce our ability to access capital and could negatively impact our liquidity in the future.

#### **PRIOR SALES**

Information regarding prior sales of Securities will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

#### **TRADING PRICE AND VOLUME**

The Common Shares are listed on the CSE under the symbol "PERK". The trading price and volume of the Common Shares will be provided, as required, in each applicable Prospectus Supplement.

#### **DIVIDEND POLICY**

The Company has not declared or paid any dividends on its Common Shares since the date of formation. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of the earnings, financial requirements, applicable corporate law requirements and other conditions existing at such time.

#### **EARNINGS COVERAGE RATIO**

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement with respect to the issuance of Debt Securities pursuant to this Prospectus.

#### **CONSOLIDATED CAPITALIZATION**

Other than as described in this Prospectus, there have been no material changes in the Company's capital structure on a consolidated basis since the date of the Interim Financial Statements. As of July 16, 2020, the Company has 141,710,289 Common Shares issued and outstanding.

#### **DESCRIPTION OF SHARE CAPITAL**

##### **Authorized Capital**

The Company's authorized capital consists of an unlimited number of Common Shares without par value.

##### **Common Shares**

All of the Common Shares are of the same class and rank equally as to dividends, voting powers and participation in assets and in all other respects, on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Common Shares are not subject to call or assessment by the Company nor are there any pre-emptive, conversion, exchange, redemption or retraction rights attaching to the Common Shares. All registered shareholders are entitled to receive a notice of any general meeting of shareholders to be convened by the Company. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, on a show of hands every shareholder who is present in person and entitled to vote has one vote and on a poll, every shareholder has one vote for each common share of which he, she or it is the registered owner and may exercise such vote either in person or by proxy.

## DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS

The Company may offer Common Shares, Debt Securities, Subscription Receipts, Warrants and Units with a total value of up to \$30,000,000 (or the equivalent in other currencies) from time to time under this Prospectus, together with any applicable Prospectus Supplement, at prices and on terms to be determined by market conditions at the time of offering. The following description of Securities, and any descriptions of Securities in an applicable Prospectus Supplement, do not purport to be complete and are subject to and are qualified in their entirety by reference to, as applicable, the articles, agreements, indentures, agency arrangements, collateral arrangements and depositary arrangements relating to such Securities. Each time the Company offers Securities, the specific amounts, prices and other important terms of the Securities will be described in the applicable Prospectus Supplement, including, to the extent applicable:

- designation or classification;
- aggregate offering price;
- original issue discount, if any;
- redemption, conversion or exchange terms, if any;
- conversion or exchange prices, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices and in the securities or other property receivable upon conversion or exchange;
- restrictive covenants, if any; and
- voting or other rights, if any.

A Prospectus Supplement may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement will offer a security that is not described in this Prospectus.

### Description of Common Shares

The Company may offer Common Shares, which the Company may issue independently or together with Warrants, Subscription Receipts or Debt Securities, and the Common Shares may be separate from or attached to such securities. See “*Description of Share Capital – Common Shares*”.

### Description of Debt Securities

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of the Debt Securities offered pursuant to any accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be issued under one or more indentures, in each case between the Company and a trustee determined by the Company in accordance with applicable laws. A copy of any such trust indenture will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Debt Securities will be direct obligations of the Company and may be guaranteed by one or more subsidiaries of the Company. The Debt Securities may be senior or subordinated indebtedness of the Company and may be secured or unsecured, all as will be described in the relevant Prospectus Supplement.

The Prospectus Supplement relating to any Debt Securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

- the designation of the Debt Securities;
- any limit upon the aggregate principal amount of the Debt Securities;
- the date or dates on which the principal and any premium of the series of the Debt Securities is payable;

- the rate or rates at which the series of the Debt Securities shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;
- the authorized denominations of the Debt Securities;
- the right, if any, of the Company to redeem the series of the Debt Securities, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, the series of the Debt Securities may be so redeemed, pursuant to any sinking fund or otherwise;
- the obligation, if any, of the Company to redeem, purchase or repay the series of the Debt Securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, the series of the Debt Securities shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- whether and under what circumstances the series of the Debt Securities will be convertible into or exchangeable for securities of the Company;
- any terms for subordination of the Debt Securities;
- whether the Debt Securities will be secured by any assets or guaranteed by any subsidiaries of the Company;
- any events of default or covenants with respect to the Debt Securities;
- the currency or currencies in which the series of the Debt Securities are issuable;
- any trustees, depositaries, authenticating or paying agents, transfer agents or registrars or any other agent with respect to the series of the Debt Securities; and
- any other material terms and conditions of the series of the Debt Securities.

If any Debt Securities being offered will be guaranteed by one or more subsidiaries of the Company, (a) the Prospectus Supplement relating to such offering will include the credit supporter disclosure about the guarantors required by section 12.1 of Form 44-101F1 or, if applicable, will disclose that the Company is relying on an exemption in item 13 of Form 44-101F1 from providing such credit supporter disclosure, (b) the Company will file with the Prospectus Supplement relating to such offering any undertaking in respect of credit supporter disclosure required by paragraph 4.2(a)(ix) of NI 44-101, which undertaking may be to provide disclosure in respect of the Company and its subsidiaries similar to the disclosure required under section 12.1 of Form 44-101F1, and (c) the related credit supporter will sign a certificate to the Prospectus Supplement as required by section 5.12 of NI 41-101.

### **Description of Subscription Receipts**

The following sets forth certain general terms and provisions of the Subscription Receipts. The Prospectus Supplement relating to any Subscription Receipts offered will include specific terms and provisions of the Subscription Receipts being offered thereby, and the extent to which the general terms and provisions described below may apply to them.

Subscription Receipts will be exchangeable, for no additional consideration, into Common Shares, Debt Securities, Warrants or Units upon the satisfaction of certain conditions. The Subscription Receipts will be issued under one or more subscription receipt agreements, in each case between the Company and a subscription receipt agent determined by the Company. A copy of any such subscription receipt agreement will be available on SEDAR at [www.sedar.com](http://www.sedar.com). Subscription Receipts may be offered separately or together with Common Shares, Debt Securities, Warrants or Units.

The particular terms and provisions of Subscription Receipts offered by this Prospectus will be described in the Prospectus Supplement filed in respect of such Subscription Receipts. This description will include some or all of the following:

- the aggregate number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered;
- the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities;

- the dates or periods during which the Subscription Receipts are convertible into other Securities;
- the designation, number and terms of the other Securities that may be exchanged upon conversion of each Subscription Receipt;
- the designation, number and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- whether such Subscription Receipts are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- certain material Canadian tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the Securities to be received on the exchange of the Subscription Receipts.

### **Description of Warrants**

The following sets forth certain general terms and provisions of the Warrants. The Prospectus Supplement relating to any Warrants offered will include specific terms and provisions of the Warrants being offered thereby, and the extent to which the general terms and provisions described below may apply to them.

Each series of Warrants may be issued under a separate warrant indenture to be entered into between the Company and one or more trust companies acting as Warrant agent or may be issued as stand-alone certificates. The applicable Prospectus Supplement will include details of the Warrant agreements, if any, governing the Warrants being offered. The Warrant agent, if any, will be expected to act solely as the agent of the Company and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. A copy of any such warrant indenture will be available on SEDAR at [www.sedar.com](http://www.sedar.com). Warrants may be offered separately or together with Common Shares, Debt Securities, Subscription Receipts or Units.

The particular terms and provisions of Warrants offered by this Prospectus will be described in the Prospectus Supplement filed in respect of such Warrants. This description will include some or all of the following:

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable including any “early termination” provisions;
- the designation, number and terms of any Securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- whether such Warrants are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- certain material Canadian tax consequences of owning the Warrants; and
- any other material terms and conditions of the Warrants.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities to be received on the exercise of the Warrants.

## **Description of Units**

The following sets forth certain general terms and provisions of the Units. The Prospectus Supplement relating to any Units offered will include specific terms and provisions of the Units being offered thereby, and the extent to which the general terms and provisions described below may apply to them.

The Company may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The Unit agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in a Prospectus Supplement filed in respect of such Units. This description will include, where applicable:

- the aggregate number of Units offered;
- the price at which the Units will be offered;
- the designation, number and terms of the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of the Securities;
- terms applicable to the gross or net proceeds from the sale of the Units plus any interest earned thereon;
- the date on and after which the Securities comprising the Units will be separately transferable;
- whether the Securities comprising the Units will be listed on any securities exchange;
- whether such Units or the Securities comprising the Units are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Units;
- certain material Canadian tax consequences of owning the Units; and
- any other material terms and conditions of the Units.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the Units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Units.

## **PLAN OF DISTRIBUTION**

The Company may from time to time during the 25-month period that this Prospectus, including any amendments hereto, remains valid, offer for sale and issue up to an aggregate of \$30,000,000 in Securities hereunder. We may sell Securities: (a) through underwriters, dealers or agents purchasing as principal or acting as agent; (b) directly to one or more purchasers; or (c) through a combination of any of these methods of sale. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, or at prices related to such prevailing market price or at prices to be negotiated with purchasers. The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the CSE or other existing trading markets for the Common Shares, and as set forth in the Prospectus Supplement for such purpose.

The Prospectus Supplement relating to each offering of Securities will identify each underwriter, dealer or agent, as the case may be, and will also set forth the terms of that offering, including the purchase price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis, including sales in transactions that are



deemed to be “at-the-market distributions” as defined in NI 44-102), the proceeds to the Company and any underwriters’, dealers’ or agents’ fees, commissions or other items constituting underwriters’ or agents’ compensation. Only underwriters, dealers or agents so named in the applicable Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

In connection with the sale of Securities, underwriters, dealers or agents may receive compensation from the Company in the form of commissions, concessions or discounts. Any such commissions may be paid out of the general funds of the Company or the proceeds of the sale of the Securities.

Under agreements which may be entered into by the Company, underwriters, dealers and agents who participate in the distribution of Securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof.

Sales of Common Shares under an “at-the-market distribution”, if any, will be made pursuant to an accompanying Prospectus Supplement. Sales of Common Shares under any “at-the-market” program will be made in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102. The volume and timing of any “at-the-market distributions” will be determined at the Company’s sole discretion, subject to applicable law.

Unless otherwise specified in the relevant Prospectus Supplement, in connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters, dealers or agents who participate in the distribution of Securities may over-allot or effect transactions which stabilize or maintain the market price of the Securities at a higher level than that which might exist in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter of an at-the-market distribution, and no person or company acting jointly or in concert with an underwriter, may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the Securities or securities of the same class as the Securities distributed under this Prospectus, including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities. In the event the Company determines to pursue an “at-the-market distribution” offering in Canada, the Company shall apply for the applicable exemptive relief from the applicable Canadian securities regulatory authorities.

## **EXEMPTIONS**

Pursuant to a decision of the Autorité des marchés financiers dated June 9, 2020, the Company was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference therein and any Prospectus Supplement to be filed in relation to an “at-the-market” distribution. This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an “at-the-market” distribution) be translated into French if the Company offers Securities to Québec purchasers in connection with an offering other than in relation to an “at-the-market” distribution.

## **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations to investors described therein of acquiring, owning or disposing of any of the Securities offered thereunder.

## **TRANSFER AGENT AND REGISTRAR**

The transfer and registrar agent for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

## **AGENT FOR SERVICE OF PROCESS**

Steven Cadigan, a director of the Company, resides outside of Canada. Mr. Cadigan has appointed the following agent for service of process in Canada:

|                |   |
|----------------|---|
| Name of Person | Name and Address of Agent   |
| Steven Cadigan | Borden Ladner Gervais LLP<br>1200 Waterfront Centre<br>200 Burrard Street<br>Vancouver, British Columbia, V7X 1T2<br>Attn: Stephen P. Robertson |

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process in Canada.

## **LEGAL MATTERS**

Unless otherwise specified in an applicable Prospectus Supplement, certain legal matters relating to Canadian law will be passed upon for the Company by Borden Ladner Gervais LLP of Vancouver, British Columbia, Canada.

As of the date of this Prospectus, the respective partners and associates of Borden Ladner Gervais LLP own beneficially, directly or indirectly, less than 1% of the Company's outstanding securities of any class and less than 1% of the outstanding securities of the Company's associates or affiliates.

## **EXPERTS**

Saturna Group Chartered Professional Accountants LLP of 1066 West Hastings Street, Suite 1250, Vancouver, BC Canada V6E 3X1 are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original purchasers of Securities which are convertible or exchangeable or exercisable for other securities of the Company, including Warrants and Subscription Receipts if offered separately, will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying Securities, in addition to the amount paid on initial purchase, the amount paid on conversion in the event that this Prospectus,

the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Securities which are convertible or exchangeable into other securities of the Company, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which Securities which are convertible or exchangeable into other securities of the Company are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon the conversion or exchange of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

**CERTIFICATE OF PERK LABS INC.**

Dated: July 17, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

***“Jonathan Hoyles”***

Chief Executive Officer

***“Tracey St. Denis”***

Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

***“Kirk Herrington”***

Director

***“James Topham”***

Director