



PERK LABS INC.

(formerly Glance Technologies Inc.)

**Condensed Interim Consolidated Financial Statements
For the Six Months Ended May 31, 2020 and May 31, 2019**

(Unaudited)

(Expressed in Canadian Dollars)

PERK LABS INC.
(formerly Glance Technologies Inc.)

Condensed Interim Consolidated Financial Statements

For the Six Months Ended May 31, 2020 and May 31, 2019	Page
Condensed Interim Consolidated Statements of Financial Position	3
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss	4
Condensed Interim Consolidated Statements of Changes in Equity	5
Condensed Interim Consolidated Statements of Cash Flows	6
Notes to the Condensed Interim Consolidated Financial Statements	7 – 30

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

As at	(Unaudited) May 31 2020	(Audited) November 30 2019
ASSETS		
Current		
Cash	\$ 1,389,847	\$ 1,918,626
Amounts receivable (note 5)	26,789	20,839
Marketable securities (note 6)	854,973	1,710,530
Prepaid expenses and deposits (note 7)	88,581	64,245
Total current assets	2,360,190	3,714,240
Non-current assets		
Property and equipment (note 8)	8,577	31,606
Marketable securities (note 6)	348,172	882,785
Investment (note 10)	102,000	102,000
Investment in joint venture (note 11)	1	1
Total non-current assets	458,750	1,016,392
Total assets	\$ 2,818,940	\$ 4,730,632
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 18)	\$ 498,786	\$ 367,730
SHAREHOLDERS' EQUITY		
Share capital (note 12)	33,155,114	32,903,790
Reserves	5,141,496	4,998,540
Deficit	(35,976,456)	(33,539,428)
Total shareholders' equity	2,320,154	4,362,902
Total liabilities and shareholders' equity	\$ 2,818,940	\$ 4,730,632
Nature of operations and going concern (notes 1 and 2)		
Commitments (note 19)		
Subsequent events (note 22)		

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 22, 2020. They are signed on the Company's behalf by:

"Kirk Herrington"

Director

"James Topham"

Director

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

	Three Months Ended		Six Months Ended	
	(Unaudited) May 31 2020	Restated (note 21) (Unaudited) May 31 2019	(Unaudited) May 31 2020	Restated (note 21) (Unaudited) May 31 2019
Revenue	\$ 1,811	\$ 8,166	\$ 7,853	\$ 15,175
Expenses				
Depreciation and amortization (note 8)	11,965	127,204	23,029	255,707
General and administration (note 14)	564,185	2,495,494	1,021,550	3,733,304
Sales and marketing (note 15)	170,329	394,737	327,061	820,736
Share-based compensation (notes 13 and 18)	67,700	215,130	142,956	348,103
	814,179	3,232,565	1,514,596	5,157,850
Loss from operations	(812,368)	(3,224,399)	(1,506,743)	(5,142,675)
Other income (expense)				
Foreign exchange gain	2,860	3,915	2,258	2,394
Gain (loss) on sale of marketable securities (note 6)	72,557	(14,193)	292,493	216,937
Government subsidies and grants	84,162	-	84,162	-
Interest income	1,861	9,310	7,598	32,361
Other income	-	1,381	-	4,081
Unrealized gain (loss) on marketable securities (note 6)	(568,592)	(3,638,160)	(1,316,796)	2,804,040
	(407,152)	(3,637,747)	(930,285)	3,059,813
Net and comprehensive loss for the period	\$ (1,219,520)	\$ (6,862,146)	\$ (2,437,028)	\$ (2,082,862)
Basic and diluted loss per share	\$ (0.01)	\$ (0.05)	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding	141,278,408	136,737,783	139,778,332	136,737,783

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

	Number of Shares	Share Capital	Shares to be Issued	Reserves	Deficit	(Unaudited) Total Equity
Balance, November 30, 2019	136,817,783	\$ 32,903,790	\$ -	\$ 4,998,540	\$(33,539,428)	\$ 4,362,902
Shares issued for cash	3,836,845	176,495	-	-	-	176,495
Shares issued for debt	743,125	58,391	-	-	-	58,391
Stock options exercised	107,500	16,438	-	-	-	16,438
Share-based compensation	-	-	-	142,956	-	142,956
Net loss for the period	-	-	-	-	(2,437,028)	(2,437,028)
Balance, May 31, 2020	141,505,253	\$ 33,155,114	\$ -	\$ 5,141,496	\$(35,976,456)	\$ 2,320,154

	Number of Shares	Share Capital	Shares to be Issued	Reserves	Restated (note 20) Deficit	(Unaudited) Restated (note 21) Total Equity
Balance, November 30, 2018	136,737,783	\$ 32,899,790	\$ 15,866	\$ 4,509,832	\$(25,474,990)	\$ 11,950,498
Share-based compensation	-	-	-	348,103	-	348,103
Net loss for the period	-	-	-	-	(2,082,862)	(2,082,862)
Balance, May 31, 2019	136,737,783	\$ 32,899,790	\$ 15,866	\$ 4,857,935	\$(27,557,852)	\$ 10,215,739

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

	Three Months Ended		Six Months Ended	
	(Unaudited)	Restated (note 21) (Unaudited)	(Unaudited)	Restated (note 21) (Unaudited)
	May 31	May 31	May 31	May 31
	2020	2019	2020	2019
Cash provided by (used for)				
Operating activities				
Net loss for the period	\$ (1,219,520)	\$ (6,862,146)	\$ (2,437,028)	\$ (2,082,862)
Items not affecting cash				
Depreciation and amortization	11,965	127,204	23,029	255,707
Gain on sale of marketable securities	(72,557)	14,193	(292,493)	(216,937)
Gain on sale of property and equipment	-	(1,354)	-	(1,354)
Share-based compensation	67,700	215,130	142,956	348,103
Unrealized (gain) loss on marketable securities	568,592	3,638,160	1,316,796	(2,804,040)
	(643,820)	(2,868,813)	(1,246,740)	(4,501,383)
Net change in non-cash working capital	201,157	1,615,310	159,161	1,466,024
	(442,663)	(1,253,503)	(1,087,579)	(3,035,359)
Investing activities				
Acquisition of property and equipment	-	(4,315)	-	(5,733)
Proceeds from sale of property and equipment	-	7,149	-	7,149
Proceeds from sale of marketable securities	122,556	82,575	365,867	556,705
	122,556	85,409	365,867	558,121
Financing activities				
Proceeds from share issuances	16,438	-	192,933	-
	16,438	-	192,933	-
Net decrease in cash	(303,669)	(1,168,094)	(528,779)	(2,477,238)
Cash, beginning of period	1,693,516	4,317,645	1,918,626	5,626,789
Cash, end of period	\$ 1,389,847	\$ 3,149,551	\$ 1,389,847	\$ 3,149,551
Supplemental cash flow information (note 17)				

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

1. NATURE OF OPERATIONS

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

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

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

The Company’s principal business is to enhance the payment process for both consumers and merchants online and in brick-and-mortar environments using proprietary technology that combines mobile technologies and traditional payment processing, originally using *Glance Pay* and subsequently using *Perk Hero*. The Company launched its *Glance Pay* application during August 2016 and officially launched *Perk Hero* on April 2, 2020. *Perk Hero* is a digital loyalty management platform that enables merchants to provide their customers with digital rewards and a more engaging and convenient customer experience.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company incurred a net loss of \$2,437,028 (May 31, 2019 – \$2,082,862) and used cash of \$528,779 (May 31, 2019 - \$2,477,238) during the six months ended May 31, 2020 and, as of that date, had a deficit of \$35,976,456 (November 30, 2019 - \$33,539,428).

The Company is continuing to enhance its mobile payment applications. The continued operations of the Company are dependent on future profitable operations, management’s ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to May 31, 2020 is uncertain. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate and the impact of those adjustments could be material.

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

2. GOING CONCERN (continued)

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

3. BASIS OF PREPARATION

a) Statement of compliance

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

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

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance by the Board of Directors on July 22, 2020.

a) Basis of measurement

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

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

3. BASIS OF PREPARATION (continued)

c) Presentation and functional currency

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

d) Foreign currency transactions

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

e) Basis of consolidation

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

f) Reclassifications

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

g) Critical accounting judgments and estimates

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

Significant areas requiring the use of estimates include the carrying value of marketable securities and investments and the measurement of share-based compensation.

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

3. BASIS OF PREPARATION (continued)

g) Critical accounting judgments and estimates (continued)

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

4. ADOPTION OF NEW STANDARD – IFRS 16, LEASES

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

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

5. AMOUNTS RECEIVABLE

	May 31	November 30
	2020	2019
Accounts receivable - customers	\$ 779	\$ 2,306
Goods and services tax receivable	25,733	18,117
Other receivables	277	416
	\$ 26,789	\$ 20,839

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

6. MARKETABLE SECURITIES

	May 31 2020	November 30 2019	May 31 2020	November 30 2019	May 31 2020	November 30 2019
	Number		Cost		Fair Value	
Current						
Loop Insights Inc.	489,825	783,325	\$ 122,456	\$ 195,831	\$ 78,372	\$ 148,832
Yield Growth Corp. (shares)	2,700,000	2,700,000	-	-	382,179	688,500
Yield Growth Corp. (warrants)	5,460,000	5,460,000	-	-	394,422	873,198
			122,456	195,831	854,973	1,710,530
Non-current						
Yield Growth Corp. (shares)	2,700,000	4,050,000	-	-	348,172	882,785
			\$ 122,456	\$ 195,831	\$ 1,203,145	\$ 2,593,315

Loop Insights Inc.

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

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

During the six months ended May 31, 2020, the Company sold 293,500 (November 30, 2019 - 216,675) shares of Loop for net proceeds of \$56,395 (November 30, 2019 - \$84,272) with a cost of \$73,375 (November 30, 2019 - \$54,169) resulting in a realized loss of \$16,980 (November 30, 2019 – gain of \$30,103).

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

6. MARKETABLE SECURITIES (continued)

Yield Growth Corp.

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

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

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

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

As part of an agreement modification in November 2018, the Company returned 11,900,000 Yield common shares in exchange for the issuance of 6,000,000 warrants to purchase Yield shares with a five-year term at a price of \$0.50 per share. As a result of the modification, the Company amended its accounting of its investment in Yield from the equity method to FVTPL as the Company no longer had significant influence of Yield as its common share holdings were less than 20%, had no representation on the Board of Directors of Yield, and had no participation or significant influence in the operations of Yield. Pursuant to a Restricted Share Sale Agreement dated November 2, 2018 between the Company, The Yield Growth Corp. and Echelon Wealth Partners Inc., the Company agreed not to sell more than 20,000 of its Yield shares in a single trading day upon Yield listing on a Canadian stock exchange, which occurred on December 14, 2018.

During the six months ended May 31, 2020, the Company exercised Nil (November 30, 2019 - 540,000) warrants for \$Nil (November 30, 2019 - \$240,000) and sold 1,350,000 (November 30, 2019 - 2,250,000) shares of Yield for proceeds of \$309,473 (November 30, 2019 - \$1,257,168) resulting in a realized gain of \$309,473 (November 30, 2019 - \$987,168).

At May 31, 2020, the fair value of the 5,460,000 (November 30, 2019 - 5,460,000) Yield warrants was \$394,422 (November 30, 2019 - \$873,198) calculated using the Black-Scholes option pricing model assuming no (November 30, 2019 - no) expected dividends, an expected life remaining of 3.40 (November 30, 2019 - 3.85) years, volatility of 113% (November 30, 2019 - 110%), and a risk-free rate of 0.33% (November 30, 2019 - 1.51%). At May 31, 2020, the Company recognized an unrealized loss of \$478,777 (November 30, 2019 - \$334,219) on the Yield warrants.

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

6. MARKETABLE SECURITIES (continued)

Yield Growth Corp. (continued)

Of the Company's 5,400,000 Yield common shares, they will be released from escrow on the following dates: (i) June 15, 2020 – 1,350,000 shares; (ii) December 15, 2020 – 1,350,000; (iii) June 15, 2021 – 1,350,000 shares; and (iv) December 15, 2021 – 1,350,000 shares. At May 31, 2020, the Company recorded a discount of \$52,649 (November 30, 2019 – \$149,965) on the carrying value of Yield common shares held in long-term escrow with a corresponding entry to unrealized loss.

7. PREPAID EXPENSES AND DEPOSITS

	May 31 2020	November 30 2019
Deposit on office premises	\$ 49,697	\$ 26,529
Other prepaid expenses	38,884	37,716
	\$ 88,581	\$ 64,245

8. PROPERTY AND EQUIPMENT

	November 30 2018	Dispositions	November 30 2019	Additions	May 31 2020
Cost					
Computer equipment	\$ 362,346	\$ (188,752)	\$ 173,594	\$ -	\$ 173,594
Furniture and fixtures	26,075	(5,288)	20,787	-	20,787
Leasehold improvements	220,474	-	220,474	-	220,474
	\$ 608,895	\$ (194,040)	\$ 414,855	\$ -	\$ 414,855
Accumulated Depreciation/Amortization					
Computer equipment	\$ 208,154	\$ (59,137)	\$ 149,017	\$ 19,562	\$ 168,579
Furniture and fixtures	8,613	5,145	13,758	3,467	17,225
Leasehold improvements	75,877	144,597	220,474	-	220,474
	\$ 292,644	\$ 90,605	\$ 383,249	\$ 23,029	\$ 406,278
Carrying Amounts	\$ 316,251		\$ 31,606		\$ 8,577

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

9. INTANGIBLE ASSETS

	Computer Software	Payment Processing Patents	Intellectual Property	Patent and Domain Names	Total
Cost					
Balance November 30, 2018	\$ 493,244	\$ 26,667	\$ -	\$ 17,800	\$ 537,711
Additions	-	-	1,419,844	14,311	1,434,155
Balance November 30, 2019 and May 31, 2020	\$ 493,244	\$ 26,667	\$ 1,419,844	\$ 32,111	\$ 1,971,866
Accumulated Amortization					
Balance November 30, 2018	\$ 369,933	\$ 20,000	\$ 1,419,844	\$ -	\$ 1,809,777
Amortization	123,311	6,667	-	-	129,978
Impairment	-	-	-	32,111	32,111
Balance, November 30, 2019 and May 31, 2020	\$ 493,244	\$ 26,667	\$ 1,419,844	\$ 32,111	\$ 1,971,866
Carrying Amounts	\$ -	\$ -	\$ -	\$ -	\$ -

10. INVESTMENT

	May 31 2020	November 30 2019	May 31 2020	November 30 2019	May 31 2020	November 30 2019
	Number		Cost		Fair Value	
Euro Asia Pay Holdings Inc.	8,500,000	8,500,000	\$ 595,000	\$ 595,000	\$ 102,000	\$ 102,000

In October 2017, the Company received \$250,000 upon signing an agreement with Euro Asia Pay Holdings Inc. ("EAP"). In November 2017, EAP issued 8,500,000 common shares at a fair market value of \$595,000, pursuant to its obligation to pay for an element of licensing, design of the application, and marketing. EAP is a private company incorporated under the laws of the Province of British Columbia on October 16, 2017. EAP combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the tourism and education industry. During the six months ended May 31, 2020, the Company recorded an impairment loss of \$Nil (November 30, 2019 - \$493,000).

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

11. JOINT VENTURE AGREEMENT – CONVERGE MOBISOLUTIONS INC.

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

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

No transactions took place during the six months ended May 31, 2020.

12. SHARE CAPITAL

a) Common shares

Authorized:

Unlimited number of common shares without par value.

Issued:

	Issued Number	Amount
Balance, November 30, 2018	136,737,783	\$ 32,899,790
Shares issued for debt	80,000	4,000
Balance, November 30, 2019	136,817,783	32,903,790
Shares issued for cash	3,836,845	176,495
Shares issued for debt	743,125	58,391
Stock options exercised	107,500	16,438
Balance, May 31, 2020	141,505,253	\$ 33,155,114

On November 8, 2019, 80,000 common shares were issued at \$0.05 per share for a total of \$4,000 as settlement of an amount payable to the Chief Technology Officer.

On December 3, 2019, the Company issued 88,889 common shares at \$0.045 for a total of \$4,000 as settlement for an amount payable to the Chief Technology Officer.

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

12. SHARE CAPITAL (continued)

a) Common shares (continued)

On January 6, 2020, the Company issued 80,000 common shares at \$0.05 for a total of \$4,000 as settlement for an amount payable to the Chief Technology Officer.

On January 8, 2020, the Company issued 20,000 common shares at \$0.05 for a total of \$1,000 as settlement for an amount payable.

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

On February 3, 2020, the Company issued 133,333 common shares at \$0.045 for a total of \$6,000 as settlement for amounts payable of which 88,889 were issued to the Chief Technology Officer.

On February 18, 2020, the Company issued 47,727 common shares at \$0.055 for a total of \$2,625 as settlement for an amount payable.

On March 2, 2020, the Company issued 52,631 common shares at \$0.095 for a total of \$5,000 as settlement for amounts payable of which 42,105 were issued to the Chief Technology Officer.

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

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

On April 1, 2020, the Company issued 50,000 common shares at \$0.10 per share for a total of \$5,000 as settlement for amounts payable of which 40,000 were issued to the Chief Technology Officer.

On April 15, 2020, the Company issued 16,666 common shares at \$0.10 for a total of \$1,667 as settlement for amounts payable to the Chief Technology Officer.

On May 1, 2020, the Company issued 154,546 common shares at \$0.11 per share for a total of \$17,000 as settlement for amounts payable of which 109,091 were issued to the Chief Financial Officer and 36,364 were issued to the Chief Technology Officer.

On May 14, 2020, the Company issued 63,333 common shares at \$0.12 per share for a total of \$7,600 as settlement for an amount payable to the Chief Technology Officer.

On May 25, 2020, the Company issued 36,000 common shares at \$0.125 per share for a total of \$4,500 as settlement for an amount payable.

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

12. SHARE CAPITAL (continued)

b) Escrow shares

At May 31, 2020, there were 5,778,419 (November 30, 2019 – 10,593,767) common shares held in escrow that will be released on September 7, 2020.

c) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2018	6,281,687	\$ 2.81
Expired	(6,274,190)	\$ (2.81)
Balance, November 30, 2019	7,497	\$ 0.33
Expired	(7,497)	\$ 0.33
Issued	3,836,845	\$ 0.08
Balance, May 31, 2020	3,836,845	\$ 0.08

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
January 31, 2022	2.67	3,836,845	\$ 0.08

d) Restricted share units

The Company has established a long-term incentive plan for executives and certain employees. Under the terms of this plan, participants are eligible to receive common shares without any monetary consideration payable to the Company. Each award is considered a separate award with its own vesting period and grant date fair value. Each RSU is convertible into one common share. All RSUs will vest three years after the date of grant, where the date of grant was finalized and approved at the Company's Annual General Meeting held on June 10, 2020.

	Number of Units
Balance, November 30, 2018	-
Granted	1,076,000
Balance, November 30, 2019	1,076,000
Granted	2,638,122
Balance, May 31, 2020	3,714,122

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

12. SHARE CAPITAL (continued)

d) Restricted share units (continued)

Date of Grant	Vesting Date	Remaining Life (Years)	RSUs Vested	RSUs Outstanding
November 29, 2019	November 29, 2022	2.50	-	1,076,000
December 19, 2019	December 19, 2022	2.55	-	1,171,404
January 9, 2020	January 9, 2023	2.61	-	661,539
January 31, 2020	January 31, 2023	2.67	-	210,923
March 3, 2020	March 3, 2023	2.76	-	167,094
April 1, 2020	April 1, 2023	2.83	-	30,770
April 6, 2020	April 6, 2023	2.85	-	368,420
May 1, 2020	May 1, 2023	2.92	-	27,972
			-	3,714,122

At May 31, 2020, of the amount outstanding, 2,838,122 (November 30, 2019 – 400,000) are granted to officers and directors.

13. SHARE-BASED COMPENSATION

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

The following summarizes the stock options outstanding:

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

13. SHARE-BASED COMPENSATION (continued)

			Number of Options	Weighted Average Exercise Price
Balance, November 30, 2018			8,540,250	\$ 0.85
Granted			5,000,000	\$ 0.16
Cancelled			(5,011,750)	\$ 0.79
Balance, November 30, 2019			8,528,500	\$ 0.23
Cancelled			(662,500)	\$ (0.22)
Exercised			(107,500)	\$ (0.15)
Granted			200,000	\$ 0.12
Balance, May 31, 2020			7,958,500	\$ 0.23

Date of Grant	Expiry Date	Remaining Life (Years)	Number of Options Vested	Number of Options Outstanding	Exercise Price
May 3, 2019	May 3, 2021	0.92	100,000	100,000	\$ 0.15
May 12, 2016	May 12, 2021	0.95	75,000	75,000	\$ 0.15
June 15, 2016	June 15, 2021	1.04	50,000	50,000	\$ 0.15
September 6, 2016	September 6, 2021	1.27	25,000	25,000	\$ 0.15
January 22, 2018	January 22, 2023	2.65	500,000	500,000	\$ 1.46
December 17, 2018	December 17, 2023	3.55	-	100,000	\$ 0.18
April 23, 2019	April 23, 2024	3.90	3,307,250	4,403,500	\$ 0.16
May 3, 2019	May 3, 2024	3.92	555,000	1,205,000	\$ 0.15
May 8, 2019	May 8, 2024	3.94	25,000	200,000	\$ 0.14
May 22, 2019	May 22, 2024	3.98	-	100,000	\$ 0.15
June 25, 2019,	June 25, 2024	4.07	375,000	400,000	\$ 0.11
September 17, 2019	September 17, 2024	4.30	25,000	100,000	\$ 0.10
October 1, 2019	October 1, 2024	4.34	37,500	150,000	\$ 0.10
October 28, 2019	October 28, 2024	4.41	250,000	350,000	\$ 0.10
January 31, 2020	January 31, 2025	4.67	-	100,000	\$ 0.10
March 3, 2020	March 3, 2025	4.76	10,000	60,000	\$ 0.18
April 1, 2020	April 1, 2025	4.83	20,000	20,000	\$ 0.10
May 1, 2020	May 1, 2025	4.92	20,000	20,000	\$ 0.11
		3.67	5,374,750	7,958,500	\$ 0.23

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

13. SHARE-BASED COMPENSATION (continued)

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

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

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

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

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

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

13. SHARE-BASED COMPENSATION (continued)

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

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

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

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

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

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

13. SHARE-BASED COMPENSATION (continued)

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

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

On March 3, 2020, the Company granted 60,000 stock options to employees to acquire 60,000 common shares of the Company with an expiry date of March 3, 2025 at an exercise price of \$0.18 per share. 10,000 stock options vest immediately and 50,000 vest every three months over one year. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$4,115 or \$0.15 per option, assuming an expected life of five years, a risk-free interest rate of 0.90%, an expected dividend rate of 0.00%, stock price of \$0.165, and an expected annual volatility coefficient of 152%. Volatility was determined using historical stock prices.

On April 1, 2020, the Company granted 20,000 stock options to an employee to acquire 20,000 common shares of the Company with an expiry date of April 1, 2025 at an exercise price of \$0.10 per share. The options vest immediately. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$1,632 or \$0.08 per option, assuming an expected life of five years, a risk-free interest rate of 0.56%, an expected dividend rate of 0.00%, stock price of \$0.09, and an expected annual volatility coefficient of 152%. Volatility was determined using historical stock prices.

On May 1, 2020, the Company granted 20,000 stock options to an employee to acquire 20,000 common shares of the Company with an expiry date of May 1, 2025 at an exercise price of \$0.11 per share. The options vest immediately. The options have a total fair value, calculated using the Black-Scholes option pricing model of \$1,969 or \$0.10 per option, assuming an expected life of five years, a risk-free interest rate of 0.37%, an expected dividend rate of 0.00%, stock price of \$0.11, and an expected annual volatility coefficient of 151%. Volatility was determined using historical stock prices.

For the six months ended May 31, 2020, the weighted-average fair value of options granted was \$0.08 (May 31, 2019 - \$0.10) and the weighted-average share price for stock options exercised was \$0.06 (May 31, 2019 – no options exercised).

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model, no expected dividends, and the following weighted-average assumptions:

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

13. SHARE-BASED COMPENSATION (continued)

	May 31 2020	May 31 2019
Risk-free interest rate	1.01%	1.74%
Expected volatility	141%	137%
Share price	\$0.09	\$0.15
Expected option life (in years)	5	4.8
Expected forfeiture rate	0%	5%

14. GENERAL AND ADMINISTRATION EXPENSES

Following is a breakdown of general and administration expenses:

	Three Months Ended		Six Months Ended	
	May 31 2020	May 31 2019	May 31 2020	May 31 2019
Bank charges and interest	\$ 5,237	\$ 12,153	\$ 14,266	\$ 27,913
Consulting fees	(2,200)	53,719	56,000	155,540
Director fees (note 21)	70,000	-	140,000	-
Fobisuite license	-	1,500,000	-	1,500,000
Information technology	148,426	63,464	188,366	124,426
Insurance	2,704	2,736	5,091	5,586
Investor relations	4,375	32,544	14,368	120,413
Legal, accounting, and auditing	58,824	45,095	82,429	147,040
Office	6,004	83,167	16,173	154,695
Rent	38,277	128,757	76,751	266,031
Transfer agent and filing fees	45,382	40,736	59,633	53,484
Travel	-	1,977	-	8,614
Wages and benefits (note 21)	187,156	531,146	368,473	1,169,562
	\$ 564,185	\$ 2,495,494	\$ 1,021,550	\$ 3,733,304

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

15. SALES AND MARKETING EXPENSES

	Three Months Ended		Six Months Ended	
	May 31 2020	May 31 2019	May 31 2020	May 31 2019
Consulting fees	\$ 52,277	\$ -	\$ 102,146	\$ -
Promotions and events	11,890	-	22,187	-
Sales and marketing	38,065	129,331	66,081	257,172
Travel	212	14,312	827	29,964
Wages and benefits	67,885	251,094	135,820	533,600
	\$ 170,329	\$ 394,737	\$ 327,061	\$ 820,736

16. SEGMENTED INFORMATION

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

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended		Six Months Ended	
	May 31 2020	May 31 2019	May 31 2020	May 31 2019
Non-cash investing and financing activities				
Common shares issued for debt	\$ 40,766	\$ -	\$ 58,391	\$ -
Supplementary disclosures				
Income taxes paid	\$ -	\$ -	\$ -	\$ -
Interest paid	\$ -	\$ -	\$ -	\$ -
Interest received	\$ 1,861	\$ 9,310	\$ 7,598	\$ 32,361

18. RELATED PARTY TRANSACTIONS

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

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

18. RELATED PARTY TRANSACTIONS (continued)

	May 31	May 31
	2020	2019
Director fees	\$ 140,000	\$ -
Remuneration and fees	244,167	599,717
Share-based compensation	62,660	250,879
	\$ 446,827	\$ 850,596

At May 31, 2020, the Company owed \$168,723 (November 30, 2019 - \$91,469) to officers and directors which is included in accounts payable and accrued liabilities.

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

19. COMMITMENTS

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

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

Year Ended	Amount
2020	\$ 56,910
2021	115,206
2022	117,978
2023	59,682
	\$ 349,776

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

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

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

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

b) Market risk

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

(i) Interest rate risk

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

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Market risk (continued)

(i) Interest rate risk (continued)

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

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

(ii) Foreign currency risk

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

At May 31, 2020, the Company is exposed to foreign currency risk with respect to its US denominated bank account. A 10% change in foreign exchange rates is not expected to have a material impact on the Condensed Interim Consolidated financial statements.

At May 31, 2020, 2019, financial instruments were converted at a rate of \$1 US dollar to \$1.3787 (November 30, 2019 – \$1.3289) Canadian.

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

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. At May 31, 2020 and November 30, 2019, all amounts receivable were current.

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

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Market risk (continued)

(iv) Liquidity risk

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

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at May 31, 2020 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

(v) Capital risk management

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

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

(vi) Price risk

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

21. RESTATEMENT

The Company has amended its condensed interim consolidated financial statements as at and for the three and six months ended May 31, 2019 as a result of amending the consolidated financial statements for the year ended November 30, 2018 to reflect the recognition of license revenue, adjustment to the carrying value of marketable securities that are held in escrow, and record an accrual of directors' fees. For the three and six months ended May 31, 2019, the effects of the restatement resulted in a decrease in net income of \$36,101 and \$72,202 respectively as result of reversing license revenue. Although the restatement had no impact to the condensed interim consolidated statement of cash flows for the three and six months ended May 31, 2019, and had an immaterial impact on the working capital as at May 31, 2019 and to the net income for the three and six months ended May 31, 2019, management has retroactively restated the May 31, 2019 financial information to ensure better transparency of its financial information for comparative purposes. The restatement had the following effects on the Company's condensed interim consolidated financial statements:

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

21. **RESTATEMENT** (continued)

Condensed Interim Consolidated Statement of Operations and Comprehensive Loss

	Three months ended May 31, 2019		
	Previously Reported	Adjustment	Restated
Revenue	\$ 44,267	\$ (36,101)	\$ 8,166
Loss from operations	\$ (3,188,298)	\$ (36,101)	\$ (3,224,399)
Net loss for the period	\$ (6,826,045)	\$ (36,101)	\$ (6,862,146)

	Six months ended May 31, 2019		
	Previously Reported	Adjustment	Restated
Revenue	\$ 87,377	\$ (72,202)	\$ 15,175
Loss from operations	\$ (5,070,473)	\$ (72,202)	\$ (5,142,675)
Net loss for the period	\$ (2,010,660)	\$ (72,202)	\$ (2,082,862)

Condensed Interim Consolidated Statement of Changes in Equity

	As at May 31, 2019		
	Previously Reported	Adjustment	Restated
Net loss for the period	\$ (2,010,660)	\$ (72,202)	\$ (2,082,862)
Deficit	\$(27,485,650)	\$ (72,202)	\$(27,557,852)

Condensed Interim Consolidated Statement of Cash Flows

	Three months ended May 31, 2019		
	Previously Reported	Adjustment	Restated
Net loss for the period	\$ (6,826,045)	\$ (36,101)	\$ (6,862,146)
Deferred revenue	\$ (36,101)	\$ 36,101	\$ -

PERK LABS INC.
(formerly Glance Technologies Inc.)

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

For the Six Months Ended May 31, 2020 and May 31, 2019

21. RESTATEMENT (continued)

	Six months ended May 31, 2019		
	Previously Reported	Adjustment	Restated
Net loss for the period	\$ (2,010,660)	\$ (72,202)	\$ (2,082,862)
Deferred revenue	\$ (72,202)	\$ 72,202	\$ -

22. SUBSEQUENT EVENTS

On June 1, 2020, the Company issued 100,870 common shares at \$0.11 per share for a total of \$11,096 as settlement for amounts payable of which 17,391 were issued to the Chief Financial Officer and 74,783 were issued to the Chief Technology Officer.

On June 1, 2020, the Company granted 20,000 stock options to a consultant at a price of \$0.115 per share that expire on June 1, 2025.

On June 1, 2020, the Company granted 26,756 restricted share units to the Chief Executive Officer that vest on June 1, 2023.

On July 2, 2020, the Company issued 104,166 common shares at \$0.08 per share for a total of \$8,333 as settlement for amounts payable of which 25,000 were issued to the Chief Financial Officer and 66,666 were issued to the Chief Technology Officer.

On July 2, 2020, the Company granted 20,000 stock options to a consultant and 100,000 stock options to the Vice President, Finance at a price of \$0.10 per share that expire on July 2, 2025.

On July 2, 2020, the Company granted 38,462 restricted share units to the Chief Executive Officer that vest on July 2, 2023.

On July 6, 2020, the Company granted 437,500 restricted share units to the Directors that vest on July 6, 2023.

On July 17, 2020, the Company filed a Short Form Base Shelf Prospectus with the British Columbia Securities Commission and using Multilateral Instrument 11-102 *Passport System*, filed the prospectus in all the provinces and territories of Canada.