MANAGEMENT'S DISCUSSION AND ANALYSIS

Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars.

This Management Discussion and Analysis (this "**MD&A**") is dated as of January 26, 2021 and provides an overview of the financial activities of Euro Asia Pay Holdings Inc. (the "**Company**") for the years ended September 30, 2020 and 2019. It should be read in conjunction with the Company's financial statements for the years ended September 30, 2020 and 2019 including the related notes thereto (the "**Financial Statements**"). The Financial Statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

This MD&A contains certain forward-looking information that involves risks and uncertainties, including but not limited to, those described in the "Risk Factors" section. See "Forward-Looking Information" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those indicated or underlying forward-looking information as a result of various factors, including those described in "Risk Factors" and elsewhere in this MD&A.

Forward Looking Information

Certain information included in this MD&A may constitute forward-looking statements. Statements included in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary from these statements. Forward looking statements are typically identified by the use of words and phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "possible" and similar words and phrases or statements that events, conditions or results "may", "could", "would", "might", "will be taken", "occur" "or be achieved". In this MD&A, forward looking statements include such statements as:

- that the Company anticipates earning additional revenue in the future and it will incur substantial expenses in the establishment of its business;
- the Company's belief that future results will depend on factors such as partnering, regulatory regulations, the competitive environment, and the ability to obtain users in different geographical markets;
- that the Company's growth and future success will be dependent upon its ability to secure funding to develop products, attract talented management and advisors, establish industry relationships, launch and promote its products, and generate sales;
- that the Company anticipates that its cash on hand, coupled with the proceeds from the initial public offering ("**IPO**"), will be sufficient to satisfy the Company's cash requirements during the next 12 months;
- that 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;
- that the Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success; and
- that if additional financing is required and 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.

Forward looking information is based upon a number of assumptions made by the Company in light of experience and perception of historical trends, current conditions, and expected future developments and is subject to a number of known and unknown risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those that are disclosed in such forward looking information. Readers are cautioned to not put undue reliance on forward-looking information. The forward-looking statements in this MD&A are based on the following assumptions:

- the Company will be able to achieve its business objectives;
- the Company will be successful in completing its IPO; and
- the Company will be successful in obtaining and retaining users for its SideKick product.

The forward looking information contained in this MD&A represents the expectations of the Company as of the date of this MD&A, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Overview

The Company was incorporated in British Columbia on October 16, 2017. The head office and principal place of business of the Company is located at 100 – 200 Granville Street, Vancouver, British Columbia. The Company is developing financial technology payment solutions to provide enhanced financial services to the international student market. From inception to date, the Company has concentrated its efforts on research and development and has incurred costs related to the development of a mobile application platform called SideKick. The Company recently completed a soft launch of its SideKick product.

Selected Annual Information

The following table sets out selected annual financial information which is derived from the Company's financial statements for the years ended September 30, 2020 and 2019.

	Year ended September 30, 2020 $	Year ended to September 30, 2019 $
Revenue	**38**	-
Net loss	**(1,997,918)**	(2,232,836)
Loss per share – Basic and Diluted	**(0.03)**	(0.04)
Total Assets	**401,648**	1,634,483
Total Long-term Liabilities	**407,195**	-
Dividends Declared	**-**	-

Financial Position

The following table presents selected financial information of the Company's operations for the years ended September 30, 2020 and 2019.

	Year Ended September 30, 2020	Year Ended September 30, 2019
	$	$
REVENUE	**38**	-
COST OF REVENUE	**18**	-
GROSS PROFIT	**20**	-
OPERATING EXPENSES		
Consulting fees	**119,454**	142,964
Depreciation	**11,036**	9,306
General and administrative	**649,761**	668,010
Marketing	**188,349**	336,218
Professional fees	**126,390**	112,154
Research and development	**550,368**	835,569
Share-based payments	**372,517**	179,913
Total Operating Expenses	**2,017,876**	2,284,134
OTHER ITEMS		
Interest income	**4,430**	51,298
Government grant	**15,508**	-
NET LOSS AND COMPREHENSIVE LOSS	**(1,997,918)**	(2,232,836)

Since inception, the Company has a limited history of operations, and nominal revenue generation. The Company generates revenue from its SideKick product which began its soft launch in July 2020 and earned total revenues of $38. The Company also generates other miscellaneous income from interest earned on excess cash and from government grants. The ability to generate future revenue depends on the successful development of the Company's products and ability to attract and retain users for such products. Although the Company anticipates earning additional revenue in the future, it will also incur substantial expenses in the establishment of its business. To the extent that such expenses do not result in revenue gains that are adequate to sustain and expand its business, the Company's long-term viability may be materially and adversely affected.

Operating expenses of $2,017,876 and net loss of $1,997,918 was incurred during the year ended September 30, 2020 and these expenses are reflective of an early-stage company, IPO preparedness, technology research and development, and securing funds. The Company's expenses primarily relate to marketing, research and development, professional fees, and consulting fees. Future operating results will depend on many factors, including partnering, regulatory regulations, the competitive environment, and the ability to obtain users in different geographical markets. There can be no assurance that the Company will be able to implement its strategic business plans in the timeframes estimated by management. The Company's growth and future success will be dependent upon its ability to secure funding to develop products, attract talented management and advisors, establish industry relationships, launch and promote its products, and generate sales.

Consulting Fees

The Company engages consultants regularly to obtain expertise in various business areas including but not limited to marketing, technology, finance, and administrative services. For the year ended September 30, 2020, the Company incurred consulting expenses of $119,454 (2019 - $142,964). The decrease in consulting fees was driven primarily by the payment of consulting fees for a SR&ED consultant in 2019.

Depreciation of Property and Equipment

For the year ended September 30, 2020, there was $11,036 (2019 - $9,306), in expenses related to the depreciation of the Company's tangible assets. This is due to the purchase of computer equipment resulting from the hiring of staff.

General and administrative

General and administrative expenses primarily consist of rent, office supplies, and administrative salaries. For the year ended September 30, 2020 the Company incurred general and administrative expenses of $649,761 (2019 - 668,010). The decrease in general and administrative expense was primarily driven by a decrease in rent paid to due to the Company moving to a smaller office.

Marketing

Marketing expenses are related to the Company's activities in promoting its mobile application. For the year ended September 30, 2020, the Company incurred marketing expenses of $188,349 (2019 - $336,218). The decrease in marketing expense was driven primarily by the Company attending fewer trade shows in 2020 compared to 2019 and less design work being performed in 2020 compared to 2019.

Professional Fees

Professional fees are primarily related to legal, accounting and audit services. For the year ended September 30, 2020 the Company incurred professional fees of $126,390 (2019 - 112,154). The increase in professional fees was driven by continued preparations for the Company's IPO.

Research and Development

Research and development expenses are related to the development of the Company's SideKick product. For the year ended September 30, 2020 the Company incurred research and development expenses of $550,368 (2019 - 835,569). The decrease in research and development expense was primarily driven by a decrease in fees paid to PayWith Worldwide Inc. ("**PayWith**") for development work.

Share-based Payments

Share-based payments are related to the granting of stock options. For the year ended September 30, 2020 the Company incurred share-based payments of $372,517 (2019 - 179,913). The increase in share-based payments was driven primarily by the granting of 2,560,000 stock options during the year to directors and employees of the Company.

Income Taxes

For the year ended September 30, 2020, the Company had an income tax recovery of $Nil (2019 - $Nil).

Summary of Quarterly Results

The following table summarizes the Company's quarterly results.

Quarters Ended	Revenue $	Net loss $	Basic loss per share $	Diluted loss per share $
December 31, 2018	-	583,408	0.01	0.01
March 31, 2019	-	484,634	0.01	0.01
June 30, 2019	-	504,694	0.01	0.01
September 30, 2019	-	660,100	0.01	0.01
December 31, 2019	-	682,606	0.01	0.01
March 31, 2020	-	440,355	0.01	0.01
June 30, 2020	-	473,619	0.01	0.01
September 30, 2020	38	401,338	0.01	0.01

Results of the Fourth Quarter

For the fourth quarter ending September 30, 2020, the Company generated revenue of $38. The Company incurred a net loss of $401,338 in the fourth quarter of fiscal 2020. On a quarter-by-quarter basis the net loss can fluctuate significantly due to changes in research and development efforts and the timing of stock option grants.

Liquidity and Capital Resources

The following table presents selected financial information of the Company’s working capital at September 30, 2020 and September 30, 2019.

		September 30, 2020		September 30, 2019
Cash and cash equivalents	**$**	**235,367**	$	1,101,114
Receivables		**83,831**		290,683
Prepaid expenses		**76,235**		230,016
Total current assets		**395,433**		1,621,813
Total current liabilities		**(129,295)**		(169,875)
Working capital	**$**	**266,138**	$	1,451,938

Cash balance as at September 30, 2020 was $235,367 and working capital as at September 30, 2020 was $266,138, as compared to cash on hand of $1,101,114 and working capital of $1,451,938 at September 30, 2019. The Company defines working capital as current assets minus current liabilities. Working capital measures are used to evaluate the performance of the Company’s operations and the ability to meet financial obligations. As at September 30, 2020, the Company had current assets of $395,433 and current liabilities of $129,295, as compared to $1,621,813 in current assets and $169,875 in current liabilities at September 30, 2019.

As the Company does not generate significant funds from operations, it is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded operations through the issuance of equity securities on a private placement basis. This has permitted the Company to pay for initial development costs for its product, pay consulting fees and address preliminary costs associated with its proposed IPO. The Company anticipates that its cash on hand, coupled with the proceeds from the IPO, will be sufficient to satisfy the Company’s cash requirements during the next 12 months.

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 issuing additional securities 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.

Contractual Obligations

There are no material contractual obligations as at September 30, 2020 or the date of this MD&A.

Stock Options

Pursuant to the Company's stock option plan, directors of the Company may, from time to time, authorize the issuance of stock options to directors, officers, employees, and consultants of the Company. The terms of the granted options as well as the vesting conditions are at the sole discretion of the directors.

On August 23, 2019, the Company granted 535,000 stock options to employees and a consultant of the Company. The options have an exercise price of $0.18 per common share, vest immediately upon grant and will expire five years after the date of grant on August 23, 2024. During the year ended September 30, 2019, the Company recorded $93,199 of share-based payments related to the granted stock options.

During the year ended September 30, 2019, the Company recorded $86,714 of share-based payments related to the vesting of previously granted stock options.

On December 2, 2019, the Company granted 700,000 stock options to directors and an employee of the Company. The options have an exercise price of $0.18 per common share, vest immediately upon grant, and will expire five years after the date of grant on December 2, 2024. During the year ended September 30, 2020 the Company recorded $113,562 of share-based payments related to the granted stock options.

On February 28, 2020, the Company granted 60,000 stock options to employees of the Company. The options have an exercise price of $0.18 per common share, vest immediately upon grant, and will expire five years after the date of grant on February 28, 2025. During the year ended September 30, 2020 the Company recorded $9,696 of share-based payments related to the granted stock options.

On June 26, 2020, the Company granted 1,800,000 stock options to directors, officers, and a consultant of the Company. The options have an exercise price of $0.18 per common share of which 1,100,000 vested immediately upon grant, and will expire five years after the date of grant on June 26, 2025 and 700,000 options vest in quarterly tranches and will expire three years after the date of grant on June 26, 2023. During the year ended September 30, 2020 the Company recorded $177,399 upon granting of the stock options and recognized $53,062 of share-based payments related to the vested stock options.

During the year ended September 30, 2020, the Company recorded $18,797 in share-based payments related to the vesting of previously granted stock options.

Continuity schedule of the incentive stock options is as follows:

	Number of options	Weighted average exercise price
Outstanding, September 30, 2018	1,330,000	$ 0.18
Granted	535,000	0.18
Outstanding, September 30, 2019	1,865,000	$ 0.18
Granted	2,560,000	0.18
Cancelled	(555,000)	0.18
Outstanding, September 30, 2020	**3,870,000**	**$ 0.18**

Additional information regarding stock options outstanding as at September 30, 2020 is as follows:

Expiry date	Exercise Price	Weighted average remaining contractual life	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
September 30, 2023	$ 0.18	3.00 years	1,050,000	600,000	450,000
June 26, 2023	0.18	2.74 years	700,000	175,000	525,000
August 23, 2024	0.18	3.90 years	460,000	460,000	-
December 2, 2024	0.18	4.18 years	500,000	500,000	-
February 28, 2025	0.18	4.42 years	60,000	60,000	-
June 26, 2025	0.18	4.74 years	1,100,000	1,100,000	-
	$ 0.18	**3.73 years**	**3,870,000**	**2,895,000**	**975,000**

The fair value of options granted was estimated on the date of grant using the Black-Scholes Option Pricing Model assuming no expected dividends and the following assumptions:

	September 30, 2020	September 30, 2019
Expected stock price volatility	**145%**	146%
Risk-free interest rate	**0.36% - 1.54%**	1.21%
Expected life of options	**5 Years**	5 Years
Forfeiture rate	**0%**	0%

As of September 30, 2020, 2,895,000 (September 30, 2019 - 1,415,000) of the stock options had vested and therefore are exercisable. The weighted average fair value of the options granted during the year ended September 30, 2020 was $0.16 per option.

Outstanding Security Data

As of September 30, 2020, and the date of this MD&A, the Company's authorized capital consists of an unlimited number of common shares without par value, of which 59,611,111 were issued and outstanding. Pursuant to an escrow agreement dated July 29, 2020, 52,611,111 shares of the Company are held in escrow.

Transactions with Related Parties

(a) *Key management personnel*

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company. The key management personnel of the Company are the members of the Company's executive management team and the board of directors. During the years ended September 30, 2020 and 2019 compensation of key management personnel was as follows:

	September 30, 2020	September 30, 2019
	$	$
Short-term benefits	**355,380**	296,965
Share-based compensation	**346,597**	93,199
	701,977	390,164

As of September 30, 2020, the Company owes $6,998 (2019 - $22,487) to key management personnel which is unsecured, non-interest bearing and due on demand.

(b) Transactions with other related parties

During the year ended September 30, 2020, the Company entered into the following transactions with other related parties:

(i) The Company incurred $43,482 (2019 - $11,000) in research and development expense to a company controlled by the Chief Executive Officer of the Company.

(ii) The Company incurred $184,628 (2019 - $735,080) in research and development expense, $Nil (2019 - $1,400) in marketing expense and $34,500 (2019 - $2,500) in general and administrative expenses to PayWith. At September 30, 2020 and 2019, two directors of the Company are key management personnel and directors of PayWith. As of September 30, 2020, the Company owes $1,575 (September 30, 2019 - $2,625) to PayWith, which is unsecured, non-interest bearing and due on demand.

(iii) As of September 30, 2020, & 2019, Perk Labs Inc. (formerly, Glance Technologies Inc.) ("Perk") owns 14.3% of the Company through a wholly owned subsidiary and had a director in common until June 2019. During the year ended September 30, 2020, the Company incurred $Nil (2019 - $93,231) in general and administrative expenses to Perk, As of September 30, 2020, the Company owes $Nil (September 30, 2019 - $4,609) to Perk, in its capacity as a related party, which is unsecured, non-interest bearing and due on demand.

(vi) On August 6, 2020 the Company entered into a loan agreement with a company related to a director of the Company. Under the agreement, the Company received a loan of $400,000 which is unsecured, interest bearing at a rate of 8% per annum and matures on October 6, 2021.The Company determined that the stated interest rate was below market rates and recorded a discount of $25,951 using an annual discount rate of 14%. To September 30, 2020, the Company has recorded $8,654 in accrued interest.

Off-Balance Sheet Arrangements

The Company does not currently have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future adverse effect on its financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

Subsequent Events

(a) On October 27, 2020, the Company filed an initial public offering final prospectus (the "Prospectus"), relating to the sale and issue of a minimum of 8,000,000 units and up to a maximum of 12,000,000 units at a price of $0.25 per unit for gross proceeds of a minimum of $2,000,000 and up to a maximum of $3,000,000 (the "Offering"). Each unit will consist of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company at a price of $0.45 per share for a period of 24 months from the closing date of the Offering (the "Closing Date"). Concurrently with the Offering, the Company will also apply to list its common shares on the Canadian Securities Exchange.

On October 27, 2020, the Company entered into an agreement with Canaccord Genuity Corp. (the "Agent") whereby the Company agreed to pay the Agent a cash commission equal to 8% of the aggregate gross proceeds of the Offering and a corporate finance fee of $157,500 in a combination of $75,000 cash and 330,000 units at a deemed price of $0.25 per unit. In addition, the Company agreed to issue up to that number of warrants to the Agent (the "Agent's Warrants") equal to 8% of the number of units sold under the Offering, with each Agent's Warrant exercisable into one unit (an "Agent's Warrant Unit") at an exercise price of $0.25 per Agent's Warrant Unit for a period of 24 months from the Closing Date. Each Agent's Warrant Unit will consist of one common share of the Company and one common share purchase warrant, with each warrant entitling the Agent to purchase one common share of the Company at a price of $0.45 per share for a period of 24 months from the Closing Date. The Company will identify certain purchasers for the Offering for minimum gross proceeds of $2,000,000 (the "President's List Purchasers"). The Agent will receive a reduced cash commission of 4.5% relating to gross proceeds from President's List Purchasers and will receive a reduced number of Agent's Warrants equal to 4.5% of the number of units sold under the Offering to President's List Purchasers.

On November 30, 2020, the Company filed an amendment to the Prospectus and is subsequently in the process of fulfilling and identifying the remaining President's List Purchasers and additional investors required to complete the Offering.

(b) On November 13, 2020, the Company entered into a loan agreement with a company related to a director of the Company. Under the agreement, the Company received a loan of $150,000 which is unsecured, accrues interest at a rate of 8% per annum and matures on January 12, 2021.

(c) In December 2020, the Company entered into an agreement with the National Research Council of Canada as represented by its Industrial Research Assistance Program ("NRC-IRAP") in which NRC-IRAP agreed to contribute up to a maximum of $115,408 for salary costs incurred by the Company between June 25, 2020 and December 19, 2020.

Risk Factors

The Company's financial instruments are exposed to a variety of financial risks, which periodically include credit risk, liquidity risk, market risk, foreign exchange risk and interest rate risk which could impact results of operations and financial position.

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. The Company's primary exposure to credit risk is on its cash and cash equivalents. The Company manages its credit risk relating to cash and cash equivalents through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assesses credit risk as low.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has nominal sources of revenue and has obligations to meets its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents consist of cash held in bank accounts and redeemable short-term investment certificates. The Company is not exposed to significant interest rate risk.

Financial Risk Management

Financial instruments are measured at fair value on the statement of financial position and are summarized into the following fair value hierarchy levels: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has exposure to credit risk, liquidity risk, and market risk. The significant financial risk management policies of the Company are described in the Financial Statements.

Critical Accounting Policies, Estimates and Judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting policies of the Company are described in the Financial Statements. These critical judgments, estimates and assumptions in applying the Company's accounting policies could result in a material effect on actual results.

New Standard IFRS 16 "Leases"

In January 2016, the IASB issued IFRS 16, *Leases* which replaces IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not entered into any leases and does not believe the new standard will have a material effect on its financial statements.

Accounting Standards Issued but Not Yet Effective

The Company did not elect to adopt early any new IFRS standards or amendments to IFRS standards which have effective dates in future fiscal years.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.