**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 May 28, 2021 and provides an overview of the financial activities of Euro Asia Pay Holdings Inc. (the "**Company**") for the three and six months ended March 31, 2021 and 2020. It should be read in conjunction with the Company's condensed interim financial statements for the three and six months ended March 31, 2021 and 2020, 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; 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.

On February 25, 2021, the Company completed its initial public offering of 8,376,000 units (each, a "**Unit**") at a price of $0.25 per Unit for gross proceeds of $2,094,000. Each Unit consists of one common share of the Company (each, a "**Common Share**"), and one warrant exercisable into one Common Share at a price of $0.45 per Common Share until February 25, 2023. The Common Shares trade on the Canadian Securities Exchange under the symbol "EAP".

The net proceeds from the IPO will be used as disclosed in the Company's final long form prospectus dated October 27, 2020, as amended on November 30, 2020 (together, the "**Prospectus**"), and more particularly, to complete the development and launch of its SideKick mobile payment solution.

Pursuant to an agency agreement dated October 27, 2020, Canaccord Genuity Corp. acted as agent (the "**Agent**") for the IPO. The Agent received a cash commission, a corporate finance fee and reimbursement of its reasonable expenses. The corporate finance fee was settled partially through the payment of cash and partially through the issuance of 330,000 Units at a deemed price of $0.25 per Unit.

The Company also granted the Agent and its selling group members 390,080 non-transferrable compensation warrants (each, an "**Agent's Warrant**") equal to 8% of the number of Units sold in the IPO (except in respect of Units sold to subscribers included on the president's list, for which the Agent received that number of Agent's Warrants equal to 4.5% of the number of Units sold to such subscribers). Each Agent's Warrant entitles the holder thereof to purchase one Unit (each, an "**Agent's Unit**") at a price of $0.25 per Agent's Unit until February 25, 2023. Each Agent's Unit consists of one Common Share and one warrant exercisable into one Common Share at a price of $0.45 per Common Share until February 25,2023.

**Financial Position**

The following table presents selected financial information of the Company's operations for the three and six months ended March 31, 2021 and 2020.

| | Three months ended | | Six months ended | |
|---|---|---|---|---|
| | **March 31, 2021** | March 31, 2020 | **March 31, 2021** | March 31, 2020 |
| **REVENUE** | **$ 456** | $ - | **$ 587** | $ - |
| **COST OF REVENUE** | **136** | - | **205** | - |
| **GROSS PROFIT** | **320** | - | **382** | - |
| **OPERATING EXPENSE** | | | | |
| Consulting fees | **18,000** | 41,448 | **36,000** | 59,448 |
| Depreciation | **1,674** | 3,115 | **3,335** | 6,263 |
| General and administrative | **249,343** | 179,792 | **432,642** | 357,079 |
| Marketing | **72,768** | 40,619 | **144,187** | 123,244 |
| Professional fees | **71,914** | 18,000 | **114,104** | 40,500 |
| Research and development | **84,228** | 145,874 | **144,505** | 405,116 |
| Share-based payments | **19,312** | 11,690 | **46,998** | 134,368 |
| Total Operating Expenses | **517,239** | 440,538 | **921,771** | 1,126,018 |
| **OTHER ITEM** | | | | |
| Interest income | **42** | 183 | **86** | 3,057 |
| Other income | **11,978** | - | **14,263** | - |
| Total Other Item | **12,020** | 183 | **14,349** | 3,057 |
| **NET LOSS AND COMPREHENSIVE LOSS** | **$ (504,899)** | $ (440,355) | **$ (907,040)** | $ (1,122,961) |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:** | | | | |
| **BASIC** | **62,996,778** | 59,611,111 | **61,285,342** | 59,611,111 |
| **DILUTED** | **70,404,142** | 59,611,111 | **66,904,588** | 59,611,111 |
| **NET LOSS PER SHARE** | **$ (0.01)** | $ (0.01) | **$ (0.01)** | $ (0.02) |

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 $456 during the three months ended March 31, 2021. The Company also generates other miscellaneous income from interest earned on excess cash. 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.

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.

Six months ended March 31, 2021

Operating expenses of $921,771 (2020 - $1,126,018) and a net loss of $907,040 (2020 - $1,122,961) were incurred during the six months ended March 31, 2021.

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 six months ended March 31, 2021, the Company incurred consulting expenses of $36,000 (2020 - $59,448). There were less consultants engaged in the current period, which resulted in the decrease in the consulting expenses.

General and administrative expenses primarily consist of rent, office supplies, and administrative salaries. For the six months ended March 31, 2021, the Company incurred general and administrative expenses of $432,642 (2020 - $357,079). The increase in general and administrative expense was mainly due to an increase in administration salaries and accretion expense on the loan from a related party.

Marketing expenses are related to the Company's activities in promoting its mobile application. For the six months ended March 31, 2021, the Company incurred marketing expenses of $144,187 (2020 - $123,244). The increase in marketing expenses was mainly due to an increase in salaries and contractor expenses.

Professional fees are primarily related to legal, accounting and audit services. For the six months ended March 31, 2021, the Company incurred professional fees of $114,104 (2020 - $40,500). The increase in professional fees was driven by the professional fees incurred for the Company's IPO.

Research and development expenses are related to the development of the Company's SideKick product. For the six months ended March 31, 2021, the Company incurred research and development expenses of $144,505 (2020 - $405,116). 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 are related to the granting of stock options. For the six months ended March 31, 2021, the Company incurred share-based payments of $46,998 (2020 - $134,368). The decrease in share-based payments was driven primarily by the granting of 700,000 stock options during the six months ended March 31, 2020 to directors of the Company that vested immediately while no similar options were granted in the six months ended March 31, 2021.

Three months ended March 31, 2021

For the three months ended March 31, 201 the Company incurred operating expenses of $517,239 (2020 - $440,538) and a net loss of $504,899 (2020 - $440,355).

For the three months ended March 31, 2021, the Company incurred consulting expenses of $18,000 (2020 - $41,448). There were less consultants engaged in the current period.

For the three months ended March 31, 2021, the Company incurred general and administrative expenses of $249,343 (2020 - $179,792). The increase in general and administrative expense was mainly due to an increase in administration salaries and accretion expense on the loan from a related party.

For the three months ended March 31, 2021, the Company incurred marketing expenses of $72,768 (2020 - $40,416). The increase in marketing expenses was mainly due to an increase in salaries and contractor expenses.

For the three months ended March 31, 2021, the Company incurred professional fees of $71,914 (2020 - $18,000). The increase in professional fees was driven by the professional fees incurred for the Company's IPO.

For the three months ended March 31, 2021, the Company incurred research and development expenses of $84,228 (2020 - $145,874). The decrease in research and development expense was primarily driven by a decrease in fees paid to PayWith for development work.

For the three months ended March 31, 2021, the Company incurred share-based payments of $19,312 (2020 - $11,690). The increase in share-based payments was due to more stock option vested during the current period.

**Summary of Quarterly Results**

The following table summarizes the Company's quarterly results.

| **Quarters Ended** | **Revenue $** | **Net loss $** | **Basic and diluted loss per share $** |
|---|---|---|---|
| June 30, 2019 | - | 504,694 | 0.01 |
| September 30, 2019 | - | 660,100 | 0.01 |
| December 31, 2019 | - | 682,606 | 0.01 |
| March 31, 2020 | - | 440,355 | 0.01 |
| June 30, 2020 | - | 473,619 | 0.01 |
| September 30, 2020 | 38 | 401,338 | 0.01 |
| December 31, 2020 | 131 | 402,141 | 0.01 |
| March 31, 2021 | 456 | 504,899 | 0.01 |

**Liquidity and Capital Resources**

The following table presents selected financial information of the Company's working capital at March 31, 2021 and September 30, 2020.

| | **March 31, 2021** | September 30, 2020 |
|---|---|---|
| Cash and cash equivalents | **$ 1,385,500** | $ 235,367 |
| Receivables | **60,037** | 83,831 |
| Prepaid expenses | **61,842** | 76,235 |
| **Total current assets** | **1,507,379** | 395,433 |
| **Total current liabilities** | **(546,421)** | (129,295) |
| **Working capital** | **$ 960,958** | $ 266,138 |

Cash balance was $1,385,500 and working capital was $960,958 as at March 31, 2021, as compared to cash on hand of $235,367 and working capital of $266,138 at September 30, 2020. 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 March 31, 2021, the Company had current assets of $1,507,379 and current liabilities of $546,421, as compared to $395,433 in current assets and $129,295 in current liabilities at September 30, 2020.

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 costs associated with the 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 March 31, 2021 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.

Continuity schedule of the incentive stock options is as follows:

| | Number of options | Weighted average exercise price |
|---|---|---|
| Outstanding, September 30, 2020 | 3,870,000 | 0.18 |
| Granted | - | - |
| Cancelled | - | - |
| Expired | - | - |
| Outstanding, March 31, 2021 | 3,870,000 | $ 0.18 |

Additional information regarding stock options outstanding as at March 31, 2021 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 | 2.50 years | 1,050,000 | 1,050,000 | - |
| June 26, 2023 | | 0.18 | 2.24 years | 700,000 | 525,000 | 175,000 |
| August 23, 2024 | | 0.18 | 3.40 years | 460,000 | 460,000 | - |
| December 2, 2024 | | 0.18 | 3.68 years | 500,000 | 500,000 | - |
| February 28, 2025 | | 0.18 | 3.92 years | 60,000 | 60,000 | - |
| June 26, 2025 | | 0.18 | 4.24 years | 1,100,000 | 1,100,000 | - |
| | **$** | **0.18** | **3.23 years** | **3,870,000** | **3,695,000** | **175,000** |

As of March 31, 2021, 3,695,000 (September 30, 2020 - 2,985,000) of the stock options had vested and therefore are exercisable.

**Warrants**

On February 25, 2021, the Company completed an initial public offering relating to the sale and issue of 8,376,000 units. Each unit included 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 Company paid the Agent a corporate finance fee of $157,500 as a combination of $75,000 cash and 330,000 units at a deemed price of $0.25 per unit. Each unit included 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.

In addition, the Company issued 390,080 warrants to the Agent (the "**Agent's Warrants**"), 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.

| Expiry date | | Exercise Price | Number of warrants outstanding |
|---|---|---|---|
| February 25, 2023 | $ | 0.45 | 8,706,000 |
| February 25, 2023 | | 0.25 | 390,080 |
| | | | **9,096,080** |

**Outstanding Security Data**

As of March 31, 2021, 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 68,317,111 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 six months ended March 31, 2021 and 2020, compensation of key management personnel was as follows:

| | **March 31, 2021** | March 31, 2020 |
|---|---|---|
| Short-term benefits | **$ 136,430** | $ 160,668 |
| Share-based compensation | **46,998** | 108,449 |
| | **$ 183,428** | $ 269,117 |

As of March 31, 2021, the Company owes $5,000 (September 30, 2020 - $6,998) to key management personnel which is unsecured, non-interest bearing and due on demand.

(b) Transactions with other related parties

During the six months ended March 31, 2021, the Company entered into the following transactions with other related parties:

(i) The Company incurred $11,925 (2020 - $28,500) in research and development expense to a company controlled by the Chief Growth Officer of the Company. As of March 31, 2021, the Company owes $nil (September 30, 2020 - $1,748), which is unsecured, non-interest bearing and due on demand.

(ii) The Company incurred $15,000 (2020 - $181,628) in research and development expense and $nil (2020 - $30,000) in general and administrative expenses to PayWith. At March 31, 2021, two directors of the Company are key management personnel and directors of PayWith. As of March 31, 2021, the Company owes $18,900 (September 30, 2020 - $1,575) to PayWith, which is unsecured, non-interest bearing and due on demand.

(iii) 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 November 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%. For the six months ended March 31, 2021, the Company has recorded $27,539 in accrued interest which has been recorded in general and administrative expenses.

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 had an original maturity date of January 12, 2021 that was subsequently extended to March 31, 2021. The Company determined that the stated interest rate was below market rates and recorded a discount of $15,365 using an annual discount rate of 14%. For the six months ended March 31, 2021, the Company has recorded $19,902 in accrued interest which has been recorded in general and administrative expenses. The loan was repaid on March 31, 2021.

On February 9, 2021, 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 and accrues interest at a rate of 8% per annum. The loan was repaid on March 31, 2021.

**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.

**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.

**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.