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 February 28, 2022 and provides an overview of the financial activities of Euro Asia Pay Holdings Inc. ("**EAP**" or the "**Company**") for the three months ended December 31, 2021 and 2020. It should be read in conjunction with the Company's financial statements for the three months ended December 31, 2021, including the related notes (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 private placements, 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 assumptions management believes to be reasonable, including but not limited to following:

- the Company will be able to achieve its business objectives;
- the Company will be successful in obtaining sufficient financing to carry out its plan of operations; 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. EAP is in the business of delivering innovative financial solutions for the next generation of consumers. The Company's solutions tackle the lack of financial products exclusively designed to promote financial literacy among kids and teens.

EAP has developed a powerful dynamic platform that acts as the heart of all its technology. Extensive integrations with partners combined with its own proprietary development have resulted in a back-end that can be adapted to fit any variety of product needs, giving the expected user experience to customers.

EAP delivers a distinctive service to the international student market with SideKick™, a mobile payment solution that EAP believes addresses many of the problems parents of international students face. This turnkey solution allows parents to send, monitor and control funds for their children while they are studying in Canada. With SideKick™, students have added budgeting tools and resources to make the move to Canada and transition into adulthood more manageable and enjoyable.

On February 25, 2021, the Company completed its initial public offering and its common shares were listed for trading on the Canadian Securities Exchange under the symbol “EAP”.

Recent Developments

In June 2021, the Company announced that it was expanding the market reach of its flagship product, SideKick™, to also support Canadian parents and their children, thereby increasing the addressable consumer base from approximately 700,000 people to more than 6 million. Later that quarter, EAP was featured in The Silicon Review as one of the 50 Most Trustworthy Companies of 2021.

In mid-September 2021, the Company announced its partnership with PhoneBox, a wireless network provider, to offer affordable mobile plans to users on 4G/LTE networks. The partnership is expected to provide a new revenue stream for EAP, with the Company set to receive a recurring commission on every PhoneBox line that is activated by SideKick™ users.

To date, the Company has forged strategic partnerships with a Canadian insurance company, private schools, a phone network provider, and more than 210 educational agencies from around the globe.

Outlook

EAP is expanding the market reach of its core technology to also support Canadian parents and their children with a new product, called Hero Financials, currently in the beta testing phase. Hero is a full-service alternative-to-banking solution, with highly customized products addressing the unmet financial needs of Canadian kids, youth and their parents, such as parent-controlled deposit accounts, budget tools, and access to a physical card.

With the introduction of Hero to the Canadian market, EAP anticipates that the Company will be able to deliver access to a highly convenient and intuitive tool facilitating financial literacy among children and teenagers, with direct control and involvement from their parents. Hero will create opportunities for Canadian youth to further exercise financial responsibility while providing parents the ability to teach, monitor and track their child's finances.

EAP is also working on expanding SideKick's reach into the United States, with other international markets to follow.

Financial Position

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

	For the three months ended December 31, 2021	For the three months ended December 31, 2020
	$	$
REVENUE	**16,807**	131
COST OF REVENUE	**4,127**	69
GROSS PROFIT	**12,680**	62
OPERATING EXPENSES		
Consulting fees	**39,000**	18,000
Depreciation	**1,298**	1,661
General and administrative	**237,336**	183,299
Marketing	**141,853**	71,419
Professional fees	**31,900**	42,190
Research and development	**310,128**	60,277
Share-based payments		27,686
Total Operating Expenses	**761,515**	404,532
OTHER ITEMS		
Interest income	**654**	44
Other income	**87**	2,285
NET LOSS AND COMPREHENSIVE LOSS	**(748,094)**	(402,141)
BASIC AND DILUTED:		
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**68,392,111**	59,611,111
NET LOSS PER COMMON SHARE	**$ (0.01)**	$ (0.01)

Since inception, the Company has a limited history of operations, and EAP only began generating revenue during the fourth quarter of fiscal 2020. The Company generates revenue from its SideKick™ product which began its soft launch in July 2020 and earned total revenues of $16,807 during the three months ended December 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.

Operating expenses of $761,515 and a net loss of $748,094 were incurred during the three months ended December 31, 2021, and these expenses are reflective of an early-stage company, technology research and development, and securing funds. 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.

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 three months ended December 31, 2021, the Company incurred consulting expenses of $39,000 (2020 - $18,000).

For the three months ended December 31, 2021, there was $1,298 (2020 - $1,661), in expenses related to the depreciation of the Company's tangible assets.

General and administrative expenses primarily consist of employee salaries and office supplies . For the three months ended December 31, 2021, the Company incurred general and administrative expenses of $237,336 (2020 - $183,299).

Marketing expenses are related to the Company's activities in promoting its mobile application. For the three months ended December 31, 2021, the Company incurred marketing expenses of $141,853 (2020 - $71,419).

Professional fees are primarily related to legal, accounting and audit services. For the three months ended December 31, 2021, the Company incurred professional fees of $31,900 (2020 - $42,190).

Research and development expenses are related to the development of the Company's SideKick™ product. For the three months ended December 31, 2021, the Company incurred research and development expenses of $310,128 (2020 - $60,277).

Share-based Payments

Share-based payments are related to the granting of stock options. For the three months ended December 31, 2021, the Company incurred share-based payments of $ nil (2020 - $27,686). No options were granted in the three months ended December 31, 2021.

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 $
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
December 31, 2020	131	402,141	0.01	0.01
March 31, 2021	456	504,899	0.01	0.01
June 30, 2021	1,733	462,848	0.01	0.01
September 30, 2021	10,952	828,791	0.01	0.01
December 31, 2021	16,807	748,094	0.01	0.01

Liquidity and Capital Resources

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

	December 31, 2021	September 30, 2021
Cash and cash equivalents	**$ 632,121**	$ 612,526
Receivables	**114,630**	26,243
Prepaid expenses	**97,216**	95,690
Total current assets	**843,967**	734,459
Total current liabilities	**(1,639,701)**	(784,122)
Working capital deficiency	**(795,734)**	(49,663)

As at December 31, 2021, cash on hand was $632,121 and working capital deficiency was $795,734, as compared to cash on hand of $612,526 and working capital deficiency of $49,663 at September 30, 2021. 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 December 31, 2021, the Company had current assets of $843,967 and current liabilities of $1,639,701, as compared to $734,459 in current assets and $784,2122 in current liabilities at September 30, 2021.

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 SideKick™ product, pay consulting fees and marketing costs.

The Company will likely operate at a loss until its business becomes established and the Company will 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, 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 December 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.

During the three months ended December 31, 2021, the Company recorded $ nil (2020 - $122,678) 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, 2020	3,870,000	$ 0.18
Granted	1,535,000	0.26
Exercised	(75,000)	0.18
Cancelled	(30,000)	0.18
Outstanding, September 30, 2021	5,300,000	0.20
Granted	-	-
Cancelled	-	-
Outstanding, December 31, 2021	5,300,000	$ 0.20

Additional information regarding stock options outstanding as at December 31, 2021 is as follows:

Expiry date	Exercise Price	Weighted average remaining contractual life	Number of options outstanding	Number of options vested (exercisable)
September 30, 2023	$ 0.18	1.75 years	1,050,000	600,000
June 26, 2023	0.18	1.49 years	700,000	350,000
August 23, 2024	0.18	2.65 years	355,000	355,000
December 2, 2024	0.18	2.93 years	500,000	500,000
February 28, 2025	0.18	3.17 years	60,000	60,000
June 26, 2025	0.18	3.49 years	1,100,000	1,100,000
August 4, 2026	0,26	4.60 years	1,535,000	1,535,000
	$ 0.20	**3.09 years**	**5,300,000**	**5,300,000**

Warrants

Additional information regarding common share purchase warrants outstanding as at December 31, 2021 is as follows:

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 December 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 68,392,111 were issued and outstanding. Pursuant to an escrow agreement dated July 29, 2020, 39,458,334 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 three months ended December 31, 2021 and 2020 compensation of key management personnel was as follows:

	December 31, 2021	December 31, 2020
	$	$
Short-term benefits	**75,496**	93,625
Share-based compensation		27,686
	75,496	121,311

As of December 31, 2021, the Company owes $8,109 (September 30, 2021 - $ nil) to key management personnel which is unsecured, non-interest bearing and due on demand.

(b) Transactions with other related parties

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

(i) 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 had an original maturity date of November 6, 2021, that was subsequently extended to February 6, 2022 (the "Loan"). 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 three months ended December 31, 2021, the Company has recorded $8,911 (2020 - $13,530) in interest and accretion expense which has been recorded in general and administrative expenses.

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.

Subsequent Events

On January 7, 2022, the Company closed a non-brokered private placement at a price of $0.25 per unit (the "**Offering**") for gross proceeds of $575,282. The Company issued and sold an aggregate of 2,301,128 units to various subscribers, with each unit consisting of one common share of the Company and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.45 per share for a period of 24 months.

In connection with the Offering, the Company converted an aggregate of $754,049 in outstanding debt relating to a previously issued convertible debenture and the Loan into 3,016,196 units on identical terms.