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 30, 2023 and provides an overview of the financial activities of Hero innovation Group Inc. (formerly Euro Asia Pay Holdings Inc.) ("**HERO**" or the "**Company**") for the years ended September 30, 2022 and 2021. It should be read in conjunction with the Company's financial statements for the years ended September 30, 2022 and 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 products.

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 170 – 422 Richards Street, Vancouver, British Columbia. HERO 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.

HERO 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.

HERO delivers a distinctive service to the international student market with SideKick™, a mobile payment solution that HERO 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.

Recent Developments

In January 2022, HERO announced that the Company has partnered with i2c Inc., a leading digital payments and banking technology provider, to establish a footprint for Hero Financials, HERO's latest product, in the United States.

In April 2022, HERO announced that the Company had entered into an agreement with Discover® Global Network to power the Hero Financials product in the United States. Pursuant to the agreement, HERO and Discover will facilitate joint programs via issuers of prepaid cards in the U.S. for acceptance on the Discover Network.

Later that month, the Company announced the entry into a partnership with PrepAnywhere, a K-12 edtech platform specializing in mathematics tutoring. The relationship allows new users of HERO's solutions to benefit from PrepAnywhere's premium plan upon signing up for either a Hero Financials or SideKick Card package at no extra cost for a period of six months. After the six-month period, HERO will receive a commission from users referred by HERO.

In May 2022, HERO announced that its signature product, SideKick™, was named 'Service Provider of the Year' at the 2nd ST Secondary Awards. The awards, organized by Study Travel Network, honour outstanding contributions to the high school education sector from schools, service providers, agencies and associations worldwide.

In August 2022, HERO expanded the market reach of its core technology to also support Canadian parents and their children with a new product, called Hero Financials. Hero Financials is a full-service alternativeto-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 Financials to the Canadian market, 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 Financials creates opportunities for Canadian youth to further exercise financial responsibility while providing parents the ability to teach, monitor and track their child's finances.

Outlook

HERO is working on expanding its products' reach into the United States, with other international markets to follow, significantly increasing its total addressable market to over 70 million people.

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, 2022 and 2021.

	Year ended September 30, 2022 $	Year ended to September 30, 2021 $
Revenue	**110,033**	13,272
Net loss	**(3,690,305)**	(2,198,679)
Loss per share – Basic and Diluted	**(0.05)**	(0.03)
Total Assets	**605,440**	738,722
Total Liabilities	**2,824,846**	820,351
Dividends Declared	**-**	-

Financial Position

The following table presents selected financial information of the Company's operations for the years ended September 30, 2022 and 2021.

	September 30, 2022	September 30, 2021
REVENUE	**$ 110,033**	13,272
COST OF REVENUE	**26,546**	3,377
GROSS PROFIT	**83,487**	9,895
OPERATING EXPENSE		
Consulting fees	**186,611**	130,440
Depreciation	**4,113**	6,488
General and administrative	**1,001,273**	918,306

Marketing	**723,674**	400,770
Professional fees	**154,427**	135,129
Research and development	**1,412,554**	278,567
Share-based payments	**223,196**	389,474
Total Operating Expenses	**3,705,848**	2,259,174
OTHER ITEM		
Interest income	**2,930**	173
Other income	**87**	54,690
Interest expense	**(70,961)**	(4,263)
NET LOSS AND COMPREHENSIVE LOSS	**(3,690,305)**	$ (2,198,679)

Since inception, the Company has a limited history of operations, and HERO 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 $110,033 during the year ended September 30, 2022. 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 $3,705,848 (2021- $2,259,174) and a net loss of $3,690,305 (2021 - $2,198,679) were incurred during the year ended September 30, 2022, 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 year ended September 30, 2022, the Company incurred consulting expenses of $186,611 (2021 - $130,440).

General and administrative expenses primarily consist of administrative and executive salaries, office supplies. For the year ended September 30, 2022, the Company incurred general and administrative expenses of $1,001,273 (2021 - $918,306). The increase was mainly related to increased costs administering the Company's SideKick™ and Hero Financials products.

Marketing expenses are related to the Company's activities in promoting its mobile application. For the year ended September 30, 2022, the Company incurred marketing expenses of $723,674 (2021 - $400,770). The increase was mainly related to the increased marketing efforts associated with the Company's Hero Financials product.

Professional fees are primarily related to legal, accounting and audit services. For the year ended September 30, 2022, the Company incurred professional fees of $154,427 (2021 - $135,129).

Research and development expenses are related to the development of the Company's SideKick™ and Hero Financials products. For the year ended September 30, 2022, the Company incurred research and development expenses of $1,412,554 (2021 - $278,567). The increase was mainly related to the development of the Company's Hero Financials product.

Share-based payments are related to the granting of stock options. For the year ended September 30, 2022, the Company incurred share-based payments of $223,196 (2021 - $389,474). 1,300,000 stock options were granted during the year ended September 30, 2022.

Summary of Quarterly Results

The following table summarizes the Company's quarterly results.

Quarters Ended	**Revenue** **$**	**Net loss** **$**	**Basic and diluted loss per share** **$**
December 30, 2020	131	402,141	0.01
March 31, 2021	456	504,899	0.01
June 30, 2021	1,733	462,848	0.01
September 30, 2021	10,952	828,791	0.01
December 31, 2021	16,807	748,094	0.01
March 31, 2022	21,996	920,156	0.01
June 30, 2022	29,176	1,031,119	0.01
September 30, 2022	42,054	990,936	0.01

Three months ended September 30,2022

For the three months ended September 30, 2022, revenue was $42,054 (2021 - $10,952). The increase in revenue was due to sales and marketing efforts to promote the Company's products and increase brand awareness.

For the three months ended September 30, 2022, the Company incurred operating expense of $925,173 (2021 - $880,990) and a net loss of $990,936 (2021 - $828,791).

For the three months ended September 30, 2022, the Company incurred consulting expenses of $45,057 (2021 - $41,595). There was $533 (2021 - $1,377) in expenses related to the depreciation of the Company's tangible assets. The Company incurred general and administrative expenses of $306,381 (2021 - $239,329). The increase was mainly related to increased costs administering the Company's SideKick™ and Hero Financials products. The Company incurred marketing expenses of $195,892 (2021 - $138,989). The increase was mainly related to the increased marketing efforts associated with the Company's Hero

Financials products. The Company incurred professional fees of $64,238 (2021 - $35,001). The increase was due mainly to an increase in audit fee expense.

For the three months ended September 30, 2022, the Company incurred research and development expenses of $313,072 (2021 - $123,242). The increase was mainly related to the development of the Company's Hero Financials product. The Company incurred share-based payments of $ nil (2021 - $301,457). No stock options were granted in the three months ended September 30, 2022.

Liquidity and Capital Resources

The following table presents selected financial information of the Company's working capital at September 30, 2022 and September 30, 2021.

	September 30, 2022	September 30, 2021
Cash and short term investments	**$ 428,083**	$ 612,771
Receivables	**41,545**	25,998
Prepaid expenses	**135,663**	95,690
Total current assets	**605,291**	734,459
Total current liabilities	**(2,805,630)**	(784,122)
Working capital deficiency	**(2,200,339)**	(49,663)

Cash and short term investments balance was $428,083 and working capital deficiency was $2,200,339 as at September 30, 2022, as compared to cash on hand of $612,771 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.

Going Concern

The Company has not yet generated significant revenue from operations and incurred a net loss of $3,690,305 for the year ending September 30, 2022 and has an accumulated deficit of $12,305,811 as at September 30, 2022. Furthermore, there is no assurance that the Company will be profitable in the future. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These factors raise significant doubt as to the Company's ability to continue as a going concern. The 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 be inappropriate.

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 September 30, 2022 or the date of this MD&A.

Changes in Directors

Mr. Larry Yen resigned as a director on November 18, 2022.

Mr. Peter Mackay resigned as a director on January 18, 2023.

Outstanding Security Data

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 an unsecured convertible debenture, a loan with a company related to a director of the Company, and accrued interest into 3,016,196 units on identical terms.

As of January 27, 2023, the Company's authorized capital consists of an unlimited number of common shares without par value, of which 73,709,435 were issued and outstanding. Pursuant to an escrow agreement dated July 29, 2020, 23,675,002 shares of the Company are held in escrow.

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 April 29, 2022, the Company granted 1,300,000 stock options to directors and employees of the Company. The options have an exercise price of $0.15 per common share, vest immediately upon grant, and will expire five years after the date of grant. During the year ended September 30, 2022, the Company recorded $223,196 of share-based payments related to the granted stock options.

Continuity schedule of the incentive stock options is as follows:

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	1,300,000		0.15
Cancelled	(2,175,000)		-
Outstanding, September 30, 2022	4,425,000	$	0.19

Additional information regarding stock options outstanding as at September 30, 2022 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	1.0 years	150,000	150,000
August 23, 2024		0.18	1.9 years	230,000	230,000
December 2, 2024		0.18	2.18 years	200,000	200,000
February 28, 2025		0.18	2.42 years	60,000	60,000
June 26, 2025		0.18	2.74 years	1,100,000	1,100,000
August 4, 2026		0.26	3.85 years	1,385,000	1,385,000
April 29, 2027		0.15	4.58 years	1,300,000	1,300,000

	0.19	**3.50 years**	**4,425,000**	**4,425,000**

Warrants

Additional information regarding common share purchase warrants outstanding as at September 30, 2022 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
January 7, 2024	0.45	5,317,324
		14,413,404

The warrants outstanding as at September 30, 2022 had a weighted average contractual life of 0.72 years. The weighted average exercise price was $0.44 for warrants issued.

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, 2022 and 2021, compensation of key management personnel was as follows:

	September 30, 2022	September 30, 2021
	$	$
Short-term benefits	**309,308**	464,641
Share-based compensation	**120,183**	159,842
Research and development	**-**	18,664
	429,491	643,146

As of September 30, 2022, the Company owes $10,500 (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 year ended September 30, 2022, the Company entered into a series of loan agreements with a company related to a director of the Company. Under the agreements, the Company received total loans of $1,900,000 which are unsecured, interest bearing at rates of 8% and 15% per annum and mature on the following dates:

March 31, 2023	$450,000
April 30, 2023	$350,000
May 15, 2023	$100,000
May 31, 2023	$150,000
June 30, 2023	$200,000
July 31, 2023	$150,000
August 31, 2023	$400,000

September 30, 2023	$100,000

For the year ended September 30, 2022, the Company has accrued interest expenses of $53,926 related to a series related party loans.

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%. During the year ended September 30, 2021 the Company amortized $25,062 of the discount and recognized the amount as other income. For the year ended September 30, 2021, the Company has recorded $57,062 in interest and accretion expense which has been recorded in general and administrative expenses. The loan and the accrued interests were repaid through a debt-to-equity conversion during the year ended September 30, 2022.

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

During the period October 2022 to January 2023, the Company entered into a series of loan agreements with a company related to a director of the Company (the ‘Lender’). Under the agreements, the Company received loans of $870,000 which are unsecured, interest bearing at a rate of 15% per annum and mature in September, October, and November 2024.

On December 13, 2022, the Company entered into a loan amending agreement with the Lender. The Company and the Lender are party to loan agreements, pursuant to which the Lender has advanced an aggregate principal amount of $2,400,000 (collectively, the “Loan”).

Subject to the receipt of prior shareholder approval, the Company and the Lender agreed to amend the terms of the loan agreements to provide for the convertibility of the Loan and any accrued and unpaid interest into units of the Company at a conversion price of $0.08 per conversion unit. Each conversion unit will consist of one common share in the capital of the Company and one share purchase warrant, with each warrant entitling the holder to acquire one additional share at a price of $0.45 per share for a period of 24 months from the date of issuance.