

**JUSTIFY CAPITAL CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**For the three months ended October 31, 2021**

**(Expressed in Canadian Dollars)**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

**JUSTIFY CAPITAL CORP.****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

(Expressed in Canadian dollars)

	<b>October 31, 2021</b>	July 31, 2021
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	<b>187,813</b>	217,154
Amounts receivable (Note 4)	<b>4,368</b>	-
<b>Total assets</b>	<b>192,181</b>	217,154
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 5 and 7)	<b>1,310</b>	19,830
<b>Total liabilities</b>	<b>1,310</b>	19,830
<b>Shareholders' equity</b>		
Share capital (Note 6)	<b>247,601</b>	247,601
Equity reserves (Note 6)	<b>47,123</b>	47,123
Deficit	<b>(103,853)</b>	(97,400)
<b>Total shareholders' equity</b>	<b>190,871</b>	197,324
<b>Total liabilities and shareholders' equity</b>	<b>192,181</b>	217,154

**Basis of presentation (Note 2)****On behalf of the Board:**

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*Signed: "Brian Bayley"* Director      *Signed: "Richard Graham"* Director

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**JUSTIFY CAPITAL CORP.****CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)**

(Expressed in Canadian dollars)

	<b>Three Months Ended October 31, 2021</b>	Three Months Ended October 31, 2020
	\$	\$
<b>EXPENSES (RECOVERIES)</b>		
Administrative and corporate services (Note 7)	<b>14,700</b>	1,575
Professional fees (Note 4)	<b>(11,325)</b>	919
Transfer agent, shareholder communications, listing and filing fees	<b>3,059</b>	573
Office and sundry	<b>19</b>	342
Share-based compensation (Note 6)	-	37,761
<b>Loss and comprehensive loss for the period</b>	<b>6,453</b>	41,170
<b>Basic and diluted loss per common share</b> (Note 6)	<b>0.00</b>	0.02

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**JUSTIFY CAPITAL CORP.****CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

(Expressed in Canadian dollars)

	<b>Share Capital</b>		<b>Equity Reserves</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>			
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, July 31, 2020	2,010,000	150,750	-	(5,007)	145,743
Shares issued	1,350,000	202,500	-	-	202,500
Share issuance costs	-	(104,431)	9,362	-	(95,069)
Net loss for the period	-	-	37,761	(41,170)	(3,409)
Balance, October 31, 2020	3,360,000	248,819	47,123	(46,177)	249,765
Share issuance costs	-	(1,218)	-	-	(1,218)
Net loss for the period	-	-	-	(51,223)	(51,223)
Balance, July 31, 2021	3,360,000	247,601	47,123	(97,400)	197,324
Net loss for the period	-	-	-	(6,453)	(6,453)
<b>Balance, October 31, 2021</b>	<b>3,360,000</b>	<b>247,601</b>	<b>47,123</b>	<b>(103,853)</b>	<b>190,871</b>

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

**JUSTIFY CAPITAL CORP.****CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**

(Expressed in Canadian dollars)

	<b>For the Three Months Ended October 31, 2021</b>	For the Three Months Ended October 31, 2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	<b>(6,453)</b>	(41,170)
Non-cash items:		
Share-based compensation	-	37,761
Changes in non-cash working capital items:		
Amounts receivable	<b>(4,368)</b>	-
Accounts payable and accrued liabilities	<b>(18,520)</b>	(2,549)
<b>Net cash used in operating activities</b>	<b>(29,341)</b>	(5,958)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issued	-	202,500
Payments for share issuance costs	-	(67,895)
<b>Net cash provided by financing activities</b>	-	134,605
<b>Change in cash during the period</b>	<b>(29,341)</b>	128,647
<b>Cash, beginning of period</b>	<b>217,154</b>	150,743
<b>Cash, end of period</b>	<b>187,813</b>	279,390

**Non-cash investing and financing activities:**

During the three months ended October 31, 2020, the Company recognized \$27,174 in share issuance costs which were unpaid and included in accounts payable and accrued liabilities as at October 31, 2020. Additionally, share issuance costs includes warrants with a fair value of \$9,362 that were issued in connection with the Company's initial public offering.

There were no non-cash investing or financing activities in the three months ended October 31, 2021.

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

## **JUSTIFY CAPITAL CORP.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)**

**FOR THE THREE MONTHS ENDED OCTOBER 31, 2021**

(Expressed in Canadian dollars)

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#### **1. NATURE OF OPERATIONS**

Justify Capital Corp. (the “Company”) was incorporated on July 28, 2020 under the Business Corporations Act (British Columbia) and is a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”). As a CPC, the Company’s objective is to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. Additional discussion on these restrictions is included in Note 9.

On October 15, 2020 the Company completed an initial public offering of common shares (the “IPO”) and is listed on the TSX-V under the symbol “JST.P”.

The Company’s registered office address is Suite 704, 595 Howe Street, Vancouver, BC, and its principal place of business is Suite 1703, 595 Burrard Street, Vancouver, BC.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on December 17, 2021.

#### **Potential Qualifying Transaction**

The Company entered into a definitive agreement (the “Agreement”) on December 6, 2021 for a potential Qualifying Transaction with Everyday People Financial Inc. (“EP”), a Canadian based FinTech company comprised of subsidiaries specializing in credit cards, lending, payment processing, homeownership facilitation and a collections agency. Pursuant to the Agreement, the Company will acquire all issued and outstanding Class A shares in EP for shares in the Company on a 1:1 basis (the “Transaction”). Following the Transaction, the Company will change its name and will assume the operations of EP.

To facilitate the post-Transaction operations of the Company, the Company will continue its corporate existence out of the Province of British Columbia and into the Province of Alberta, and will reconstitute its board of directors to consist of eight directors. While not yet effected, both the continuation into the Province of Alberta and board reconstitution were approved by the Company’s shareholders on November 24, 2021.

The Agreement will terminate if the Transaction is not completed by March 31, 2022. Up to \$250,000 for legal, audit, filing, TSX-V and other Transaction-related services provided to the Company will be paid by EP and have not been recognized as expenses in these condensed interim financial statements. In addition to costs reimbursed by EP, the Company expects to pay \$50,000 to a related party for accounting and corporate services related to the Transaction (Note 7).

While no further approvals are required by the Company’s shareholders, the Transaction is subject to regulatory and other approvals and there is no assurance that it will be completed as proposed or at all.

#### **COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a pandemic, which continues to spread globally. As a CPC with no commercial operations, the COVID-19 pandemic has not had a significant impact on the Company’s routine operations or on the carrying value of its assets. However, the pandemic’s effect on broader capital markets may hinder the Company’s ability to identify and complete a Qualifying Transaction.

**JUSTIFY CAPITAL CORP.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)**

**FOR THE THREE MONTHS ENDED OCTOBER 31, 2021**

(Expressed in Canadian dollars)

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**2. BASIS OF PRESENTATION**

a) Statement of Compliance

These unaudited condensed interim financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*”.

b) Basis of Measurement

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

c) Continuation of Operations

As at October 31, 2021, the Company had cash of \$187,813 which the Company’s management believes is sufficient to pay \$1,310 in accounts payable and accrued liabilities then outstanding as well additional costs for its operations in the next 12 months, including any non-reimbursed costs incurred for the Transaction (Note 1)

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements have been prepared according to the same accounting policies and are subject to the same areas of judgement, measurement estimates and uncertainties as those disclosed in Note 3 of the Company’s audited financial statements for the year ended July 31, 2021.

**4. AMOUNTS RECEIVABLE AND EXPENSE RECOVERY**

The Company’s amounts receivable as at October 31, 2021 includes \$3,318 in Transaction-related costs paid by the Company, but which are to be reimbursed by EP (Note 1) and a \$1,050 credit balance with the TSX-V.

The Company recognized an \$11,325 expense recovery for professional fees in the three months ended October 31, 2021 resulting from a \$14,063 reimbursement from EP for Transaction-related legal and other expenses previously recognized as expenses by the Company, net of non-reimbursed legal and audit expenses incurred in the period.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities of the Company are due for professional and administrative fees and are payable within the next 12 months.

**JUSTIFY CAPITAL CORP.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)**

FOR THE THREE MONTHS ENDED OCTOBER 31, 2021

(Expressed in Canadian dollars)

**6. SHAREHOLDERS' EQUITY****Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value.

Changes to the number of common shares outstanding are as follows:

	<b>Number of Shares</b>	<b>Assigned Value</b>
Outstanding, July 31, 2020	2,010,000	\$ 150,750
IPO Shares issued, net of share issuance costs	1,350,000	96,851
<b>Outstanding, July 31, 2021 and October 31, 2021</b>	<b>3,360,000</b>	<b>\$ 247,601</b>

On October 15, 2020, the Company completed its IPO of 1,350,000 common shares at a price of \$0.15 per share. Share issuance costs for the IPO totaled \$105,649 which included \$96,287 in cash costs for TSX-V fees, legal and accounting fees, and agent's fees and compensatory warrants with a \$9,362 fair value issued to the IPO agent.

**Equity reserves***Stock options*

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase its common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to ten years from the date of grant. The vesting conditions, if any, for stock options granted are determined at the discretion of the Company's Board of Directors.

Changes to the Company's stock options outstanding during the three months ended October 31, 2020 are as follows:

	<b>Number of Stock Options</b>	<b>Expiry Date</b>	<b>Exercise Price \$</b>
Outstanding and exercisable, July 31, 2020	-	-	-
Options granted	300,000	October 15, 2025	0.15
<b>Outstanding and exercisable, July 31, 2021 and October 31, 2021</b>	<b>300,000</b>	<b>October 15, 2025</b>	<b>0.15</b>

**JUSTIFY CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE THREE MONTHS ENDED OCTOBER 31, 2021

(Expressed in Canadian dollars)

**6. SHAREHOLDERS' EQUITY (cont'd...)****Equity reserves (cont'd...)***Stock options (cont'd...)*

On October 15, 2020, the Company granted 300,000 stock options to directors of the Company. These options have an exercise price of \$0.15 per common share and are exercisable until October 15, 2025 without further vesting conditions. The \$37,761 fair value of these stock options was recorded as a share-based compensation expense and was determined using the Black-Scholes option-pricing model using the following assumptions:

Risk-free interest rate	0.34%
Dividend yield	-
Expected stock price volatility	125%
Expected forfeiture rate	-
Expected life	5.0 years

*Warrants*

The Company may grant warrants that can be exercised to purchase its common shares at terms determined at the discretion of the Company's Board of Directors. These warrants may be included with common shares in future financings or granted as compensation for services provided to the Company.

Changes to the Company's warrants outstanding are as follows:

	Number of Warrants	Expiry Date	Exercise Price \$
Outstanding, July 31, 2020	-	-	-
Warrants issued	100,000	October 15, 2022	0.15
<b>Outstanding, July 31, 2021 and October 31, 2021</b>	<b>100,000</b>	<b>October 15, 2022</b>	<b>0.15</b>

On October 15, 2020, the Company issued 100,000 warrants for finder's services in connection with the Company's initial public offering. These warrants have an exercise price of \$0.15 per common share and are exercisable until October 15, 2022 without further vesting conditions. The \$9,362 fair value of these warrants was recorded as a share issuance cost and was determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.23%
Dividend yield	-
Expected stock price volatility	125%
Expected forfeiture rate	-
Expected life	2.0 years

**JUSTIFY CAPITAL CORP.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)**

FOR THE THREE MONTHS ENDED OCTOBER 31, 2021

(Expressed in Canadian dollars)

**6. SHAREHOLDERS' EQUITY (cont'd...)****Per share amounts**

Weighted average loss per share for the three months ended October 31, 2021 and 2020 is calculated as follows:

	<b>Three Months Ended October 31, 2021</b>	Three Months Ended October 31, 2020
	\$	\$
Numerator		
Net loss for the period	(6,453)	(41,170)
Denominator		
Weighted average number of common shares outstanding, basic and diluted	3,360,000	2,247,363
<b>Loss per common share, basic and diluted</b>	<b>0.00</b>	<b>0.02</b>

In accordance with the Company's accounting policy, weighted average number of common shares outstanding includes 2,010,000 shares that were placed in escrow on completion of the IPO. As approved at a Special Meeting of Shareholders on May 17, 2021, these escrowed shares will be released over a period of up to 18 months following the completion of a Qualifying Transaction and are no longer subject to cancellation. Previously, the escrowed shares were subject to cancellation and were excluded in the calculation of the weighted average number of common shares. The inclusion of these shares in the calculation of weighted average common shares outstanding has been applied retrospectively for periods prior to the May 17, 2021 approval.

**7. RELATED PARTY TRANSACTIONS**

The Company is party to a corporate services agreement with Earlston Management Corp. ("Earlston"), whereby Earlston provides various administrative, management and corporate services to the Company for a fee of \$500 per month plus tax and out-of-pocket costs. Earlston is related to the Company by virtue of providing key management services and by having certain directors and officers in common. The Company's expense for administrative and corporate services for the three months ended October 31, 2021 includes \$1,575 (2020 - \$1,575) in such costs incurred with Earlston of which \$525 is included in accounts payable and accrued liabilities as at October 31, 2021 (July 31, 2021 - \$525).

As discussed in Note 1, pursuant to the Agreement, Earlston will charge up to \$50,000 (plus applicable taxes) for additional services provided to the Company related to the Transaction. During the three months ended October 31, 2021, the Company paid an interim amount of \$13,125 to Earlston for such services, which is included in the expense for administrative and corporate services for the period.

**JUSTIFY CAPITAL CORP.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)**

**FOR THE THREE MONTHS ENDED OCTOBER 31, 2021**

(Expressed in Canadian dollars)

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at October 31, 2021, the Company's financial instruments comprise cash, amounts receivable and accounts payable and accrued liabilities. The fair values of amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at October 31, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at October 31, 2021, the Company had a cash balance of \$187,813 which is sufficient to settle current liabilities of \$1,310 and anticipated short-term cash requirements, but that additional funding may be required to meet long-term requirements should the Transaction or another Qualifying Transaction not be completed on a timely basis. The Company's financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. As the Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

**JUSTIFY CAPITAL CORP.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)**

**FOR THE THREE MONTHS ENDED OCTOBER 31, 2021**

(Expressed in Canadian dollars)

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**9. CAPITAL MANAGEMENT**

In the management of capital, the Company defines capital as its shareholders' equity. As at October 31, 2021, the Company's shareholders' equity was \$190,871. The Company's objectives when managing capital are to maintain a low level of on-going operating costs and to continue as a going concern until a Qualifying Transaction can be completed. The Company's current capital was received from the issuance of common shares (Note 6) and will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.