

JUSTIFY CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021

Background

This management discussion and analysis (“MD&A”) for Justify Capital Corp. (“Justify” or the “Company”) is prepared as at September 16, 2021 and should be read in conjunction with the Company’s audited financial statements as at and for the year ended July 31, 2021 and for the period from incorporation on July 28, 2020 to July 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

Company overview

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.

The Company was incorporated with 2,010,000 of its common shares being issued at a price of \$0.075 per share for total proceeds of \$150,750 (the “Seed Shares”). On October 15, 2020, the Company completed its Initial Public Offering (“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. Additionally, the Company issued compensatory warrants with a \$9,362 fair value to the IPO agent.

As of the date of this MD&A, the Company’s share capital comprises:

- Unlimited common shares authorized for issuance, of which 3,360,000 are issued and outstanding;
- 300,000 stock options, each exercisable for one common share at a price of \$0.15 until October 15, 2025; and
- 100,000 warrants, each exercisable for one common share at a price of \$0.15 until October 15, 2022.

Potential Qualifying Transaction

The Company entered into a non-binding letter of intent (the “LOI”) on May 7, 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 LOI, 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 assume the operations of EP.

The Transaction is subject to conditions precedent including but not limited to:

- satisfactory completion of due diligence;
- entering into a definitive agreement;
- completion of a concurrent financing by EP;
- receipt of all director, shareholder (if necessary) and regulatory approvals, including acceptance by the TSX-V; and
- preparation and filing of required disclosure documents in accordance with the policies of the TSX-V.

Subsequent to May 7, 2021, the deadline for the Company and EP to enter into a definitive agreement for the Transaction has been extended twice and the current deadline is October 15, 2021.

Special Shareholders’ Meeting

On May 17, 2021, the Company’s shareholders approved, at a Special Meeting of Shareholders, certain amendments to the TSX Venture Exchange’s Policy 2.4 – Capital Pool Companies (“New CPC Policy”) that became effective January 1, 2021, including:

- authorizing the Company to approve certain amendments to its stock option plan pursuant to which the total number of common shares of the Company reserved for issuance both before and after completion of a Qualifying Transaction is 10% of the issued and outstanding common shares of the Company as at the date of grant, rather than at the closing date of the initial public offering;
- removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date in accordance with the New CPC Policy;
- authorizing the Company to make certain amendments to the Company’s escrow agreement to effect certain changes contemplated under the New CPC Policy, including reducing the maximum escrow term for Seed Shares held in escrow to 18 months from 36 months following a Qualifying Transaction;
- authorizing and permitting the Company to pay any finders’ fee or commission to a Non-Arm’s Length Party (as that term is defined in the New CPC Policy) to the Company upon completion of the Qualifying Transaction, in accordance with the terms of the New CPC Policy; and
- limiting permitted expenditures under the New CPC Policy 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.

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.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. Such forward-looking statements involve a number risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company completing a Qualifying Transaction on a timely basis, and its ability to raise sufficient capital for long-term operations should a Qualifying Transaction not be completed on a timely basis. Readers are cautioned not to place undue reliance on these forward-looking statements.

Selected Financial Information

	July 31, 2021	July 31, 2020
	\$	\$
Total assets	217,154	150,743
Total long-term liabilities	-	-
Total shareholders' equity	197,324	145,743

	Year Ended July 31, 2021	Period from Incorporation on July 28, 2020 to July 31, 2020
	\$	
Net loss for the period	(92,393)	(5,007)
Basic and diluted loss per share	(0.03)	(0.00)

Results of Operations

The Company currently has no business operations and until such time as the Company completes a Qualifying Transaction as defined by the TSX-V, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential Qualifying Transactions.

The Company incurred a loss of \$92,393 for the year ended July 31, 2021. Expenses incurred for this period included \$37,761 in share-based compensation for stock options granted to directors of the Company. These options were fully-vested on their grant date and no additional expenses are expected in future periods. Additionally, the Company recognized expenses of \$34,084 in professional fees for legal and audit services, \$13,803 for transfer agent services and for shareholder communications and TSX-V listing fees, and \$6,300 for administrative and corporate services provided by a related party. Owing to the short duration of the period from incorporation on July 28, 2020 and July 31, 2020, comparative analysis between the results of this period and the year ended July 31, 2021 is not meaningful.

In addition to expenses recognized during the year ended July 31, 2021, the Company recorded a total of \$105,649 for legal, accounting services, corporate finance, TSX-V and other services provided in connection with the IPO, which is recognized as a reduction in share capital.

Quarterly Information

Results for recent fiscal quarters are as follows:

Three Months Ended	General and Administrative	Stock-based	Basic & Diluted	
	Expenses, Excluding Share-based Compensation	Compensation	Net Loss	Loss per Share ²
	\$	\$	\$	\$
July 31, 2021	28,477	-	28,477	0.01
April 30, 2021	10,253	-	10,253	-
January 31, 2021	12,493	-	12,493	-
October 31, 2020	3,409	37,761	41,170	0.02
July 31, 2020 ¹	5,007	-	5,007	-

¹ Period reported is from incorporation on July 28, 2020 to July 31, 2020.

² On May 17, 2021, at a Special Meeting of Shareholders, the Company's shareholders approved the adoption of certain provisions of the New CPC Policy that no longer require the potential cancellation of shares held in escrow should a Qualifying Transaction not be completed within two years of the Company's listing on the TSX-V. As a result, 2,010,000 common shares in escrow have been included in the number of weighted average shares outstanding retroactively for all periods reported.

Fourth Quarter 2021

The Company recognized a \$28,477 net loss for the three months ended July 31, 2021 primarily owing to a \$20,052 expense for professional fees which included those for legal services provided for the Special Meeting of Shareholders and for year-end audit services. Additionally, the Company recognized a \$6,812 expense for transfer agent, shareholder communications and TSX-V listing and filing fees, much of which was incurred for the Special Meeting of Shareholders. Other expenses were consistent with previous quarters and included \$1,575 for administrative and corporate services and nominal office and sundry costs.

Financial Condition including Cash Flows, Liquidity and Capital Resources

As at July 31, 2021, the Company had cash of \$217,154. As a CPC, the Company's routine expenses are limited to general administrative costs such as TSX-V listing and filing fees, audit fees and accounting fees. When the Company identifies a potential Qualifying Transaction, additional legal or other transaction-related costs may be incurred, regardless of whether the transaction is ultimately completed. However, EP has agreed to pay for additional legal and other costs incurred by the Company in connection with the Transaction discussed under "Potential Qualifying Transaction", herein.

The Company's current cash balance is sufficient to pay its existing accounts payable and accrued liabilities, maintain routine on-going operations and, should the Transaction with EP not be completed, pursue new potential Qualifying Transactions for the next 12 months.

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 year ended July 31, 2021 includes \$6,300 (period from incorporation on July 28, 2020 to July 31, 2020 - \$nil) in such costs incurred with Earlston of which \$525 is included in accounts payable and accrued liabilities as at July 31, 2021 (July 31, 2020 - \$nil).

During the year ended July 31, 2021, the Company granted a total of 300,000 stock options to its directors. The stock options were fully-vested on their grant date and a related share-based compensation expense of \$37,761 was recognized in the period. No such transactions occurred in the period from incorporation on July 28, 2020 to July 31, 2020.

Capital Management

In the management of capital, the Company defines capital as its shareholders' equity. As at July 31, 2021, the Company's shareholders' equity was \$197,324. 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 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. Following shareholder approvals obtained at a May 17, 2021 Special Shareholder Meeting 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.

Financial Instruments and Risk Management

As at July 31, 2021, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair values of 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 July 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 July 31, 2021, the Company had a cash balance of \$217,154 which is sufficient to settle current liabilities of \$19,830 and anticipated short-term cash requirements, but that additional funding may be required to meet long-term requirements should a 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.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

i. Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

The Company's significant accounting policies and estimates are included in Note 3 of its audited financial statements for the period ended July 31, 2021.

Risks and Uncertainties

The Company's objective is to identify and complete a Qualifying Transaction and, as of the date of this MD&A, the Company is pursuing the Transaction, as discussed under "Potential Qualifying Transaction", herein. Until the Company completes a Qualifying Transaction, it will not have a source of recurring income, commercial operations, significant assets other than cash and shall not generate earnings or pay dividends.

Should the Company not complete a Qualifying Transaction on a timely basis, it may require additional capital financing and there is no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

The Company's success depends to a certain degree upon key members of its management to identify a potential Qualifying Transaction. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

Corporate Governance

The Company's Board of Directors and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board comprises three individuals, one of whom holds all officer roles for the Company. All members of the Board comprise the Audit Committee.