

**EVERYDAY PEOPLE FINANCIAL CORP.  
(FORMERLY “JUSTIFY CAPITAL CORP.”)**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE YEARS ENDED JULY 31, 2022 AND 2021**

**Background**

This management discussion and analysis (“MD&A”) of Justify Capital Corp. (“JCC”) for the period from August 1, 2021 to July 31, 2022. JCC completed a reverse takeover transaction with Everyday People Financial Inc. (“EPF”) on August 31, 2022 (the “RTO Transaction”) which resulted in the amalgamation of JCC and EPF to form Everyday People Financial Corp. (“EP Corp.”). In these financial statements, references to the “Company” are prior to the completion of the RTO Transaction.

The MD&A for the Company is prepared as at November 28, 2022 and should be read in conjunction with the Company’s audited financial statements as at and for the years ended July 31, 2022 and 2021 (the “Financial Statements”), 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](http://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”). Following its initial public offering of common shares (the “IPO”) on October 15, 2020, JCC became 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 sought to acquire either operating assets or a business, subject to regulatory approval, that met the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Prior to the completion of its Qualifying Transaction, the Company had no revenue and incurred 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.

## **Subsequent Events**

On August 31, 2022, the Company completed the Qualifying Transaction and acquired 100% of the issued and outstanding shares of Everyday People Financial Inc., (“Former EP”), a corporation formed under the laws of Alberta. The symbol for the common shares of the Company was changed from “JST” to “EPF” on the TSX-V and started trading on September 8, 2022. The Qualifying Transaction was completed with the following steps:

1. On August 30, 2022, the Company continued under the Business Corporations Act (Alberta) into Alberta and changed its name to Everyday People Financial Corp.
2. On September 2, 2022, EP Corp. issued 108,415,054 of its common shares to acquire 100% of the common shares outstanding in Former EP
3. Former EP amalgamated with 2454394 Alberta Ltd, a wholly-owned subsidiary incorporated in Alberta by the Company on August 31, 2022.
4. EP Corp. issued 3,663,597 options, 6,243,017 warrants and 279,455 broker warrants to purchase post-Transaction shares in the Company in replacement of instruments previously issued by Former EP.
5. The Company’s officers and directors were replaced by those of Former EP.

Following the Qualifying Transaction, the Company will continue the business of Former EP as Fintech company that provides financial services and innovative credit products through its proprietary platform, strong partnerships with banks and financial literacy programs.

The Qualifying Transaction results in an RTO Transaction of the Company by Former EP. This MD&A and the Financial Statements include only the accounts and activities of the reverse takeover acquiree and, unless otherwise stated, exclude Former EP because the RTO occurred subsequent to the reporting date. It is expected that future financial statements and management discussions and analysis, including comparative periods, will reflect the results and activities of Former EP as the RTO acquirer.

Additional information on the Qualifying Transaction is included in the Company’s filing statement dated July 27, 2022 (the “Filing Statement”) which is available on [www.sedar.com](http://www.sedar.com).

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## Outstanding Securities

As of the date of this MD&A and following the exercise of stock options and warrants in the Company and share issuances in connection with the Qualifying Transaction subsequent to July 31, 2022, the Company's share capital comprises:

- Unlimited common shares authorized for issuance, of which 112,175,054 are issued and outstanding,
- 6,518,397 warrants are outstanding,
- 3,663,597 options are outstanding, and
- 3,626,000 restricted share units are outstanding.

## 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's ability to execute its post-Qualifying Transaction business strategy while remaining a going concern. Readers are cautioned not to place undue reliance on these forward-looking statements.

## Selected Financial Information

	<b>July 31, 2022</b>	July 31, 2021
	\$	\$
Total assets	<b>174,921</b>	217,154
Total long-term liabilities	-	-
Total shareholders' equity	<b>106,779</b>	197,324

	<b>Year Ended July 31, 2022</b>	Year Ended July 31, 2021
	\$	\$
Net loss for the period	<b>(90,545)</b>	(92,393)
Basic and diluted loss per share	<b>(0.03)</b>	(0.03)

## Results of Operations

As a CPC during the years ended July 31, 2022 and 2021, the Company had no revenues and incurred expenses to maintain its TSX-V listing, for transfer agent services, legal and accounting fees and for corporate and administrative services. The Company incurred a loss of \$90,545 for the year ended July 31, 2022 compared to a \$92,393 loss for the year ended July 31, 2021, which comprised the following expenses:

	<b>Year Ended July 31, 2022</b>	Year Ended July 31, 2021
	\$	\$
Professional fees	<b>55,543</b>	34,084
Administrative and corporate services	<b>19,425</b>	6,300
Transfer agent, shareholder communications, listing and filing fees	<b>15,463</b>	13,803
Office and sundry	<b>114</b>	445
Share-based compensation	-	37,761

Expenses for routine corporate and administrative services, maintenance of the Company's TSX-V listing, transfer agent services and professional fees for audit and legal services were comparable between the two periods. However, although many Qualifying Transaction related costs were paid for or reimbursed by Former EP, certain legal and audit fees were recognized by the Company, resulting in an increase in the 2022 expense for professional fees compared to 2021. Additionally, the Company recognized a \$13,125 charge in 2022 for corporate and administrative services provided in connection with the Qualifying Transaction.

The effect of the Qualifying Transaction related expense increases in the year ended July 31, 2022 was offset by a \$37,761 reduction in share-based compensation which was recognized in the year ended July 31, 2021 for stock options granted to directors of the Company. These options were fully-vested on their grant date and no additional expense was recognized in 2022.

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## Quarterly Information

Results for recent fiscal quarters are as follows:

Three Months Ended	General and Administrative Expenses, Excluding Share-based Compensation	Stock-based Compensation	Net Loss	Basic & Diluted Loss per Share <sup>1</sup>
	\$	\$	\$	\$
July 31, 2022	69,950	-	69,950	0.02
April 30, 2022	7,940	-	7,940	0.00
January 31, 2022	6,202	-	6,202	0.00
October 31, 2021	6,453	-	6,453	0.00
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

<sup>1</sup> 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 2022

The Company recognized a \$69,950 net loss for the three months ended July 31, 2022 primarily owing to a \$66,868 expense for professional fees. The professional fee expense includes \$44,583 for legal fees and \$13,285 for audit fees incurred for the Transaction. Previous Transaction-related services were paid for by Former EP and no related expenses were recognized by the Company. However, the costs incurred near closing the Qualifying Transaction were paid by the Company resulting in the expenses for the three months ended July 31, 2022.

In addition to the Qualifying Transaction related expenses, the Company realized a \$9,000 professional fee expense for its annual audit as well as expenses of \$1,575 for administrative and corporate services, \$1,470 for transfer agent, shareholder communications, listing and filing fees and nominal office and sundry expenses. These expenses were incurred in the normal course of operations as a CPC and are consistent with prior periods.

## 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, 2022 includes \$6,300 (year ended July 31, 2021 - \$6,300) in such costs incurred with Earlston of which \$525 is included in accounts payable and accrued liabilities as at July 31, 2021 (July 31, 2021 - \$525).

In addition to routine administrative and corporate services, Earlston will charge up to \$50,000 (plus applicable taxes) for additional services provided to the Company in connection with the Transaction. During the year ended July 31, 2022, 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. The remaining balance was paid on close of the Transaction and no such charges were incurred for the year ended July 31, 2021.

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 year ended July 31, 2022.

### **Capital Management**

In the management of capital, the Company defines capital as its shareholders' equity. As at July 31, 2022, the Company's shareholders' equity was \$106,779.

Prior to the completion of the Qualifying Transaction, the Company's objectives when managing capital were to maintain a low level of on-going operating costs and to continue as a going concern until a Qualifying Transaction could be completed. As a CPC, the Company was subject to certain expenditure restrictions applicable under Policy 2.4. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, 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.

Following the Qualifying Transaction, the Company received additional funds from Former EP and the Policy 2.4. expenditure restrictions are no longer applicable.

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## **Financial Instruments and Risk Management**

As at July 31, 2022, 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).

The Company's risk exposures and the impact on the Company's financial instruments as at July 31, 2022 are summarized below. The effects of the Qualifying Transaction on these risks have not been assessed in the following discussion, but will be addressed in future reporting periods.

### *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, 2022, the Company had a cash balance of \$174,921 which is sufficient to settle current liabilities of \$68,142 and anticipated short-term cash requirements.

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 at July 31, 2022 the Company does not hold and 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, so it currently is not exposed 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.

### *ii. Warrants*

The fair value of the warrants is estimated on the date of issuance using the Black-Scholes valuation model. Estimating fair value for warrants requires determination of the most appropriate valuation model, which depends on the terms and conditions of the warrant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the warrants, volatility, dividend yield, and share price and making assumptions about them. Expected volatility is based on a weighted average of the historical volatility of the common stock of several entities with characteristics similar to those of the Company. The Company will calculate and weigh its own volatility more heavily as more of its own historical stock price information become available. The Company does not subsequently remeasure the fair value of warrants classified as equity instruments.

### *iii. Stock options*

The fair value of the equity settled stock options to employees and others providing similar services are determined by using the Black-Scholes valuation model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield and the risk-free rate. Variation in actual results of any of these inputs will result in a different value of the stock option realized from the original estimate.

The Company's significant accounting policies and estimates are included in Note 3 of its audited financial statements for the period ended July 31, 2022.

## **Risks and Uncertainties**

Following the Transaction and, as of the date of this MD&A, the Company's strategy is to provide financial services and innovative credit products through its proprietary platform, strong partnerships with banks and financial literacy programs. The risks and uncertainties related to this activity and the management of will be discussed in future reporting periods, but certain operational risks of the Company's post-Transaction operations are included in the Filing Statement.

## **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. All directors of the Company were replaced by nominees of Former EP on completion of the Qualifying Transaction and the post-Qualifying Transaction corporate governance structure will be discussed in future reporting periods.

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