

**ADAGIO CAPITAL INC.
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2023**

OVERVIEW

The following management discussion and analysis (“MDA”) of the financial position of Adagio Capital Inc. (“the Company”), and results of operations prepared on February 26, 2024, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2023 and the audited financial statements for the year ended March 31, 2023. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office, the principal address, and the registered and records office of the Company are located at Suite 600, 890 West Pender Street, Vancouver, BC, V6C 1J9.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company's head office in Vancouver.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act (British Columbia) on March 25, 2021. It was incorporated for the purposes of becoming a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4.

On December 21, 2022, the Company completed its initial public offering (“IPO”) and its common shares were listed on the TSX-Venture Exchange (“TSX-V”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX-V Corporate Finance Manual. The Company's principal business is the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction (“QT”). Such a transaction will be subject to shareholder and regulatory approval.

The principal business of the Company is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction (“QT”). The Final Prospectus was filed and is available for view on SEDAR.

The proposed business of the Company and the completion of a QT involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

Subsequent to March 31, 2023, the Company entered into a non-binding letter of intent (“LOI”) dated May 24, 2023, with Advanced Graph Enterprise Database Inc. (AGEDB), a private arm's-length British Columbia company, pursuant to which the Company and AGEDB have agreed to complete a business combination whereby the Company will acquire all of the issued and outstanding common shares of AGEDB.

The LOI sets out the preliminary terms of the transaction, which is intended to constitute the Company's QT as such term is defined in Policy 2.4, Capital Pool Companies, of the TSX Venture Exchange. Accordingly, the LOI provides that it will be superseded and replaced by a binding definitive agreement that will contain customary

covenants, representations, warranties and other terms for agreements of a like nature. The terms of the transaction described herein remain subject in all respect to the terms of the definitive agreement.

Upon completion of the transaction, the combined entity resulting from the transaction will continue the business of AGEDB and the resulting issuer will be listed on the TSX-V as a Tier 2 technology issuer under the name Advanced Graph Enterprise Database Inc. or such other name as mutually agreed to by the parties.

Summary of the transaction

A definitive agreement was entered into on October 5, 2023.

The transaction will take the form of a share exchange, whereby all of the outstanding AGEDB shares will be exchanged for 30 million post-consolidation (as defined as follows) common shares of the Company. The transaction will be completed pursuant to and in strict accordance with corporate law requirements and available exemptions under applicable securities legislation. The consideration shares will be subject to applicable resale restrictions, if any.

The completion of the transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to: (i) the Company having had the reasonable opportunity to perform searches and other due diligence, and being satisfied with the results of such due diligence; (ii) receipt of all requisite consents, waivers and approvals for the transaction, including the approval of the TSX-V, if applicable; (iii) the absence of any material adverse change in the business, affairs or operations of AGEDB; (iv) completion of the Concurrent Financing (as defined below); and (v) AGEDB having received the requisite approvals from its shareholders for the transaction, if applicable.

Assuming the completion of the transaction and the Concurrent Financing and that no convertible securities of the Company are exercised, a minimum of 42.1 million common shares of the resulting issuer are expected to be issued and outstanding on the closing date, of which approximately 4.8 per cent of the resulting issuer shares are anticipated to be held by the current shareholders of the Company, approximately 71.3 per cent are anticipated to be held by the shareholders of AGEDB and approximately 23.9 per cent will be held by the subscribers under the Concurrent Financing.

The transaction is an arm's-length transaction and therefore will not require shareholder approval under Policy 2.4.

Share consolidation

Prior to completion of the transaction, the Company plans to consolidate its outstanding common shares on the basis of 2.5 pre-consolidation shares for every one post-consolidation share, unless otherwise agreed to by the parties.

Concurrent Financing

In connection with the transaction, it is anticipated that AGEDB will complete a private placement financing of up to \$5-million by issuing AGEDB shares at a price of \$0.50 per AGEDB share. There may be cash commissions and/or broker warrants paid and/or issued to eligible finders in relation to the concurrent financing.

Corporate advisory fee

In connection with the transaction, the parties agreed that, on closing and subject to approval of the TSX-V, an arm's-length corporate advisor will be paid a merger and acquisition advisory fee of 100,000 resulting issuer shares and \$150,000 in cash. No other fees will be paid.

Directors, officers and insiders of the resulting issuer

Following the closing, it is expected that the board of directors of the of the resulting issuer will be reconstituted to consist of five directors and will comprise members to be nominated by AGEDB, subject to the approval of the TSX-V.

Sponsorship

Sponsorship of a qualifying transaction of a capital pool company is required by the TSX-V unless an exemption from the sponsorship requirement is available.

On October 10, 2023, the Company announced that, further to its news releases dated June 1, 2023 and August 30, 2023, the Company, 1441651 B.C. Ltd., a newly incorporated wholly-owned subsidiary of Adagio (“NewCo”), and Advanced Graph Enterprise Database Inc. (“AGEDB”), a private arm’s length British Columbia company, have entered into an amalgamation agreement dated October 5, 2023 (the “Amalgamation Agreement”), pursuant to which Adagio will acquire all of the issued and outstanding securities of AGEDB (the “Transaction”).

The Transaction is subject to the approval of the TSXV, and is intended to constitute Adagio's Qualifying Transaction (as defined in Policy 2.4). The combined company that will result from the completion of the Transaction (thereafter referred to as the “Resulting Issuer”) will be renamed “AGEDB Technology Ltd.” or such other name as agreed to by Adagio and AGEDB. Subject to TSXV approval, the common shares of the Resulting Issuer (each, a “Resulting Issuer Share”) will trade on the TSXV, under the symbol “AGET”, and the business of the Resulting Issuer will be the business of AGEDB. It is expected that the Resulting Issuer will be listed on the TSXV as a Tier 2 Technology issuer.

RESULTS OF OPERATIONS

At December 31, 2023, the Company had no continuing source of operating revenues. During the period ended December 31, 2023 the company incurred a loss of \$81,819 compared to a loss of \$70,204 for the period ended December 31, 2022. The increase in costs was a result of the work around the transaction mentioned above.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements ending December 31, 2023:

	Net loss for the period	Loss per share
December 31, 2023	\$(56,603)	\$(0.01)
September 30, 2023	\$(18,534)	\$Nil
June 30, 2023	\$(6,682)	\$Nil
March 31, 2023	\$(57,808)	\$0.02
December 31, 2022	\$(51,471)	\$0.02
September 30, 2022	\$(8,733)	\$Nil
June 30, 2022	\$(10,000)	\$Nil
March 31, 2022	\$(5,948)	\$Nil

Discussion

The variability of net loss during the four most recent quarters is mainly due to the increase in activity and services utilized in connection to the Company's completion of the prospectus and completion of the IPO; whereas, in the preceding quarters the Company had no comparable activity.

Due to the limited historical activity in the Company, and its recent increase in activity in preparation of the prospectus and filing its IPO, no trends have been noted in reviewing the summary of selected financial information for the eight quarters ended December 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

On December 21, 2022, the Company completed its IPO and issued 2,000,000 common shares for gross proceeds of \$200,000. The Company incurred costs of \$37,757, paid a finder's fee of \$15,875 and issued 200,000 agent warrants, entitled the holder to acquire one common share per warrant for \$0.10 for a period of three years. The Company has estimated the fair value of the agent warrants to be \$15,175 based on the Black-Scholes Option Pricing Model. The assumptions used for the Black-Scholes valuation of the agent warrants were as follows: a risk-free interest rate of 3.5%, an expected life of three years, a dividend rate of 0%, forfeiture rate of 0%, and an annualized volatility of 100%.

The Company has working capital at December 31, 2023 of \$108,498 (March 31, 2023 - \$190,317).

There can be no assurance of successfully completing future financings or a Qualifying Transaction. The Company may need to raise further capital to continue operations and complete its Qualifying Transaction. Management is actively seeking such opportunities.

RELATED PARTY TRANSACTIONS

During the period ended December 31, 2023, the Company did not incur transactions with directors and officers, or companies that are controlled by directors or officers of the Company.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate 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 is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations.

Credit risk

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 exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

Capital Management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements (Note 1 to the financial statements).

Classification of financial instruments

Fair values

The fair values of cash and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 input.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at December 31, 2023, and up to the current date, the Company had no off balance sheet arrangements.

Legal proceedings

As at the current date management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at December 31, 2023 and the date of this MD&A, the Company has the following outstanding securities:

- 1) Common shares: 5,000,000
- 2) Warrants: 200,000 with an exercise price of \$0.10 expiring on December 21, 2025
- 3) Stock options: 466,667 with an exercise price of \$0.10 expiring December 21, 2027

Contingent liabilities

As at December 31, 2023 and up to the current date management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.