

**MANAGEMENT DISCUSSION FOR CLARA TECHNOLOGIES CORP.
(FORMERLY CLARA CAPITAL CORP.)
FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2023
PREPARED AS OF JANUARY 9, 2024**

Background

The following Management Discussion & Analysis (“MD&A”) is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Clara Technologies Corp. (formerly Clara Capital Corp.) (hereinafter “Clara” or the “Company”) for the three and six months ended November 30, 2023 and 2022. The MD&A should be read in conjunction with the audited financial statements for year ended May 31, 2023 and 2022. The MD&A has been prepared effective January 9, 2024.

The Company reports its financial results in Canadian dollars and in accordance International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Additional information relevant to the Company’s activities can be found on SEDAR at www.sedarplus.ca.

Forward Looking Statements

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words ‘believes,’ ‘expects,’ ‘anticipates,’ ‘estimates,’ ‘intends,’ ‘plans,’ ‘forecasts,’ or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

Overview

Clara Technologies Corp. (formerly Clara Capital Corp.) is a provider of IT software designed specifically for Amazon sellers. The software allows Amazon sellers to efficiently manage, launch, and promote their products on their landing pages. It also offers features to control sales and purchases, create and increase customer email lists, and bring traffic through Facebook and other social networks. The company’s website address - <https://zonpages.com/>

The Corporation was incorporated on April 15, 2021 under the *Business Corporations Act (British Columbia)*. The Company’s head office is located at 34 - 11551 Kingfisher Drive, Richmond BC V7E3N5, Canada.

Overall Performance

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

In the six-month period ended November 30, 2023, the Company incurred a net loss of \$69,758 compared to a net loss of \$42,259 during the same period in fiscal 2022. The increase in net loss in the most recently completed fiscal year is primarily due to project consulting expenses which increased in fiscal 2023. The Company anticipates that its estimated working capital of \$259,125 as of May 31, 2023, being the most recent year end, will fund operations for the next 12-month period. Management estimates that the Company will require \$50,000 for initial listing fees. Other than the costs stated above, the Company does not anticipate incurring any other material capital expenditures during the next 12-month period.

Summary of Financial Results for Most Recently Completed Quarterly Periods

The following table summarizes the financial results of operations for the quarters ended November 30, 2023, August 31, 2023, May 31, 2023 and February 28, 2023:

	2 nd Quarter ended November 30, 2023 \$	1 st Quarter ended August 31, 2023 \$	4 rd Quarter ended May 31, 2023 \$	3 rd Quarter ended February 28, 2023 \$
Income	7,064	14,278	30,321	3,164
Expenses	76,822	28,392	13,757	37,628
Net income (loss)	(69,758)	(14,114)	16,564	(34,464)
Income (loss) per share - basic & diluted	(0.02)	(0.00)	0.00	(0.00)

The following table summarizes the financial results of operations for the quarters ended November 30, 2022, August 31, 2022, May 31, 2022 and February 28, 2022:

	2 nd Quarter ended November 30, 2022 \$	1 st Quarter ended August 31, 2022 \$	4 rd Quarter ended May 31, 2022 \$	3 rd Quarter ended February 28, 2022 \$
Income	7,104	-	-	-
Expenses	49,363	18,889	9,808	3,356
Net income (loss)	(42,259)	(18,889)	(9,808)	(3,356)
Income (loss) per share - basic & diluted	(0.01)	(0.00)	(0.00)	(0.00)

Factors causing significant variations in quarterly results are as follows:

Revenues

Total revenue for the three months ended November 30, 2023, was \$7,064 compared to \$7,104 for the three months ended November 30, 2022. The increase in revenue is primarily due to increased sales of subscriptions. Revenue from sales of consulting services for the three months ended November 30, 2023, was \$5,401 compared to \$7,104 for the three months ended November 30, 2022. Revenue from sales of subscriptions for the three months ended November 30, 2023, was \$1,663 compared to \$0 for three months ended November 30, 2022.

Total revenue for the three months ended August 31, 2023, was \$14,278 compared to \$0 for the three months ended August 31, 2022. The increase in revenue is primarily due to increased sales of consulting services and subscriptions. Revenue from sales of consulting services for the three months ended August 31, 2023, was \$5,188 compared to \$0 for the three months ended August 31, 2022. Revenue from sales of subscriptions for the three months ended August 31, 2023, was \$9,090 compared to \$0 for three months ended August 31, 2022.

Total revenue for the three months ended May 31, 2023, was \$30,321 compared to \$0 for the three months ended May 31, 2022. The increase in revenue is primarily due to increased sales of consulting services and subscriptions. Revenue from sales of consulting services for the three months ended May 31, 2023, was \$21,595 compared to \$0 for the three months ended May 31, 2022. Revenue from sales of subscriptions for the three months ended May 31, 2023, was \$8,726 compared to \$0 for three months ended May 31, 2022.

Total revenue for the three months ended February 28, 2023, was \$3,164 compared to \$0 for the three months ended February 28, 2022. The increase in revenue is primarily due to increased sales of subscriptions. Revenue from sales of subscriptions for the three months ended February 28, 2023, was \$3,164 compared to \$0 for three months ended February 28, 2022.

Summary of Financial Results for Most Recently Completed Quarterly Periods (continued)

Operating Expenses

For the three months ended November 30, 2023, operating expenses increased by \$27,459 from \$49,363 for the three months ended November 30, 2022 to \$76,822 for the three months ended November 30, 2023 primarily as a result of:

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Director Fees	Increase of \$3,000	Increased due to accrual of fees to the director.
Project Consulting	Increase of \$28,073	Increased due to the Company purchasing third party services to improve the software.
Professional fees	Decrease of \$3,663	Decreased due to audit fees, listing expenses, filing fees and transfer agent fees.

For the three months ended August 31, 2023, operating expenses increased by \$9,503 from \$18,889 for the three months ended August 31, 2022 to \$28,392 for the three months ended August 31, 2023 primarily as a result of:

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Director Fees	Increase of \$3,000	Increased due to accrual of fees to the director.
Professional Fees	Increase of \$6,486	Increased due to audit fees, filing fees and transfer agent fees.

For the three months ended May 31, 2023, operating expenses increased by \$3,949 from \$9,808 for the three months ended May 31, 2022 to \$13,757 for the three months ended May 31, 2023 primarily as a result of:

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Director Fees	Increase of \$3,000	Increased due to accrual of fees to the director.
Professional Fees	Increase of \$630	Increased due to transfer agent fees.

For the three months ended February 28, 2023, operating expenses increased by \$34,272 from \$3,356 for the three months ended February 28, 2022 to \$37,628 for the three months ended February 28, 2023 primarily as a result of:

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Amortization expenses	Increase of \$6,500	Increased due to the fact that the intangible asset was only acquired last year and was amortized in February 2022, while in the current year the asset was amortized from December 2022 to February 2023.
Director Fees	Increase of \$3,000	Increased due to accrual of fees to the director.
Project Consulting	Increase of \$24,190	Increased due to the Company purchasing third party services to improve the software.

Net Incomes (Losses)

The net loss for the three months ended November 30, 2023 was \$69,758, compare to \$42,259 for the three months ended November 30, 2022. The Company's operating loss increased due to the factors discussed above.

The net loss for the three months ended August 31, 2023 was \$14,114, compare to \$18,889 for the three months ended August 31, 2022. The Company's operating loss decreased due to the factors discussed above.

The net income (loss) for the three months ended May 31, 2023 was \$16,564, compare to \$(9,808) for the three months ended May 31, 2022. The Company's operating income increased due to the factors discussed above.

Summary of Financial Results for Most Recently Completed Quarterly Periods (continued)

The net loss for the three months ended February 28, 2023 was \$37,628, compare to \$3,356 for the three months ended February 28, 2022. The Company's operating loss increased due to the factors discussed above.

Liquidity and Capital Resources

As at November 30, 2023 and May 31, 2023, the Company had a cash balance of \$212,705 and \$278,161, respectively. The Company had working capital \$192,753 and \$259,125 at November 30, 2023 and May 31, 2023, respectively.

	CASH FLOWS:	
	For the six months ended	
	November 30,	
	2023	2022
Net Cash used in Operating Activities	<u>\$(63,456)</u>	<u>\$(41,647)</u>
Net Cash provided by Financing Activities	<u>(2,000)</u>	<u>1,800</u>
Net Change in Cash	<u>\$(65,456)</u>	<u>\$(39,847)</u>

The cash flows used in operating activities increased by \$21,809 to \$(63,456) for the six months ended November 30, 2023 from \$(41,647) for the comparative period. The increase in cash flows from operating activities represents the effect on cash flows from net losses (\$83,872) adjusted for items not affecting cash, principally: amortization (\$19,500), in addition to changes in deferred revenue (\$5,084) and accounts payable (\$6,000).

Cash used in investing activities was \$0 for the six months ended November 30, 2023 and 2022 due to no investing activities.

Cash provided by financing activities for the six months ended November 30, 2023 increased by \$200 compared to the six months ended November 30, 2022. During the six months ended November 30, 2023, financing activities included a decrease of \$2,000 due to the return of warrants. During the six months ended November 30, 2022, financing activities included \$1,800 of advances from related parties.

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

As of November 30, 2023 and May 31, 2023, the Company issued 3,900,000 shares for gross proceeds of \$39,000.

As of May 31, 2023, the Company issued 11,473,400 special warrants for gross proceeds of \$315,595. On September 25, 2023, the Company terminated one subscription agreement for 40,000 warrants and refunded \$2,000 on September 26, 2023. As of November 30, 2023, the total number of special warrants issued was 11,433,400.

Each Special Warrant entitles the holder to acquire, for no additional consideration, one common share unit three business days after a receipt is issued for a (final) prospectus by the securities regulatory authorities. All unexercised warrants will be deemed to be exercised on the date that the Issuer's shares commence trading on a recognized stock exchange.

Although the Company currently has limited capital resources, the Company anticipates that additional funding will come from the officers and directors who will loan their funds to the Company for implementing its business goals.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict-of-interest law and regulations.

As of November 30, 2023, the Company's director, George Kovalyov, has loaned to the Company \$1,800. The amount owing is unsecured, non-interest bearing, and due on demand.

During the year ended May 31, 2023, the Company borrowed \$140,000 from the directors of the Company: \$50,000 from George Kovalyov, \$65,000 from Oleksandr Havrylov and \$25,000 from Vladimir Vinogradov. The Company borrowed loans to support its daily operations. The loans are unsecured and non-interest bearing. The directors have waived the repayment until May 31, 2025.

Critical Accounting Estimates

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the audited financial statements for the fiscal year ended May 31, 2023. Some of these policies are also described in Note 2 to the interim financial statements for the period ended November 30, 2023.

Basis of Presentation

The Company's financial statements have been prepared in accordance with IFRS, as issued by the IASB and the interpretations of the IFRS interpretations committee ("IFRIC") in effect at November 30, 2023. The Company's financial statements have been prepared on a historical cost basis and presented in Canadian dollars, which is the Company's functional and presentation currency.

Use of Accounting Estimates and Judgments

The preparation of the Company's financial statements, in conformity with IFRS, requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the reporting period. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods. Assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting year, relate to:

(i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. 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 circumstance. There is a material uncertainty regarding the Company's ability to continue as a going concern. The Company's principal source of cash is from private placements. The Company is dependent on raising funds in order to have sufficient capital to be able to identify, evaluate and then acquire an interest in assets or a business.

(ii) The recoverability and measurement of deferred tax assets and liabilities

Tax interpretations, regulations, and legislation are subject to change. The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Financial Instruments

A detailed summary of all of the Company's financial instruments is included in Note 5 to the audited financial statements for the fiscal year ended May 31, 2023 and Note 5 to the interim financial statements for the period ended November 30, 2023.

Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

Taxes

Tax expense comprises current and deferred tax. Current tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset. The Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

Functional Currency

The Company follows IAS 21 *The effect of Changes in Foreign Exchange Rates* when accounting for foreign Exchange Rates and has determined that its functional currency is the Canadian dollar.

Share Capital

The Company's authorized capital consists of an unlimited number of Common Shares, of which only 3,900,000 Common Shares are issued and outstanding as at November 30, 2023 as fully paid and non-assessable. 3,900,000 common shares were issued to four Directors of the Company. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares, and to participate ratably in any distribution of the Company's property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

Warrants

As at November 30, 2023, hereof, the Company has a total of 11,433,400 Special Warrants issued and outstanding. These Special Warrants were issued in connection with the Offering. Each Special Warrant entitles the holder to acquire, for no additional consideration, one common share unit three business days after a receipt is issued for a (final) prospectus by the securities regulatory authorities. All unexercised warrants will be deemed to be exercised on the date that the Issuer's shares commence trading on a recognized stock exchange.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires a Share on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Issuer, as the case may be, on the acquisition of the Special Warrant, and

Earnings (Loss) per Share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method.

Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the reporting periods. However, in periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive and as a result diluted loss per share is equal to the basic loss per share.

Disclosure of Outstanding Security Data

Common Shares

As at the date of this MD&A and November 30, 2023, the Company had 15,333,400 and 3,900,000 common shares issued and outstanding, respectively.

Special Warrants

As at the date of this MD&A and November 30, 2023, the Company has 0 and 11,433,400 special warrants outstanding, respectively.

Additional Information

Additional information relating to Clara Technologies Corp. is located at www.sedarplus.ca.