

## **KDA GROUP SIGNED A SHARE PURCHASE AGREEMENT WITH STRIDES FOR THE SALES OF A MAJORITY STAKE IN PHARMAPAR**

**Thetford Mines, Quebec – February 1st, 2019** – KDA Group Inc. (TSXV: KDA) (“**KDA**” or the “**Corporation**”) is proud to announce, as previously disclosed in its press release dated December 4, 2018, that it has entered into a share purchase agreement (the “**Purchase Agreement**”) with Strides Pharmaceuticals Canada Inc. (“**Strides**”) under which Strides agreed to acquire 80% of the issued and outstanding shares of Pharmapar Inc. (“**Pharmapar**”), a subsidiary of KDA specializing in the distribution of generic drugs, for four million Canadian dollars (CAN\$4,000,000) (the “**Sale Price**”). KDA and Strides are arms’ length parties and no finder’s fee is payable in connection with the transaction.

Founded in 1998, Pharmapar specializes in generic medication to privately insured individuals in Canada. Pharmapar is a leading pharmaceutical partner to Quebec pharmacies while ensuring adherence to best business practices and stringent compliance. Pharmapar covers more than 1,000 pharmacies with access to 12 banners and more than 100 products.

### Strategic justification

- This foray into Canada represents a new market for Strides and one of top 10 global pharmaceutical markets in the world. As per IQVIA Holdings Inc. (NYSE: IQV), the market is estimated at US\$ 21 billion with a significant share of generics through retail pharmacies.
- Head start in the Quebec private market with an established front end distribution network.
- Quebec accounts for 25% of the Canadian generics market and is largely private.
- Fast track growth in the province through rapid portfolio expansion driven by its fungible portfolio built in the markets of United States of America, Europe and Australia.

Pursuant to the Purchase Agreement, the amount payable by Strides to KDA at the closing of the transaction is two million nine hundred fifty-three thousand one hundred and ninety-five Canadian dollars (CAN\$2,953,195) (the “**Payment**”) representing the Sale Price minus an advance of one million Canadian dollars (CAN\$1,000,000) previously paid on December 5, 2018 by Strides to KDA and the estimated amount of taxes payable by Pharmapar at closing of forty-six thousand eight hundred and five Canadian dollars (CAN\$46,805). The amount of such Payment will be adjusted within 60 days of the closing of the transaction upon confirmation of the actual amount of tax payable by Pharmapar on the closing date if such amount is greater than the estimated amount and payment to the purchaser of an amount equal to the difference between the estimated working capital at closing and the actual working capital if the latter is less than the estimated amount, all in accordance with the terms and conditions of the Purchase Agreement.

In addition, an amount may be payable to the purchaser by KDA if Pharmapar's earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) as at December 31, 2019 are less than the expected amount of EBITDA at that date, all in accordance with the terms and conditions of the Purchase Agreement.

The closing of the proposed transaction is scheduled for February 4, 2019. KDA will retain twenty percent (20%) of the issued and outstanding shares of Pharmapar and as part of the closing, the parties will sign a shareholders' agreement which will provide for other restrictions on the transfer of Pharmapar shares and non-compete clauses.

The agreements and documents are subject to all required approvals including the final approval of the TSX Venture Exchange.

### **About KDA**

KDA is a leading generic drug distributor and specialized solution provider in the pharmaceutical market. Today it is a respected name for quality and expertise among the different stakeholders in the pharmaceutical sector. Its management team is guided by a vision of continuing to lead the way in Quebec while extending operations across Canada and internationally. Additional information on the Corporation is available at [www.groupekda.ca](http://www.groupekda.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About STRIDES**

Strides is a subsidiary of Strides Pharma Global Pte Ltd listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR) and a global pharmaceutical company headquartered in Bangalore. The company has two business verticals, viz., Regulated Markets and Emerging Markets. The company has a global manufacturing footprint with seven manufacturing facilities spread across three continents including five facilities for Regulated Markets and two facilities for the Emerging Markets. The company has strong R&D infrastructure in India with global filing capabilities and a strong commercial footprint across more than 100 countries. Additional information is available at the company's website at [www.strides.com](http://www.strides.com).

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### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

*This press release from KDA contains forward-looking statements. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, strategy, target, and other similar expressions, or future or conditional verbs such as aim, anticipate, believe, predict, could, expect, intend, may, plan, seek, should, strive, and will. By their nature, forward-looking statements require us to make estimates and assumptions and express opinions based on current conditions and anticipated developments as well as other factors that management may deem appropriate under the circumstances. There is inherent uncertainty and significant risk in these estimates, assumptions, and opinions, particularly of a commercial, economic, and competitive nature, and they are therefore subject to change. KDA cannot guarantee that these estimates, assumptions, and opinions will prove to be accurate.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

### **INFORMATION**

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