

MANAGEMENT DISCUSSION AND ANALYSIS – FY2023

The following management’s discussion and analysis (the “MD&A”) objective is to help the reader better understand the activities of KDA Group Inc., (“KDA” or the “Corporation”), and the highlights of its audited consolidated financial situation. It explains the consolidated financial situation and the results of its operations for the fiscal year ended July 31st, 2023, and the comparison of the Corporation’s consolidated statement of financial position as of July 31st, 2022.

The MD&A has been prepared in accordance with Regulation 51-102 and should be read in conjunction with the audited consolidated financial statements of the Corporation for the fiscal year ended July 31st, 2023, and the related notes thereto.

The audited consolidated financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Corporation’s Board of Directors on November 28th, 2023.

The context otherwise required, all references to “KDA”, “Corporation”, “our”, “us”, “we” refers to KDA Group Inc. as consolidated with its subsidiaries. Further information about the Corporation, projects, annual and quarterly reports are available for consultation on the website of SEDAR at the following address: www.sedar.com.

LOOKING-FORWARD STATEMENTS

Some statements contained in this MD&A, especially the opinions, the projects, the objectives, the strategies, the estimates, the intent, and the expectations of the Corporation that are not historical data, are forward-looking statements. Such statements can be recognized by the terminology “budget”, “forecast”, “anticipate”, “intends”, “consider”, “anticipates”, “foresee”, “believes” and other terms and similar expressions like “may”, “could”, “would”, “might” or “will”. The statements are based on information available at the time they are made, on assumptions established by the management and on the management expectation, acting in good faith, concerning future events, and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section Risks and uncertainties). The actual results for the Corporation could differ materially.

Although the Corporation believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to the Corporation on the date hereof, no assurance can be given as to future results, approvals, or achievements. Forward-looking statements contained in this MD&A and in the documents incorporated by reference herein are expressly qualified by this cautionary statement. The Corporation disclaims any duty to update any of the forward-looking statements after the date of this MD&A except as otherwise required by applicable law.

REPORTING ENTITY, NATURE OF OPERATIONS AND SCOPE OF ACTIVITIES

The Corporation is domiciled in Canada and incorporated under the Business Corporations Act (Quebec). Its shares are listed for trading on the TSX Venture Stock Exchange under the symbol KDA.

The Corporation started as a provider of pharmacy personnel replacement and vocational training services and then evolved, using an acquisition strategy, to become a leading solution and services provider to pharmacies and pharmaceutical companies in Canada and finally, to focus on the development and marketing of its technological products for the booming connected healthcare market.

Consequently, it’s not recommended to rely upon unduly these forward-looking statements. The forward-looking statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. Except if the applicable legislation requires it, the Corporation does not intend to update these prospective statements to reflect new information or future events, and it is by no means committed doing so.

Significant subsidiaries – ownership:

| Corporation | Nature of Services | July 31 st , 2023 | July 31 st , 2022 |
|---------------------------------|---------------------------|------------------------------|------------------------------|
| Groupe Technologique KDA inc. | Pharmaceutical Technology | 80% | 100% |
| Covapharm inc. | Pharmaceutical Technology | 100% | - |
| Agence L.I.V. Inc. | Pharmaceutical Solutions | - | 100% |
| Alliance Pharma Operations inc. | Pharmacy Services | - | 100% |
| Elitis Pharma inc. | Pharmacy Services | - | 100% |
| Logistik Pharma inc. | Pharmacy Services | - | 100% |
| Campus Elitis Pharma inc. | Pharmacy Services | - | 90% |

HIGHLIGHTS

- On December 16, 2022, KDA Group Inc. has acquired Covapharm Inc. for a consideration of \$200,000 payable by monthly instalments of \$10,000 over a period of twenty (20) months and 1,825,000 Class A shares in the capital stock of the Corporation.
- On May 4, 2023, the Corporation has closed into an asset purchase agreement and a share purchase agreement subject to the fulfilment of certain conditions, for the sale of KDA’s pharmacist and pharmacy technical assistant placement agency business for a total consideration of ten million two hundred dollars (\$10,200,000) (the “Sale Price”).
- On June 28, 2023, the Corporation has closed a share purchase agreement to acquire, subject to the fulfilment of certain conditions, all the shares of Agence L.I.V. Inc. a wholly owned subsidiary of KDA, for an aggregate purchase price of thirteen million five hundred thousand dollars (\$13,500,000) (the “Sale Price”).
- On July 28, 2023, the Corporation has closed an asset purchase agreement with ZoomMed Médical Inc pursuant to which the Corporation has agreed to acquire, subject to the fulfillment of certain conditions, the proprietary rights of the ZRx digital prescriber to develop, market and operate the ZRx Prescriber worldwide excluding the United States, Europe and the United Kingdom, and excluding Canada, in consideration of 10,000,000 Class A shares of KDA’s share capital.

FINANCIAL POSITION
SELECTED ANNUAL INFORMATION

| | For the Fiscal Years ended July 31 st | |
|-------------------------------|---|------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Cash and cash equivalents | 4,632,498 | 2,737,141 |
| Trade receivables | 458,435 | 5,044,522 |
| Tax credit Rs&DE | 466,812 | - |
| Other receivables | 1,052,046 | - |
| Non-current assets | 15,159,536 | 20,785,139 |
| Total Assets | 21,814,258 | 28,666,793 |
| Preferred shares | - | 7,873,881 |
| Short-term and long-term debt | 1,605,000 | 12,810,157 |
| Total Liabilities | 5,308,578 | 28,869,677 |
| Total Deficiency | 16,505,680 | (202,884) |

The increase in cash, reduction of receivables, and decrease in liabilities result from the sale of subsidiaries completed in the fourth quarter of the fiscal year ending on July 31, 2023. These subsidiaries operated in two different business sectors, and the sale generated a profit of \$10,885,241, a balance of \$1,052,046 was outstanding as of July 31, 2023. The company used these funds to repay 90% of its debts and associated preferred shares. The remaining balance was retained for ongoing operations.

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal year ended July 31st, 2023

NET INCOME AND COMPREHENSIVE INCOME
SELECTED ANNUAL INFORMATION

| | For the Fiscal Years ended July 31 st | |
|---|---|-------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Revenues | 161,124 | 207,093 |
| Selling and administrative expenses | 3,159,817 | 3,839,077 |
| Amortization, depreciation and Gain on disposal of assets and write-off of accounts payable | 310,551 | 314,692 |
| Net finance costs | 1,389,433 | 2,999,806 |
| Income (loss) on debt revaluation | 7,171,521 | (2,457,975) |
| Income (loss) from continuing operations | 618,385 | (8,982,024) |
| Net income from discontinued operations | 15,519,782 | 4,419,696 |
| Net income (loss) and comprehensive income (loss) | 16,138,167 | (4,562,328) |
| Net loss per share, basic and diluted | 0.108 | (0.031) |

QUARTERLY INFORMATION

Operating results for each of the last 8 quarters are presented in the table below.

| Unaudited | Q1 | Q2 | Q3 | Q4 | FY 2023 |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | 93,119 | - | - | 68,005 | 161,124 |
| Profit on debt revaluation | - | - | - | 7,171,521 | 7,171,521 |
| Operating expenses | 1,142,929 | 1,248,973 | 1,097,126 | 1,370,773 | 4,859,801 |
| Net income (loss) from continuing operations | (1,049,811) | (1,248,973) | (1,097,126) | 4,013,295 | 618,385 |
| Net income (loss) from discontinued operations | 1,010,513 | 1,215,317 | 1,436,094 | 11,857,858 | 15,519,782 |
| Net profit (loss) and comprehensive profit (loss) | (39,298) | (33,656) | 338,968 | 15,872,153 | 16,138,167 |
| Net income (loss) per share | - | - | - | 0.099 | 0.108 |

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal year ended July 31st, 2023

| Unaudited – Thousands CAD | Q1 | Q2 | Q3 | Q4 | FY 2022 |
|---|-------------|-------------|-------------|-------------|-------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | - | - | 207,093 | - | 207,093 |
| Profit (loss) on debt revaluation | - | - | - | (2,457,975) | (2,457,975) |
| Operating expenses | 2,518,403 | 2,121,540 | 2,787,847 | (905,292) | 6,522,498 |
| Net income (loss) from continuing operations | (2,518,403) | (2,121,540) | (2,580,769) | (1,761,309) | (8,982,021) |
| Net income (loss) from discontinued operations | 528,712 | 1,210,148 | 1,128,153 | 1,552,683 | 4,419,696 |
| Net profit (loss) and comprehensive profit (loss) | (1,989,691) | (911,392) | (1,452,616) | (208,626) | (4,562,325) |
| Net income (loss) per share | (0.01) | (0.01) | (0.01) | - | (0.03) |

The revenues from continuing operations for both fiscal years are similar; however, during the fourth quarter of the fiscal year ending on July 31, 2023, the Company recorded non-recurring revenues such as debt write-off compared to the fourth quarter of the fiscal year ending on July 31, 2022, where the Company incurred a loss due to the revaluation of debt.

Operating expenses amount to \$6,059,028 as of July 31, 2023, compared to \$6,731,129 as of July 31, 2022. The decrease is primarily attributed to capitalized interest, as during the fourth quarter of 2023, the company repaid the majority of its loans.

Overall, the company reported a net profit of \$1,207,756 for the fiscal year ending on July 31, 2023, whereas it recorded a loss of \$8,982,021 for the fiscal year ending on July 31, 2022. The significant difference between these two fiscal years is mainly explained by the debt revaluation and associated interest expenses. In 2023, the company benefited from a gain resulting from an agreement with its major creditors, in contrast to a negative revaluation in 2022.

DISCONTINUED OPERATIONS

Statements of income (loss) and comprehensive income (loss) for the Disposal Group:

| | 2023 | 2022 |
|--|-------------------|------------------|
| | \$ | \$ |
| Revenues | 27,753,765 | 28,616,596 |
| Cost of Revenues | 20,508,254 | 20,707,416 |
| Selling and administrative expenses | 1,855,906 | 2,413,346 |
| Amortization, Depreciation | 257,379 | 310,485 |
| Income before following: | 5,132,226 | 5,185,349 |
| Financial costs | 516,198 | 473 083 |
| Accreted interest | 1,622 | 3 740 |
| Gain of disposal of assets | - | (6,438) |
| Loss (gain) on debt revaluation | (589,073) | (98,486) |
| Income before profit on sale of subsidiaries and income tax expense | 5,203,479 | 4,813,450 |
| Gain on sale of discontinued operations | 10,885,241 | - |
| Income before income tax expense | 16,088,720 | 4,813,450 |
| Income tax expense | 568,938 | 393,754 |
| Income from discontinued operations, net of tax | 15,519,782 | 4,419,696 |

On May 4, 2023, the Corporation completed a transaction with 9483-0296 Quebec Inc. and Groupe Santé Halsa Inc, according to which both collectively has acquired the business of placement agency for pharmacists and pharmacy technical assistants.

On June 28, 2023, the Corporation completed the transaction with 9486-4410 Quebec Inc., a subsidiary of U.S.-based Clinical Education Alliance, LLC, according to which has acquired all the shares of Agence L.I.V. Inc., a wholly owned subsidiary of KDA.

For the two transactions described above, the Company received consideration of \$10,200,000 for KDA's pharmacist placement agency and pharmacy technician staffing activities, and \$13,500,000 for KDA's pharmaceutical solutions business. Overall, the transactions generated a profit of \$10,885,241.

FINANCIAL POSITION

As of July 31, 2023, the cash balance amounted to \$4.6 million (\$2.7 million as of July 31, 2022), and the working capital showed a ratio of 1.62 compared to 0.35 as of July 31, 2022. The improvement in working capital demonstrates the company's ability to comfortably meet its short and medium-term obligations.

CASH FLOW

The following table provides the sources of the cash flows for the year ended July 31st, 2023 and 2022:

| Unaudited – Thousands CAD | FY 2023 | FY 2022 |
|---------------------------|---------------------|-------------|
| Operating activities | (844,018) | 1,284,011 |
| Investing activities | 17,054,089 | (2,655,748) |
| Financing activities | (14,314,714) | 2,391,728 |
| Net increase in cash | 1,895,357 | 1,019,991 |

The cash flows related to operating activities of (\$844,018) are primarily explained by the profit generated from discontinuing operations during the fiscal year ending on July 31, 2023.

The cash flows related to investment activities for the fiscal year ending on July 31, 2023, primarily consist of development costs for new technological products for the healthcare market and the acquisition of preferred shares. For the fiscal year ending on July 31, 2022, investment activities were primarily composed of development expenses.

The cash flows related to financing activities for the fiscal years ending on July 31, 2023, and 2022, are attributable to the repayment of short and long-term debts.

LIQUIDITY AND FINANCING

On August 6th, 2021, the Corporation closed a new term debt financing of up to \$7 million with a December 31st, 2022, maturity date (the “Debt Financing”) with a private lending institution. The Debt Financing consists in two (2) separate loans of \$3 million each and \$1 million incremental has been pre-approved and can be called by the Corporation with private lending institution’s approval subject to a 2% per year standby fee. The interest rate of the Debt Financing is 9.95% per year. The Debt Financing is secured through general security agreements or hypothecs. It is subject to financial covenants. The Corporation fully repaid the outstanding loan with a Canadian bank and the bank indebtedness.

On June 28, 2023, the Company fully repaid its debts to these private lending institutions in the total amount of \$13,034,848, and the 3,000,000 subscription warrants expired on the same date.

Management has undertaken several actions to improve the Corporation financial position and increase liquidity. The negotiation with the shareholder holding the promissory notes and preferred shares is part of it. Other initiatives include obtaining grants and financing to support the commercialization of the pharmaceutical technology products in the north American and Asian market over the next 2 years. Discussions with potential investors interested in the technology developed over the last 2 years are presently ongoing.

Management is also considering ways to leverage its investments into the pharmacy services and pharmaceutical solutions either thru internal growth or by establishing partnership with corporations offering contingent services. Unsolicited letters of intent for each cash generating unit (CGU) received after the year end is also consider as possible solutions to improve the financial position.

Improving financial control and cutting off expenses is also underway. Management consider that it could potentially provide savings of \$1M + over the next fiscal year. Better management of the cash-flow is taking place thru initiatives such as reducing cash receipts delay or reviewing cash disbursements terms.

RELATED PARTY TRANSACTIONS

The related party transactions are disclosed in note 23 of the audited consolidated financial statements.

CONTINGENCIES

On June 29, 2016, in the purchase agreement of Pharmapar inc. ("PPR"), the Corporation agreed and committed to indemnify the seller for tax litigation up to \$350,000. PPR has been audited by the provincial tax authorities and adjustments are being discussed with the seller of PPR. The outcome of any further action on these matters is currently indeterminable. No adjustments have been reflected in the consolidated financial statements.

On September 10th, 2021, the Corporation received a letter of formal notice claiming contractual indemnity from a former officer. As of July 31st, 2022, the formal notice is totalling \$760,000. Management is in discussion to settle this matter, but it believes the maximum liability would amount to approximately \$350,000, which was recorded in the year ended July 31st, 2022.

On September 21st, 2022, the Corporation received an Originating Application claiming contractual indemnity from a former officer, totalling \$723,191, and a request for the issuance of 1,000,000 Class A shares. On October 24th, 2022, the Corporation filed an Originating Application against the former officer requesting an amount of approximately \$474,200.

BASIS OF PRESENTATION AND GOING CONCERN

The Corporation audited consolidated financial statements have been prepared based on accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations as they become due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These audited consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material.

In preparing these audited consolidated financial statements, management exercises judgement when applying the accounting policies as detailed in note 2 of its audited consolidated financial statements. These audited consolidated financial statements of the Corporation for the year ended July 31st, 2023 were approved and authorized by the Board of Directors on November 15th, 2023.

STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as of July 31st, 2023.



MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal year ended July 31st, 2023

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

There were no new accounting treatments adopted during the year ended July 31st, 2023.

FINANCIAL INSTRUMENTS

The financial instruments are described in note 21 of the audited consolidated financial statements as of July 31st, 2023.

FINANCIAL RISKS, MANAGEMENT OBJECTIVES AND POLICIES

Financial risks, management objectives and policies are described in note 23 of the consolidated financial statements as of July 31st, 2023.

OTHER RISKS AND UNCERTAINTIES

The business is subject to significant risks and uncertainties and past performance is no guarantee of future performance. Our actual results could differ materially from the results contemplated in this MD&A due to important factors. The foregoing risks and uncertainties are not exhaustive and does not necessarily include all the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements.

Additional risks and uncertainties, not presently known to us, may become material in the future or those risks that we currently believe to be immaterial may become material in the future. If any of the foregoing risks occur, alone or in combination, our business, financial condition, and results of operations, as well as the market price of our common shares, could be materially adversely affected.

Operating Environment – The Corporation is subject to changes in its general operating environment. The Corporation is exposed to the following elements affecting its operating environment: the availability of pharmacists, sufficient qualified personnel to provide specialized training, and the average compensation offered on the market.

General Economic Conditions – Demand for education and specialized training and replacement pharmacists is closely linked to the state of the health industry and overall economy. Consequently, a decline in general economic growth could adversely affect the Corporation's performance.

Interest Rate Fluctuations – Changes in interest rates may result in fluctuations in the Corporation's future cash flows related to interest payment of its long-term debt.

Reliance on Key Personnel – The future success of the Corporation will be based on the quality of its management and key personnel. The loss of key personnel could have a negative effect on the Corporation. In addition, to execute its growth plan, the Corporation must attract and retain highly qualified personnel. Competition for these personnel is intense and there can be no assurances that the Corporation will be able to continue to attract and retain the personnel necessary for the development and operation of the Corporation's business.

Inability to Leverage Technology – The Corporation's future growth depends, in part, on its ability to leverage its technology to offer new solutions. Development of new solutions is complex and subject to some risks present in

the industry. The Corporation may not be able to successfully launch new solutions, and there can be no assurances the Corporation's development efforts will be successful in competing and launching such solutions. There can be no assurances that the Corporation will successfully develop or commercialize new solutions in a timely manner or at all, or that such solutions will achieve market acceptance. Any failure to design and implement new solutions on a timely basis and at a price acceptable to the Corporation's target markets may have a material adverse effect on the Corporation's business, growth, operating results and financial condition.

Credit Facilities – The Corporation's credit facilities and financing agreement mature on various dates. There can be no assurance that such credit facilities or financing agreements will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favorable terms to the Corporation.

Credit Risks – The Corporation provides services to clients primarily in Canada. The concentration of credit risk to which the Corporation is exposed is limited due to the significant number of customers that make up its client base and their distribution across different geographic areas. No single customer accounts for more than 10% of the Corporation's revenues

Availability of Capital – The Corporation's future growth may be dependent on the Corporation's ability to fund a portion of its capital expenditures and working capital with the current credit facilities and financing agreement. The Corporation may be required to reduce dividends or sell additional shares in order to accommodate these items. There can be no assurance that sufficient capital will be available on acceptable terms to the Corporation for necessary or desirable capital expenditures or that the amount required will be the same as currently estimated.

Cybersecurity Risks – Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer "hackers", malicious code (such as viruses and worms), employee theft or misuse, and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in cybersecurity attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is virtually impossible for the Corporation to entirely mitigate these risks. The security measures the Corporation has integrated into its internal network and platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect its internal networks and platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, the Corporation may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

If a breach of customer data security were to occur, as a result of third-party action, employee error, malfeasance or others, and the confidentiality, integrity or availability of the customers' data was disrupted, the Corporation could incur significant liability to its customers and to individuals or business whose information was being stored by its customers, and its products may be perceived as less desirable, which could negatively affect the Corporation's business and damage its reputation. Security breaches impacting the Corporation's products could result in a risk of loss or unauthorized disclosure of customers' information, which, in turn, could lead to litigation and possible liability. In addition, a network or security breach could damage the Corporation's relationships with its existing customers, resulting in the loss of customers, and have a negative impact on its ability to attract and retain new customers.

These breaches, or any perceived breach, of the Corporation's network, its customers' networks, or other networks, whether any such breach is due to a vulnerability in the Corporation's products, may also undermine

confidence in its products and result in damage to its reputation, negative publicity, loss of customers and sales, increased costs to remedy any problem, and costly litigation. Third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords or other information, or otherwise compromise the security of the Corporation's internal networks, electronic systems and/or physical facilities in order to gain access to its data or its customers' data, which could result in significant legal and financial exposure, loss of confidence in the security of its products, interruptions or malfunctions in its operations, and, ultimately, harm to its future business prospects and revenue. The Corporation may be required to expend significant capital and financial resources to protect against such threats or to alleviate problems caused by breaches in security. Failure to prevent or mitigate security breaches and improper or unauthorized access to, use or disclosure of our data or customer data, including any personal information and personal health information, could result in the loss or misuse of such data, which could harm our business and reputation.

Litigation – The Corporation may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether meritorious or not, can be time-consuming, divert management's attention and resources and cause the Corporation to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and the Corporation could, in the future, be subject to judgments or settlements of claims for significant monetary damages. Substantial litigation costs or an adverse result in any litigation may adversely impact the Corporation's business, operating results or financial condition.

Volatile Market Price for Common Shares – The market price for the Common Shares may be highly volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation control, including, but not limited to: (i) actual or anticipated fluctuations in the Corporation's operating results; (ii) changes in the economic performance or market valuations of companies in the industry in which the Corporation operates; (iii) addition or departure of the Corporation's executive officers and other key personnel; (iv) sales or anticipated sales of additional Common Shares; (v) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; (vi) announcements of technological innovations, patents or new commercial products by the Corporation or its competitors; (vii) regulatory changes affecting the Corporation's industry generally and its business and operations; (viii) news reports relating to trends, concerns, technological or competitive developments and other related issues in the Corporation's industry or target markets; and (ix) changes in global financial markets, global economies and general market conditions. The Common Shares have been subject to significant price and volume fluctuations historically and may continue to be subject to significant price and volume fluctuations in the future. Significant market price and volume fluctuations can affect the market prices of equity securities of companies and have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that fluctuations in share price and volume will not occur. Further, there can be no assurance that an active and liquid market for the Common Shares will develop, and investors may find it difficult to resell the Common Shares. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Corporation.

Ongoing Costs and Obligations Related to Investment in Development – The Corporation expects to incur significant ongoing costs and obligations related to the development, marketing and commercialization of our technology, which could have a material adverse impact on our results of operations, financial condition and cash flows. The Corporation’s efforts to grow our business may be costlier than expected, and the Corporation may not be able to generate sufficient revenue to offset such higher operating expenses. The Corporation may incur significant losses in the future for some reasons, including unforeseen expenses, difficulties, complications and delays, and other unknown events.

Costs and Obligations – Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, internal controls over financial reporting are not guaranteed to provide absolute assurance regarding the reliability of financial reporting and financial statements. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation could harm the Corporation’s results of operations or cause the Corporation to fail to meet its reporting obligations and may result in a restatement of its financial statements for prior periods. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in the Corporation’s reported financial and other information, which would likely have a negative effect on the trading price of the Common Shares. Management does not expect that the Corporation’s disclosure controls, and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a corporation are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CAPITAL MANAGEMENT

For the purposes of capital management, capital consists of share capital and retained earnings of the Corporation. The Corporation’s objectives when managing capital are:

- To ensure proper capital investment in order to provide stability and competitiveness to its operations.
- To ensure sufficient liquidity to pursue its growth strategy and undertake selective acquisitions.
- To maintain an appropriate debt level so that there is no financial constraint on the use of capital.
- To maintain investors, creditors and market confidence.

In managing capital structure, the Corporation manages its capital through regular reports to the board of directors, as well as management review of monthly or quarterly financial information.

The Corporation seeks to maintain a balance between the highest returns that might be possible with higher levels of borrowing and the advantages and security by a sound capital position.

There were no changes in the Corporation’s approach to capital management during the year.

OUTLOOK

The Corporation will continue to develop and want to start the commercialization an electronic adherence platform to create a relation between the patient, doctors, pharmacies, and insurance companies. Regarding our E-Prescribing system, we are discussing with certain countries in Asia, Middle East and with certain groups in the USA to implant our platform. KDA is well positioned for the future.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A was prepared as of the date shown in the header of this document. Additional information relating to the Corporation can be found on the website www.sedar.com and on our website www.kdagroup.ca.



MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal year ended July 31st, 2023

GENERAL INFORMATION

HEAD OFFICE

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STOCK EXCHANGE

TSX Venture Exchange under the symbol: **KDA**

OFFICERS

Marc Lemieux

Michael W. Kinley

BOARD OF DIRECTORS

Marc Lemieux, Chairman

Isabelle Bégin

Patrick Fernet, Chair of the audit committee

Michael W. Kinley

LEGAL COUNSEL

Thibeault, Joyal

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TRANSFER AGENT

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