Consolidated Interim Financial Statements of

KDA GROUP INC.

For the three-month periods ended October 31, 2025, and 2024

KDA GROUP INC.

Consolidated Interim Financial Statements

Consolidated Interim Financial Statements

Consolidated Interim Statements of Financial Position 1

Consolidated Interim Statements of Profit (Loss) and Comprehensive Profit (Loss) 2

Consolidated Interim Statements of Changes in Equity (Deficit) 3

Consolidated Interim Statements of Cash Flows 4

Notes to the Consolidated Interim Financial Statements 5-38

KDA GROUP INC.

Consolidated Interim Statements of Financial Position
As at October 31, 2025 and July 31, 2025
(unaudited – Prepared by Management)

	October 31, 2025 (unaudited) $	July, 31 2025 (audited) $
ASSETS		
Current assets		
Cash and cash equivalents	**55,997**	133,795
Receivables (note 5)	**578,760**	1,419,488
Prepaid expenses	**35,858**	56,194
	670,615	1,609,477
Non-current assets		
Property and equipment (note 6)	**9,214**	10,088
Intangible assets (note 7)	**8,956,544**	9,405,132
Goodwill (note 8)	**151,085**	151,085
Right-of-use of assets (note 9)	**-**	75,469
	9,116,843	9,641,774
TOTAL ASSETS	**9,787,458**	11,251,251
LIABILITIES		
Current liabilities		
Trade and other payables (note 10)	**1,069,174**	1,092,755
Due to third-party (note 11)	**128,453**	128,453
Short-term debt (note 12)	**350,000**	350,000
Current maturity of long-term debt (note 13)	**300,000**	300,000
Current maturity of lease liabilities (note 14)	**-**	39,930
	1,847,627	1,911,138
Non-current liabilities		
Lease liabilities (note 14)	**-**	51,909
Deferred tax liabilities	**75,525**	75,525
	75,525	127,434
TOTAL LIABILITIES	**1,923,152**	2,038,572
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (note 15)	**36,228,345**	36,085,845
Contributed surplus (note 15)	**6,608,762**	6,575,880
Deficit attributable to shareholders	**(33,105,002)**	(31,793,104)
Equity attributable to non-controlling interests	**(1,867,799)**	(1,655,942)
TOTAL EQUITY	**7,864,306**	9,212,679
TOTAL LIABILITIES AND EQUITY	**9,787,458**	11,251,251

Approved on behalf of the Board:

(Signed)
Michael W. Kinley, Director

(Signed)
Marc Lemieux, CEO

Accompanying notes form an integral part of these Consolidated financial statements

Consolidated Interim Statements of Profit (Loss) and Comprehensive Profit (Loss)
For the three-month periods ended October 31, 2025, and 2024
(unaudited – Prepared by Management)

	October 31, 2025 (3 months) $	October 31, 2024 (3 months) $
Continuing operations		
Revenues (note 20)	**118,608**	32,096
Direct Costs (note 7)	**(867,910)**	(746,142)
Gross margin	**(749,302)**	(714,046)
Selling and administrative expenses (note 16)	**737,086**	1,609,729
Amortization (note 6,7,9)	**31,275**	32,757
Operating loss	**(1,517,663)**	(2,356,532)
Net finance expenses (income)		
Financial costs	**20,968**	22,230
Accreted interests (note 17)	**525**	13,523
Profit on lease termination (notes 9,13,14)	**(15,401)**	-
Loss before income tax	**(1,523,755)**	(2,392,285)
Income tax expense (income)	**-**	2,539
Net loss and comprehensive loss	**(1,523,755)**	(2,394,824)
Loss and comprehensive loss attributable to:		
Shareholders of KDA Group Inc.	**(1,311,898)**	(2,195,033)
Non-controlling interests	**(211,857)**	(199,791)
	(1,523,755)	(2,394,824)
Basic and diluted (note 18)	**(0.008)**	(0.014)

Accompanying notes form an integral part of these Consolidated financial statements

KDA GROUP INC.

Consolidated Interim Statements of Changes in Equity (Deficit)
For the three-month periods ended October 31, 2025, and 2024
(unaudited – Prepared by Management)

				Total Equity (Deficit) attributable to shareholders				
	Number of shares	**Class ''A'' Common shares**	**Contributed surplus**	**Premium on convertible shares and debentures conversion value**	**Deficit**	**Total**	**Non controlling Interests**	**Total equity (deficit)**
	#	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance on July 31, 2025	**193,499,280**	**36,085,845**	**6,575,880**	**(2,274,215)**	**(29,518,889)**	**(31,793,104)**	**(1,655,942)**	**9,212,679**
Warrants exercised	950,000	142,500	-	-	-	-	-	**142,500**
Stock-based compensation	-	-	32,882	-	-	-	-	**32,882**
Net loss	-	-	-	-	(1,311,898)	(1,311,898)	(211,857)	**(1,523,755)**
Balance at October 31, 2025	**194,449,280**	**36,228,345**	**6,608,762**	**(2,274,215)**	**(30,830,787)**	**(33,105,002)**	**(1,867,799)**	**7,864,306**
Balance on July 31, 2024	175,499,280	32,682,092	3,456,533	(2,172,813)	(21,469,883)	(23,642,694)	(772,862)	11,723,067
Warrants exercised	200,000	30,000	-	-	-	-	-	30,000
Stock-based compensation	-	-	1,069,660	-	-	-	-	1,069,660
Net loss	-	-	-	-	(2,195,033)	(2,195,033)	(199,791)	(2,394,824)
Balance at October 31, 2024	175,699,280	32,712,092	4,526,193	(2,172,813)	(23,664,916)	(25,837,729)	(972,653)	10,427,903

Accompanying notes form an integral part of these Consolidated financial statements.

KDA GROUP INC.

Consolidated Interim Statements of Cash Flows
For the three-month periods ended October 31, 2025 and 2024
(unaudited – Prepared by Management)

	October 31, 2025 (3 months) $	October 31, 2024 (3 months) $
Cash flows from operating activities:		
Net result from continuing operations	**(1,523,755)**	(2,394,824)
Accreted interests	**525**	13,523
Share-based compensation	**32,882**	1,069,660
Amortization, depreciation and impairment (notes 6, 7, 9)	**899,185**	778,900
Loss on terminations and disposals of assets	**(15,401)**	-
	(606,564)	(532,741)
Changes in non-cash elements of working capital (note 22)	**837,482**	293,436
	230,918	(239,305)
Cash flows from investing activities:		
Additions to property and equipment (note 6)	**(1,650)**	-
Additions to intangibles assets (note 7)	**(442,483)**	(480,467)
	(444,133)	(480,467)
Cash flows from financing activities:		
Repayment of lease liabilities (note 14)	**(7,083)**	(10,625)
Exercise of warrants (note 15)	**142,500**	30,000
	135,417	19,375
Net decrease in cash and cash equivalents	**(77,798)**	(700,397)
Cash and cash equivalent, beginning of the year	**133,795**	1,647,058
Cash and cash equivalent, end of the year	**55,997**	946,661
Supplemental information		
Interest paid	**18,750**	20,625

1. REPORTING ENTITY AND GOING CONCERN

KDA Group Inc. ("KDA" or the "Corporation") is incorporated under the Business Corporations Act (Québec). The Corporation is a publicly traded company listed on the TSX Venture Exchange ("TSXV") under the symbol "KDA". The Corporation's head office is 300-1351 Notre-Dame East, Thetford Mines, Québec, G6G 0G5.

The consolidated interim financial statements of the Corporation for the three-month periods ended October 31, 2025, and 2024, include the Corporation and its subsidiaries. The Corporation provides technological and operational efficiency solutions for both the general and specialized health sectors.

These consolidated interim 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.

The Corporation's activities are primarily focused on the development and commercialization of its technological products for the growing market of connected healthcare. The Corporation has reached the commercialization phase of its technology platform and, during its first quarter, began generating revenues, which are expected to increase significantly over the next months.

For the three-month period ended October 31, 2025, the Corporation recorded a net loss from continuing operations, before income taxes, of $153,755 ($2,394,824 as at October 31, 2024).

As at October 31, 2025 the Corporation has a negative working capital of $1,177,012 and $301,661 as at July 31, 2025. During the quarter and the subsequent month, the Corporation issued 6,550,000 shares following the exercise of warrants totaling an amount of $982,500. The Corporation anticipates receiving additional tax credits and is engaged in discussions with various potential investors regarding future financing arrangements.

Until the Corporation is able to generate positive cash flows from its operations, it will continue to explore alternatives to generate additional financing, which may include raising additional equity and/or debt or entering into strategic partnerships or other agreements; however, there is no assurance that these initiatives will be successful.

The Corporation's ability to continue as a going concern is dependent on its ability to generate revenue and positive cash flows from operating activities and obtain additional financing to fund the cost of operations. These matters create a material uncertainty which may cast significant doubt on the Corporation's ability to continue as a going concern and therefore realize its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and financial position classifications that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance:

These consolidated interim financial statements of the Corporation have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by International Accounting Standard Board ("IASB") and with IAS 34 Interim Financial Reporting. These consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the year ended July 31, 2025.

2. BASIS OF PREPARATION (CONT.)

These consolidated interim financial statements were approved and authorized for issue by the Board of Directors on December 30, 2025.

b) Basis of measurement:

These consolidated interim financial statements have been prepared on the historical cost basis.

The consolidated interim financial statements have been prepared on a going concern basis, meaning the Corporation would be able to realize its assets and discharge its liabilities in the normal course of action (note 1).

c) Functional and presentation currency

The consolidated interim financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting of the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the management team, which makes strategic decisions.

e) Consolidation

Subsidiaries
Subsidiaries are all entities over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement in the entity and could affect those returns through its power over the entity, Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealized gains on transactions between the Corporation's subsidiaries are eliminated. Unrealized gains or losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Corporation's accounting policies.

Disposal of subsidiaries
When the Corporation ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Corporation had directly disposed of the related assets and liabilities. This may mean that amounts previously recognized in OCI are reclassified to profit and loss.

Non-controlling interests
Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests in presented as a component of equity, their share of net income and OCI is recognized directly in equity even if the results of the non-controlling interests have a deficit balance.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Significant subsidiaries – ownership

Corporation	Nature of Services	October 31, 2025	July 31, 2025
Groupe Technologique KDA inc.	Digital Health Software	**80%**	80%

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments, if any, with maturities upon acquisition of generally three months or less or that are redeemable at any time at full value and for which the risk of a change in value is not significant.

Property and equipment

Property and equipment are accounted for at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in net income or loss.

Depreciation is based on the cost of an asset less its residual value and is recognized in income or loss over the estimated useful life of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Corporation will obtain ownership by the end of the lease term.

PROPERTY AND EQUIPMENT ARE AMORTIZED ON A STRAIGHT-LINE BASIS OVER THE FOLLOWING ESTIMATED USEFUL LIVES:

Categories	Useful Lives
Furniture and fixtures	5 years
Computer equipment	3 years
Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

3.SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Intangible assets

i) Finite lives intangible assets

Finite lives intangible assets consist of customer relationships, software, web sites and non-compete agreements. Intangible assets that are acquired by the Corporation and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

INTANGIBLE ASSETS WITH FINITE LIVES ARE AMORTIZED ON A STRAIGHT-LINE BASIS OVER THE FOLLOWING ESTIMATED USEFUL LIVES:

Categories	Useful Lives
Software	5 years
Web sites	3 years
Development costs	3 years
Technology assets	10 years

ii) Intangible assets generated internally by incurring research and development expenditures

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) its intention to complete the intangible asset and use or sell it;

c) its ability to use or sell the intangible asset;

d) how the intangible asset will generate probable future economic benefits. Among other things, the Corporation can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as soon as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization when they will be in a commercial production phase and any accumulated impairment losses.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

iii) Acquired intangible assets

Technology assets is comprised of acquired assets and capitalized development costs. Technology assets are accounted for as indefinite lived intangible assets until the project is completed or abandoned, at which point they are amortized or impaired, respectively. Development costs incurred subsequent to a project completion are accounted for in accordance with the Corporation's development costs capitalization policy. The Corporation assesses at each reporting date whether there is an indication that the asset may be impaired. Irrespective of whether there is any indication of impairment, the technology assets are tested for impairment annually by comparing their carrying amount with its recoverable amount, prior to a project completion and the beginning of the amortization period. The asset's recoverable amount is the greater of its fair value less costs to sell and its value in use. If the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount immediately. Impairment losses are recognized in the consolidated statement of loss. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years.

Useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate. The carrying amounts are reviewed at each reporting date to determine whether there is an indication of impairment.

Borrowing costs

Borrowing costs that are attributable to the acquisition, development or production of a qualifying asset are capitalized to the cost of that asset until it is substantially completed, and it can be used as planned; these costs are subsequently amortized over the expected useful life of the asset. All other borrowing costs are expensed as incurred.

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Corporation. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of use asset is depreciated over the lease term on a straight-line basis.

Right-of-use assets

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives; and
- any initial direct costs incurred by the Corporation.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are to be paid as per the lease terms. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the Corporation under residual value guarantees;
- the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the Corporation's incremental borrowing rate unless the implicit rate in the lease contract is readily determinable in which case the latter is used.

Exemptions

The Corporation elected to apply exemptions for leases for which the underlying asset is of low value or for which the lease term does not exceed 12 months. Payments associated with such leases; if any, are recognized on a straight-line basis as an expense in profit or loss.

Impairment

Property and equipment, intangible assets, Goodwill and right-of-use of assets

On each reporting date, the Corporation reviews the carrying amounts of property, equipment, intangible assets, Goodwill and right-of-use of assets for indications that these assets have lost value. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the amount of any impairment loss.

Intangible assets with an indefinite useful life are tested for impairment annually or more frequently whenever events or circumstances indicate that it may have lost value.

If the recoverable amount of the individual asset cannot be estimated, the Corporation estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. A CGU represents the smallest identifiable group of assets that generates cash inflows largely independent from other assets or group of assets for which a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of fair value less disposal costs and value in use. To measure value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset expected to generate the estimated future cash flows.

If the estimated recoverable amount of an asset or of a CGU is less than its carrying amount, the carrying amount of the asset or of the CGU is reduced to its recoverable amount and an impairment loss is recognized in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

When an impairment loss subsequently reverses, the carrying amount of the asset or of the CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or the CGU in prior years. Reversals of impairment losses are then recognized in profit or loss.

FINANCIAL INSTRUMENTS

Financial assets

Financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value. Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'at amortized cost' and 'at fair value through other comprehensive income' ("FVOCI"). The classification is determined at the time of initial recognition, on the basis of the Corporation's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are reclassified subsequently to their initial recognition when, and only when, the Corporation changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated at FVTPL:

- It is held within a business model whose objectives is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling it in the near term; if on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. Financial assets at FVOCI are stated at fair value, with any gains or losses arising on re-measurement recognized through other comprehensive income.

Trade receivables without a significant financing component are initially measured at the transaction price. Trade receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

THE CORPORATION HAS CLASSIFIED ALL OF ITS FINANCIAL ASSETS AS FOLLOWS:

Financial Assert	Classification	Subsequent measurement
Cash and cash equivalents	Held to collect	Amortized cost
Accounts receivable (excl. sales tax and tax credits receivable)	Held to collect	Amortized cost

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, because of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

The gross carrying amount of a financial asset is impaired when the Corporation has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Corporation makes an assessment with respect to the timing and amount of provisioning based on whether there is a reasonable expectation of recovery. The Corporation expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Corporation's procedures for recovery of amounts due. In accordance with IFRS 9, a write-off of a financial asset constitutes a derecognition event.

Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Financial liabilities and equity instruments issued by the Corporation

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

Financial liabilities are classified at FVTPL when the financial liability is either held for trading or it is designated at FVTPL.

A financial liability is classified as held for trading if it has been acquired principally for the purpose of repurchasing it in the near term; or if on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or if it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; if the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or if it forms part of a contract containing one or more embedded derivatives.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the consolidated statement of loss and comprehensive loss.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Compound financial instruments

Compound financial instruments have both a liability and an equity component from the issuer's perspective. As per IAS 32, the component is accounted for and presented separately according to its substance based on the definitions of liability and equity. The split is made at issuance and not revised for subsequent changes in market interest rates, share prices, or other event that changes the likelihood that the conversion option will be exercised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

When the initial carrying amount of a compound financial instrument is required to be allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost. The equity component of a compound financial instrument is not remeasured.

Interest, dividends, gains, and losses relating to an instrument classified as a liability should be reported in profit or loss. This means that dividend payments on preferred shares classified as liabilities are treated as expenses. Distributions (such as dividends) to holders of a financial instrument classified as equity should be charged directly against equity, not against earnings.

Transaction costs of an equity transaction are deducted from equity. Transaction costs related to an issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

THE CORPORATION HAS CLASSIFIED ALL OF ITS FINANCIAL LIABILITIES AS FOLLOWS:

Financial liability	Classification	Subsequent measurement
Trade and other payables (excluding sales tax payable)	Other financial liability	Amortized cost
Due to third-party	Other financial liability	Amortized cost
Short-term and long-term debt	Other financial liability	Amortized cost
Lease liabilities	Other financial liability	Amortized cost

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or expired. On conversion of a convertible financial liability, the Corporation derecognises the liability component carrying amount as at the date of the conversion and recognises it as equity. The initially recognized equity component of the convertible financial liability remains as equity (although it may be transferred from one line item within equity to another). There is no gain or loss that is recognised upon conversion.

Deferred financing costs

Financing costs related to debt are deferred and amortized over the term of the corresponding loans using the effective interest rate method. When one of these loans is repaid, the corresponding financing costs are charged to net results.

Revenue recognition

The Corporation's revenue is derived mainly from service providing contracts and sales of books. Revenue is recognized when it is realized or realizable and earned, that is, when performance obligations have been fulfilled in accordance with the contractual terms for service providing contracts and when the control of the goods is transferred to the customer for sales of books.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Revenue recognition occurs when the following criteria are met: there is persuasive evidence of the existence of a contract or agreement with the customer; the performance obligations are identified; the transaction price to the performance obligations can be reliably measured; and the performance obligations are satisfied.

Revenue is presented net of discounts, rebates, and other incentives granted to customers, which are recorded at the time of billing or based on the estimated amounts to be granted. The Corporation enters into various types of contracts and recognizes revenue when it has fulfilled its performance obligations in accordance with applicable standards. Revenue recognition is consistent with the reportable operating segments disclosed in Note 20.

Deferred revenue

Deferred revenue consists of payments received by the Corporation in consideration for professional services to be delivered over a certain period at contracted prices. As services are provided, the Corporation will record a portion of the deferred revenue as revenues, based on a proportionate share of services provided compared with the total estimated contractual commitment.

Restricted common shares

The Corporation agreed to issue shares to executives of the Corporation. The vesting condition is based on required service period. The stock-based compensation is based on the estimated fair value at grant date and the awards expected to vest over the vesting period. A corresponding compensation expense is recorded in equity. When a service condition is not respected, the previous stock-based compensation recognized in the consolidated statement of income and comprehensive income is reversed in the year that the non-respect of the service condition occurs.

Share-based payment transactions

The grant date fair value of equity share-based payment awards granted to employees or consultants is recognized as an administrative expense, with a corresponding increase in contributed surplus, over the period that the employees or the consultants unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service condition at the vesting date.

Share-based payment arrangements in which the Corporation receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Corporation. The Corporation measures the goods or services received, and the direct corresponding increase in equity at the fair value of the goods or services received, except when that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

Finance costs

Finance costs comprise interest expense on bank indebtedness and long-term debt, unwinding of the discount on provisions, accretion of interest, amortization of financing costs and any debt revaluation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Fair value gains or losses on derivative financial instruments, on derivative component of the preferred shares and on contingent considerations, and foreign currency gains and losses are also reported as either finance income or cost.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Non-controlling interests

The Corporation treats transactions with non-controlling interests as equity transactions changes in the Corporation's ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

Earnings per share

The Corporation presents basic and diluted earnings per share ("EPS") data for its Class "A" common shares. Basic EPS is calculated by dividing the income or loss attributable to common shareholders of the Corporation by the weighted average number of Class "A" common shares outstanding during the year, adjusted for own shares held, if any.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of Class "A" common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential Class "A" common shares, which comprise convertible debentures in shares, warrants and stock options.

Employee benefits

Short-term employee benefits

Short-term employee benefits include wages, salaries, compensated absences, and bonuses. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided or capitalized if the service rendered is in connection with the creation of a tangible or intangible asset. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Corporation has a present legal or constructive obligation to pay this amount because of past service provided by the employee, and the obligation can be estimated reliably.

Standards issued but not yet effective

On July 31, 2025, new standards, amendments to standards and interpretations have been issued but are not yet effective. Accordingly, they have not been applied in preparing these consolidated financial statements. The Corporation is currently assessing the impact that these standards will have on the consolidated financial statements. No new or revised standards have been early adopted by the Corporation during the three-month period ended October 31, 2025.

Management anticipates that all the pronouncements will be adopted in the Corporation's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's consolidated financial statements and are not listed.

i) Lack of Exchangeability — Amendments to IAS 21

The IASB issued Lack of Exchangeability to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments are effective for reporting periods beginning on or after 1 January 2025. The Corporation is not expecting to have any significant impacts on its consolidated financial statements and the notes to the consolidated financial statements considering that all its operations are in CAD and USD that are very liquid currencies globally with no lack of exchangeability risk present.

ii) Amendments to IFRS 9 and IFRS 7 – Financial Instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 financial instruments. The amendments are effective for reporting periods beginning on or after 1 January 2026. The amendments are applied retrospectively, and an early adoption is permitted. The Corporation is assessing the potential impact of the amendments; however, it does not expect them to have a material impact on the Corporation's consolidated financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

iii) Amendments to IFRS 10 - Consolidated Financial Statements re: Determination of a 'de facto agent'

The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs. The amendment is effective for reporting periods beginning on or after 1 January 2026. The Corporation is assessing the potential impact of the amendment; however, it does not expect it to have a material impact on the Corporation's consolidated financial statements.

iv) New standard IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows. The new standard applies to annual reporting periods beginning on or after January 1, 2027. Earlier adoption is permitted. The Corporation is assessing the potential impact of this standard; however, it does not expect the adoption to have a material impact on the Corporation's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the accompanying consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the consolidated financial statements of future periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements impact the following areas:

4. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS (CONT.)

Impairment of non-financial assets

Goodwill and intangible assets with definite useful life and for which amortization has not yet begun are reviewed annually for impairment and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Judgment is required in establishing whether there are indicators of impairment related to such non-financial assets. If needed, the recoverable amount of the asset or CGU is determined using the greater of fair value less costs to sell or value-in-use. Value-in-use calculations require assumptions for discount rates and estimations of the timing for events or circumstances that will affect future cash flows. Fair value less costs to sell requires management to make estimates of fair value using market conditions for similar assets as well as estimations for costs to sell.

The most sensitive assumptions used in the impairment testing model include discount rates, growth rates and estimated future cash inflows. Management believes such assumptions to be reasonable. These assumptions involve a high degree of judgment and uncertainty and reflect management's best estimates based on available information at the assessment date. Failure to meet certain of those assumptions could have an impact on the estimated recoverable value of the Corporation's CGU.

The Corporation's assets are aggregated into CGUs for the purpose of calculating impairment. CGUs identification is based on management's judgments and assessment of the CGU's ability to generate independent cash flows from other assets or groups of assets.

Judgments are also required when reviewing events or changes in circumstances that might indicate a potential indicator of impairment and that the carrying amount of an intangible asset which is amortized might not be recoverable anymore and therefore impairment testing is required. Refer to notes 7 and 8.

Impairment of financial assets

The measurement of financial assets carried at amortized cost includes management's estimates regarding the expected credit losses that are expected to be realized on these financial assets. Refer to note 19.

Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement is at amortized cost or fair value depending on the classifications of the financial instruments. Fair value is the amount of consideration that would be agreed upon in an arm's length transaction, between knowledgeable, willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Corporation has immediate access. In the absence of an active market, fair value is determined based on internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as several other variables. In determining these assumptions, external readily observable market inputs are considered as applicable. When such data is unavailable, the Corporation uses the best possible estimate. Since they are based on estimates, these fair values may not be realized in an actual sale or immediate settlement of the instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT.)

The calculation of the fair value of stock options and warrants granted require management to make estimates and assumptions about the fair value of the underlying common shares of the Corporation, expected volatility, expected life and expected forfeiture rates, which could affect the Corporation's results if the current estimates change.

When the Corporation revises its estimates and timing of payments for financial liabilities held at amortized cost, it will adjust the gross carrying amount of the amortized cost of a financial liability to reflect actual and revised estimated cash flows. The Corporation recalculates the gross carrying amount of the amortized cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in profit or loss.

Intangible assets

Management's judgment is applied, and estimates are used, in determining whether costs qualify for recognition as internally developed intangible assets. To be able to recognize an intangible asset, management must demonstrate the item meets the definition of an intangible asset in IAS 38. Management exercises significant judgment in determining whether an item meets the identifiability criteria in the definition of an intangible asset which, in part, requires that the item is capable of being separated or divided from the Corporation and sold, transferred or licensed either individually or together with a related contract or asset, whether or not the Corporation intends to do so. Judgment is required to distinguish those expenditures that develop the business as a whole, which cannot be capitalized as intangible assets and are expensed in the years incurred.

Also, to recognize an intangible asset, management, in its judgment, must demonstrate that it is probable that expected future economic benefits will flow into the Corporation and that the cost of the asset can be measured reliably. Estimates are used to determine the probability of expected future economic benefits that will flow to the Corporation. Future economic benefits include net cash flows from potential future commercial agreements and products deployment, which are dependent upon the ability of the Corporation to commercialize its products which will increase user engagement with its products, and may also include anticipated cost savings, depending upon the nature of the development project.

The Corporation capitalized internal product development costs during the three-month period ended Octobre 31, 2025 and 2024 for all new development projects and projects that, in management's judgment, represent substantial improvements to existing products. In assessing whether costs can be capitalized for improvements, management exercises significant judgment when considering the extent of the improvement and whether it is substantial, whether it is sufficiently separable and whether expected future economic benefits are derived from the improvement itself. Factors considered in assessing the extent of the improvement include, but are not limited to, the degree of change in functionality and the impact of the project on the ability of the Corporation to attract users to its products and increase user engagement with its products. Costs which do not meet these criteria, such as enhancements and routine maintenance, are expensed when incurred.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of KDA and its subsidiaries' ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT.)

Provisions

Provisions recognized in the consolidated financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Corporation. In determining whether an outlay will be material, the Corporation considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported. Refer to note 23.

Going concern

The assessment of the Corporation's ability to generate revenue and positive cash flow from operating activities and to raise sufficient funds to pursue its continuity and business growth strategy involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that management believed to be reasonable under the circumstances.

Share-based compensation

The Corporation uses the fair value method of accounting for its long-term incentive plans, which includes the Incentive Stock Option Plan and Restricted Common Shares ("RCS"). The fair value method of accounting is also used for the measurement of the Corporation's long-term debts and issued warrants. Estimates and assumptions are used in the appropriate valuation models to determine fair value. For these financial instruments fair valuation, the Corporation uses the Black-Scholes option pricing model which requires that management to determine the expected life of the option and to apply assumptions for the anticipated volatility of the share price over the life of the option, the risk-free interest rate for the life of the option and forfeiture rate. Refer to note 15.

5. RECEIVABLES

	October 31, 2025	July 31, 2025
	$	$
Account receivables	**146,908**	28,898
Balance receivable on the financing closed on May 29, 2025	**-**	1,000,000
Sales taxes	**60,373**	19,111
Tax credits R&D	**371,479**	371,479
Total	**578,760**	1,419,488

6. PROPERTY AND EQUIPMENT

	Leasehold improvements	Computer equipment	Furniture and fixtures	Total
	$	$	$	$
Cost				
Balance as at July 31, 2025	525	25,075	4,160	29,760
Additions	-	1,650	-	1,650
Balance as at October 31, 2025	**525**	**26,725**	**4,160**	**31,410**
Depreciation				
Balance as at July 31, 2025	525	17,102	2,045	19,672
Depreciation for the year	-	2,099	425	2,524
Balance as at October 31, 2025	**525**	**19,201**	**2,470**	**22,196**
Net carrying value as at October 31, 2025	**-**	**7,524**	**1,690**	**9,214**

	Leasehold improvements	Computer equipment	Furniture and fixtures	Total
	$	$	$	$
Cost				
Balance as at July 31, 2024	525	22,875	4,160	27,560
Additions	-	2,200	-	2,200
Balance as at July 31, 2025	**525**	**25,075**	**4,160**	**29,760**
Depreciation				
Balance as at July 31, 2024	525	11,250	1,717	13,492
Depreciation for the year	-	5,852	328	6,180
Balance as at July 31, 2025	**525**	**17,102**	**2,045**	**19,672**
Net carrying value as at July 31, 2025	**-**	**7,973**	**2,115**	**10,088**

7. INTANGIBLE ASSETS

			Technology assets		
	Software	Web sites	Acquired rights (1) (2) (3)	Development costs (1) (3) (4)	Total
	$	$	$	$	$
Cost					
Balance as at July 31, 2025	310,000	95,266	4,775,000	8,790,739	13,971,005
Additions		-	-	442,483	442,483
Balance as at October 31, 2025	**310,000**	**95,266**	**4,775,000**	**9,233,222**	**14,413,488**
Amortization					
Balance as at July 31, 2025	137,151	59,614	953,635	3,415,473	4,565,873
Amortization for the year	15,222	7,939	119,375	748,535	891,071
Balance as at October 31, 2025	**152,373**	**67,553**	**1,073,010**	**4,164,008**	**5,456,944**
Net carrying value as at October 31, 2025	**157,627**	**27,713**	**3,701,990**	**5,069,214**	**8,956,544**

			Technology assets		
	Software	Web sites	Acquired rights (1) (2) (3)	Development costs (1) (3) (4)	Total
	$	$	$	$	$
Cost					
Balance as at July 31, 2024	310,000	78,291	4,775,000	7,448,414	12,611,705
Additions		16,975	-	1,679,642	1,696,617
Tax dredit R&D	-	-	-	(337,317)	(337,317)
Balance as at July 31, 2025	**310,000**	**95,266**	**4,775,000**	**8,790,739**	**13,971,005**
Amortization					
Balance as at July 31, 2024	75,151	31,153	476,135	959,247	1,541,686
Amortization for the year	62,000	28,461	477,500	2,456,226	3,024,187
Balance as at July 31, 2025	**137,151**	**59,614**	**953,635**	**3,415,473**	**4,565,873**
Net carrying value as at July 31, 2025	**172,849**	**35,652**	**3,821,365**	**5,375,266**	**9,405,132**

7. INTANGIBLE ASSETS (CONT.)

(1) The development costs include four distinct platforms, each at different stages of completion. The electronic prescription platform for Canada and the United States, totaling $1,367,268, began its deployment during the fiscal year ended July 31, 2024, and has been amortized since August 2023. The related platform initially acquired ownership rights of $4,775,000 were also amortized since deployment. The pharmaceutical platform's functionality Adherize began its deployment in May 2024, and Medherize functionality in November 2024 and have been amortized since then. Tax credits recognized net of the intangible assets' costs are related to research and development expenditures incurred for the Corporation's innovation activities related to the development of the online pharmaceutical platform. During the fiscal year ended July 31, 2025, the Corporation collected tax credits totaling $166,664 and recognized a provision of $337,317.

(2) On March 9, 2021, the Corporation entered into a Technology Purchase Agreement with ZoomMed Medical Inc. pursuant to which the Corporation acquired the ownership rights in the ZRx Prescriber to develop, commercialize and exploit the ZRx Prescriber in the United States, Europe and the United Kingdom in consideration for 20,000,000 Class A shares. The consideration was measured at $4,000,000 in reference to the shares issued of the Corporation as at May 11, 2021. On July 28, 2023, the Corporation acquired the ownership rights in the ZRx Prescriber from ZoomMed Medical to develop, commercialize and exploit the ZRx Prescriber in the rest of the world (excluding Canada) in exchange for 10,000,000 Class A shares. The consideration was measured at $750,000 in reference to the shares issued of the Corporation as at May 11, 2021. Refer to note 15 – share capital and other components of equity.

(3) During the year ended July 31, 2025, the Corporation identified potential impairment indicators related to the Technology CGU.

(4) The total cumulative amortization of development costs as at October 31, 2025, amounted to $5,533,223 ($3,415,473 as at July 31, 2025) of which $1,181,780 ($911,513 as at July 31, 2025) was related to the electronic prescription platform for Canada and the United States and $4,351,443 ($2,503,960 as at July 31, 2025) for both Adherize and Medherize functionalities, which became ready for commercialization for external use during the fiscal year ended July 31, 2024.

Management identified two CGUs of Group KDA, "Groupe Technologique" and "Covapharm", which generate cash inflows that are largely independent from one another. During the year ended July 31, 2025, management identified a potential impairment indicator of the CGU "Groupe Technologique". Consequently, an impairment test was performed as at year end July 31, 2025 to determine the recoverable amount of the CGU by estimating its value-in-use. The calculation of the value-in-use was based on management forecasted adjusted EBITDA figures for the coming five years, a Weighted Average Cost of Capital ("WACC") discount rate of 35% and an EBITDA multiple of 2.86 on the terminal value. The value-in-use estimated by management exceeded the CGU carrying amount, consequently, no impairment was booked during the year ended July 31, 2025.

8. GOODWILL

Covapharm Inc.	$
Balance as at October 31, 2025	**151,085**
Balance as at July 31, 2025	**151,085**

Goodwill is subject to an annual impairment test at the same reporting date every year, or earlier if any significant impairment indicators were identified by management. The above Goodwill is the result of the acquisition of Covapharm Inc. during the year ended July 31, 2023 and its purchase price allocation finalization during the year ended July 31, 2024.

9 . RIGHT OF USE OF ASSETS

	October 31, 2025	July 31, 2025
Rental lease	**$**	**$**
Gross book value		
Balance, at beginning of the year	335,418	335,418
Terminations	(335,418)	-
Balance, at end of the year	**-**	**335,418**
Depreciation		
Balance, at beginning of the year	259,949	226,407
Depreciation for the year	5,590	33,542
Terminations	(265,539)	-
Balance, at end of the year	-	259,949
Net book value, at end of the year	-	75,469

10. TRADE AND OTHER PAYABLES

	At October 31, 2025	At July 31, 2025
	$	$
Trade payables and accrued liabilities	**681,557**	**770,233**
Salaries and vacation payable	**230,117**	**247,522**
Advance from shareholder	**67,500**	**75,000**
Advance to directors	**90,000**	**-**
Total	**1,069,174**	**1,092,755**

11. DUE TO THIRD-PARTY

On June 30, 2021, Strides Pharma Canada Inc, (« Strides ») exercised its call option to buy the remaining 20% ownership of Pharmapar Inc. for $1. The Corporation incurred a loss on sale of investment of $999,999. This loss was recorded in the consolidated statement of other comprehensive loss. Following the sale of the investment, the Corporation reclassified all previous loss recorded in the consolidated statement of other comprehensive loss resulting in a reclassification to profit and loss of $999,999. The amount payable under the share sale agreement of the initial 80% ownership signed on February 15, 2019, is $493,903. The amount bears an annual interest of 5% and the balance as at October 31, 2025, and July 31, 2025, is $128,453.

12. SHORT-TERM DEBT

On March 4, 2025, the Corporation obtained financing in the amount of $500,000, secured by its research and development tax credits for the fiscal years ended July 31, 2023 and 2024. The loan is repayable within five (5) days following the receipt of the related tax credits and bears interest at a rate of 1% per month.

	October 31, 2025	July 31, 2025
	$	$
Balance, at beginning of the year	**350,000**	-
Additions	**-**	500,000
Payments	**-**	(150,000)
Balance, at end of the year	**350,000**	350,000

The remaining balance of $300,000, classified as short-term debt on the statement of financial position, is related to a long-term debt for which the maturity is within the twelve months period after year end July 31, 2025 (note 13).

13. LONG-TERM DEBT

	At October 31, 2025	At July 31, 2025
	$	$
Short-term loan for a period of three months at a rate of 11%.	**300,000**	-
Loan bearing interest [1] [2], bearing interest at 11% fully repayable on September 21, 2025	**-**	300,000
Total	**300,000**	300,000
Current maturity of long-term debt (note 12)	**300,000**	300,000
Total long-term debt portion	**-**	-

(1) During the year ended July 31, 2024, the Corporation did a refinancing of its outstanding debt as at July 31, 2023 for $750,000 through the issuance of convertible debenture and a term loan with a face value of $450,000 and $300,000, respectively. The debenture is convertible into 4,500,000 Class A shares of the Corporation at anytime by the holder at a conversion price equal to $0.10 per share. The conversion option has been initially recognized as an equity component and valued at $101,403 upon issuance, using the residual value approach.

(2) On November 27, 2024, the holder of the convertible debenture exercised its right to convert the entire principal amount of $450,000 to Class A shares of KDA, representing a total of 4,500,000 Class A shares of KDA. The term loan of $300,000, maturing originally on September 21, 2025, was renewed and the Corporation is still negotiating with the lender the new terms and conditions.

Principal payments

	At October 31, 2025	At July 31, 2025
	$	$
Less than 1 year	**300,000**	300,000
Between 1 and 5 years	**-**	-
Total	**300,000**	300,000

14. LEASE LIABILITIES

	At October 31, 2025	At July 31, 2025
Rental lease	**$**	**$**
Gross book value		
Balance, at beginning of the year	91,839	130,401
Payments	(7,083)	(42,500)
Accreted interests (note 18)	524	3,938
Terminations	(85,280)	-
Balance, at end of the year	**-**	**91,839**

Maturities of the lease liabilities as at year end are the following:

	October 31, 2025	At July 31, 2025
	$	**$**
Less than 1 year	-	39,930
Between 1 and 5 years	-	51,909
Total	**-**	**91,839**

15. SHARE CAPITAL AND OTHER COMPONENTS OF EQUITY

Share capital

The Corporation's share capital consists only of 194,449,280 fully paid Class "A" common shares, voting and participating as at October 31, 2025 (193,499,280 as at July 31, 2025). The Corporation has authorized an unlimited number of Class "A" common shares without par value.

The common shares entitle the holders thereof to one vote per share. The holders of the common shares are entitled to receive dividends as declared from time to time. Subject to the rights, privileges, restrictions, and conditions attached to any other class of shares of the Corporation, the holders of the common shares are entitled to receive the remaining property of the Corporation upon its dissolution, liquidation or winding-up.

15. SHARE CAPITAL AND OTHER COMPONENTS OF EQUITY (CONT.)

On September 3, 2025, 200,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $30,000.

On August 13, 2025, 750,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $112,500

On May 29, 2025, the Corporation completed a private placement with accredited investors totaling 8,800,000 units at a price of $0.25 per unit for a total amount of $2,200,000 of gross proceeds. Each Unit consists of one Class A common share of KDA and one common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share of the Corporation at an exercise price of $0.35 per common share for a period of 24 months ending May 29, 2027. All securities issued pursuant to the Private Placement are subject to a mandatory four-month and one-day hold period expiring on September 30, 2025 in accordance with applicable securities regulations. No finder's fee or commission are payable in connection with the Private Placement. Management measured the financial instrument's fair value and consequently, allocated the total proceeds to the common shares, based on their traded value as at the date of the issuance, resulting in a NIL residual value to be allocated to the warrants issued. None of the warrants expired as at July 31, 2025.

On December 18, 2024, 500,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $75,000.

On December 16, 2024, 2,000,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $300,000.

On December 9, 2024, 1,000,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $150,000.

On November 27, 2024, the holder of the convertible debenture (note 14) exercised their right to convert the entire principal amount of $450,000 at a conversion price of $0.10 per Class A common share of KDA, representing a total of 4,500,000 Class A common shares.

On November 6, 2024, 1,000,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $150,000.

On October 11, 2024, 200,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $30,000.

Contributed surplus

The contributed surplus account is used to record amounts arising from the issuance of share-based payment awards in accordance with IFRS 2.

Stock option plan

The Corporation offers a stock option plan for the benefit of its directors, employees, consultants, and persons conducting investor relations activities (the "Plan"). The total number of shares which may be issued under the Plan may not exceed 35,079,856 options. The exercise price payable for each option is determined by the Board at the date of grant and may not be less than the market price of the common share at the closing price of the TSX-V the day preceding the grant date for a minimum amount of $0.10 per option.

15. SHARE CAPITAL AND OTHER COMPONENTS OF EQUITY (CONT.)

On November 19, 2024, 900,000 options were granted. The options vest over 12 months' period (25% at the grant date and 75% on the first anniversary of the grant date) and expire after 5 years from their issuance. The fair value was estimated using the Black & Scholes pricing model based on the following weighted average assumptions:

Risk free interest rate	3.07%
Expected volatility	111%
Dividend yield	NIL
Expected life	5 years
Grant date fair value	$0.16

On August 1, 2024, 14,600,000 options were granted. The options vest over 12 months' period (25% at the grant date and 75% on the first anniversary of the grant date) and expire after 5 years from their issuance. The fair value was estimated using the Black & Scholes pricing model based on the following weighted average assumptions:

Risk free interest rate	2.96%
Expected volatility	111%
Dividend yield	NIL
Expected life	5 years
Grant date fair value	$0.20

THE TABLE BELOW SUMMARIZES THE CHANGES IN THE OUTSTANDING STOCK OPTIONS:

	October 31, 2025		July 31, 2025	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance, at beginning of the year	30,366,667	0.22	14,866,667	0.14
Issuance	-	-	15,500,000	0.30
Balance, at end of the year	**30,366,667**	**0.22**	**30,366,667**	**0.22**

16. SELLING AND ADMINISTRATIVE EXPENSES

	October 31, 2025	October 31, 2024
	$	$
Salaries and fringe benefits	**180,084**	146,368
Consulting fees	**337,062**	267,578
Professional fees	**62,452**	20,148
Travel, meals and entertainment	**31,057**	17,636
Supplies and office expenses	**69,838**	75,700
Telecommunications	**4,345**	3,796
Regulatory and filing fees	**5,992**	3,144
Rental fees	**12,776**	5,319
Other	**598**	380
Sub-total	**704,204**	540,069
Share-based compensation	**32,882**	1,069,660
Total	**737,086**	1,609,729

17. ACCRETED INTERESTS

	October 31, 2025	October 31, 2024
	$	$
Lease liabilities (note 14)	**525**	1,110
Convertible debentures (note 13)	**-**	12,413
Total	**525**	13,523

18. LOSS PER SHARE

The calculation of basic net loss per share for continuing operations was based on the net loss attributable to Class A common shares of $1,523,755 for the three-month period ended October 31, 2025 ($2,394,824 for the three-month period ended October 31, 2024) and a weighted average number of Class A common shares of 194,269,389 (175,612,323 as at October 31, 2024).

The effect of potential issuances of shares under stock options, warrants and preferred shares would be non-dilutive for the years ended October 31, 2025 and July 31, 2025.

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT

Classification of financial instruments

The carrying amounts of the Corporation's financial assets and liabilities by categories are as follows:

FINANCIAL ASSETS AND LIABILITIES RECOGNIZED AT AMORTIZED COST

	At October 31, 2025	At July 31, 2025
	$	$
Cash and cash equivalents	**55,997**	133,795
Receivables	**578,760**	1,419,488
Trade and other payables	**1,069,174**	1,092,755
Due to third-party	**128,453**	128,453
Short-term debt	**650,000**	650,000
Lease liabilities	**-**	91,839

Fair value

Fair value is the estimated amount that parties dealing at arm's length would accept to exchange in settlement of a financial instrument based on the current market for instruments with the same risk, principal, and maturity date. These fair value estimates are affected by assumptions made about the amount and timing of estimated future cash flows, discount rates and terms of the contract. As a result, the fair values are not necessarily the net amounts that would be realized if such financial instruments were settled.

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT.)

The Corporation has determined that the carrying amount of its short-term financial assets and liabilities, including, receivables, cash and cash equivalent and trade and other payables, approximates their fair value because of the relatively short periods to maturity of these instruments.

Management believes that no significant change occurred in the risk of these instruments.

Fair value hierarchy

Fair value estimates are made as at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and may not be determined with precision. A three-tier fair value hierarchy prioritizes the inputs used in measuring fair value. These tiers include:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at October 31, 2025, and July 31, 2025, all financial instruments of the Corporation, excluding the embedded derivative, were considered Level 2 financial instruments.

The Corporation's policy is to recognize transfers between the different hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

Risks

In the normal course of its operations and through its financial assets and liabilities, the Corporation is exposed to the following risks:

- credit risk
- liquidity risk
- market risk

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, and processes for managing risk, and the Corporation's capital management. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Corporation's management identifies and analyzes the risks faced by the Corporation, sets appropriate risk limits and controls, and monitors risks and adherence to limits. Risk management is reviewed regularly to reflect changes in market conditions and the Corporation's activities.

The Board of Directors has overall responsibility of the Corporation's risk management framework. The Board of Directors monitors the Corporation's risks through its audit committee. The audit committee reports regularly to the Board of Directors on its activities. The Corporation's audit committee oversees how management monitors and manages the Corporation's risks.

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT.)

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Corporation's trade receivables. The Corporation grants credit to its customers in the ordinary course of business.

Management believes that the credit risk of receivables is limited as at October 31, 2025 and July 31, 2025 due to the following reasons:

- No single customer accounts for more than 10% of the Corporation's revenues; and
- Accounts receivable over 60 days are considered reliable and recoverable. These receivables are composed from financing receivables collected subsequently (note 24) and R&D tax credits receivables (note 5).

Impairment losses

THE AGING OF RECEIVABLES AT THE REPORTING DATE WAS:

	At October 31, 2025		At July 31, 2025	
			$	
	Total	**Impairment**	Total	Impairment
Not past due	**31,933**	**-**	28,898	-
Past due 1 - 30 days	**114,975**	**-**	-	-
Past due 31 - 60 days	**-**	**-**	-	-
Past due more than 60 days	**131,461**	**131,461**	131,461	131,461
Total	**278,369**	**131,461**	160,359	131,461

THE AGING OF OTHER RECEIVABLES AT THE REPORTING DATE WAS:

	At October 31, 2025		At July 31, 2025	
	$		$	
		Impairment		Impairment
Not past due	**60,373**	**-**	19,111	-
Past due 1 - 30 days	**-**	**-**	-	-
Past due 31 - 60 days	**-**	**-**	-	-
Past due more than 60 days	**371,479**	**-**	1,371,479	-
Total	**413,852**	**-**	1,390,590	

The Corporation's cash balances are maintained at major Canadian banks, which management believes to be creditworthy.

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT.)

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash inflows and cash outflows requirements from the Corporation and its subsidiaries are monitored closely and separately to ensure the Corporation optimizes its cash return on investment. Typically, the Corporation ensures that it has sufficient cash to meet expected operational expenses. The Corporation monitors its short and medium-term liquidity needs on an ongoing basis using forecasting tools.

THE FOLLOWING ARE THE CONTRACTUAL MATURITIES OF THE FINANCIAL LIABILITIES:

	Less than 1 year	Between 1 and 5 years
	$	$
Trade and other payables	1,069,174	-
Due to third-party	128,453	-
Short-term debt	650,000	-
Total	**1,847,627**	**-**

(c) Market risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument held by the Corporation will fluctuate, because of changes in interest rates. The Corporation's financial liabilities other than current liabilities, is comprised of medium to long-term variable rate debt.

THE CORPORATION'S EXPOSURE TO INTEREST RATE RISK IS SUMMARIZED AS FOLLOWS:

Cash and cash equivalents	Fixed interest rates
Receivables	Non-interest bearing
Trade and other payables	Non-interest bearing
Short-term and long-term debt	Fixed and variable interest rates

19. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT (CONT.)

A variation of 1% of the variable interest rates would not result in a significant impact on the Corporation's net loss for the years ended October 31, 2025 and July 31, 2025.

(d) 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 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 are no financial constraints 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.

20. SEGMENTED INFORMATION

In line with the Corporation's strategic plan, the Corporation provides information on the two reporting segments: Pharmaceutical Technology and Corporate.

Information pertaining to each segment for the three-month period ended October 31:

Thousands of dollars	Pharmaceutical Technology		Corporate and others		Total	
	2025	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$
Revenues	**111**	17	**8**	15	**119**	32
Net loss	**(1,059)**	(991)	**(464)**	(1,404)	**(1,523)**	(2,395)
Assets' acquisitions						
Property and equipment	**2**	-	**-**	-	**2**	-
Intangibles	**442**	480	**-**	-	**442**	480

21. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

The Corporation's related parties include companies under common control as well as key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. The transactions are measured at the value of the consideration given or received, which has been established and agreed by the parties. Outstanding balances are usually settled in cash.

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of the Corporation's Board of Directors and corporate officers.

THE KEY MANAGEMENT AND DIRECTORS RECEIVED THE FOLLOWING REMUNERATIONS:

	October 31, 2025	October 31, 2024
	$	$
Professional fees	**137,502**	137,502
Share-based compensation	**1,847**	472,362

22. CHANGES IN NON-CASH WORKING CAPITAL AND NON-CASH TRANSACTIONS

	At October 31, 2025	At October 31, 2024
	$	$
Receivables	**840,728**	120,146
Prepaid expenses	**20,336**	15,250
Trade and other payables	**(23,582)**	8,040
Subscriptions received pending Issuance	**-**	150,000
Total	**837,482**	293,436

23. 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. Also, a claim totaling $382,879 regarding a service agreement has been issued to PPR by the seller. The outcome of any further action on these matters is currently indeterminable. No adjustments have been reflected in the consolidated financial statements.

On September 10, 2021, the Corporation received a letter of formal notice claiming contractual indemnity from a former officer. As at July 31, 2024, 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 31, 2022, and is still outstanding as at July 31, 2025.

On September 21, 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 24, 2022, the Corporation sent an Originating application to the former officer requesting an amount of approximately $474,200.

No additional adjustments have been reflected in the consolidated financial statements regarding these contingencies considering the uncertainties of the outcome.

24. SUBSEQUENT EVENTS

During the months of November and December 2025, 5,600,000 warrants were exercised for 1 common share each at an exercise price of $0.15 per common share for a total cash consideration of $840,000.

On November 17, 2025, the Corporation announced the opening of its U.S. subsidiary to support the planned 2026 commercial launch of Medherize, its oncology-focused therapeutic monitoring platform.

On November 25, 2025, the Corporation entered into a share transfer agreement with ERXpert inc. to acquire 20% of the outstanding shares of its subsidiary, Groupe Technologique KDA inc., in exchange for issuing 35,000,000 common shares. The transaction remains subject to TSX approval and was still pending approval as of December 30, 2025.

On December 22, 2025, the Corporation announced a collaboration with AstraZeneca Canada to support de utility of next-generation sequencing diagnostic testing for patients with metastatic breast cancer at Hôpital du Saint-Sacrement. The collaboration agreement is non-material, is made effective as of December 2, 2025, and provides for an initial term that may be extended to three years should the project demonstrate successful outcomes.