

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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 three-month period ended October 31<sup>st</sup>, 2025, and the comparative of the Corporation’s consolidated statement of financial position as of July 31<sup>st</sup>, 2025.

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 31<sup>st</sup>, 2025, and the related notes thereto.

The unaudited consolidated financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Corporation’s Board of Directors on December 30, 2025.

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](http://www.sedar.com).

## **LOOKING-FORWARD STATEMENTS**

Certain statements contained in this MD&A are forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Although management believes that the expectations reflected in these statements are reasonable, it cannot guarantee that the stated objectives will be achieved and disclaims any obligation to update these statements, except as required by law.

## **CORPORATE INFORMATION**

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.

## **BASIS OF PRESENTATION**

These 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.

## **GOING CONCERN**

The Corporation is currently in a phase of development and integration of its technological platforms, which are designed to meet specific needs in the medical, pharmaceutical, and insurance sectors, particularly with regard to patient monitoring. This phase has enabled the Corporation to engage in promising discussions with potential partners, which, in management’s opinion, are reasonably expected to lead to commercial revenues that will support the ongoing improvement of its platforms.

However, the Corporation's ability to continue as a going concern is dependent on how clients accept and adapt to these technological changes. While the commercial opportunities are real, the integration of new technologies tends to occur more slowly due to clients' security and compliance requirements. The recent achievement of the TGV security certification represents a significant milestone that is expected to accelerate integrations and support the inflow of funds during the first and second quarters of the upcoming fiscal year, thereby helping to offset development costs.

These uncertainties are inherent in the development of innovative technologies and expose the Corporation to normal industry risks. Management remains confident in achieving the initial revenue milestones to support the Company's short- and medium-term development. During the three-month period ended October 31, 2025, the Company began generating revenues, which are expected to grow significantly in the coming months. However, despite this initial revenue generation, the Company continues to operate at a loss. The cumulative deficit amounted to \$33,105,002 as of October 31, 2025, compared with \$31,793,104 as of July 31, 2025.

In the absence of positive cash flows from its operating activities, the Corporation continues to actively explore financing options, such as obtaining bank loans, securing government grants, or entering into strategic partnerships. However, there is no guarantee that these efforts will be successful or completed within the desired timeframe.

The Corporation's ability to continue as a going concern depends on its ability to generate revenue and secure additional funding to cover its operating costs, which primarily consist of payroll expenses. These uncertainties raise significant doubt about the Corporation's ability to continue as a going concern. This may impact its ability to realize its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements have been prepared on a going concern basis. No adjustments have been recorded to reflect the potential consequences of the Corporation being unable to continue its operations. Such adjustments could be material.

## HIGHLIGHTS

- **Collaboration with AstraZeneca:** On December 22, 2025, the Corporation announced a collaboration with AstraZeneca Canada to support the 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.
- **Warrants:** The warrants related to December 2023 private placement matured on December 8, 2025, and all investors exercised their rights. Since December 2024, 11,250,000 warrants have been exercised, generating cash proceeds of \$1,687,500.
- **Partnership with CHU de Québec – Université Laval:** On December 3, 2025, the Company entered into a partnership and collaboration agreement with CHU de Québec for the deployment of its Medherize platform at the Hôpital du Saint-Sacrement.
- **Deployment of Medherize in Community Pharmacies:** Since December 1, 2025, the Medherize platform has been deployed in community pharmacies. Oncologists, patients, and pharmacists are now connected through a single digital platform.

- **Acquisition of the Minority Interest in its Subsidiary Groupe Technologique KDA Inc.:** On November 25, 2025, the Company 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 the issuance of 35,000,000 common shares.
- **U.S. Subsidiary:** On November 17, 2025, the Company announced the official opening of its U.S. subsidiary to support the planned commercial launch of Medhrize, its oncology-focused therapeutic monitoring platform, in 2026.
- **Private placement:** On May 29, 2025, KDA Group completed a private placement with accredited investors totaling 8,800,000 units at a price of \$0.25 per Unit for total gross proceeds of \$2,200,000. Each Unit consists of one Classe A 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 laws. No finder's fees or commissions are payable in connection with this private placement.
- **DSQ Certification:** On May 21, 2025, the Corporation obtained certification from the Québec Health Record (Dossier Santé Québec – "DSQ") for its Adherize+ platform.
- **Letter of Intent:** In December 2024, the Corporation signed a letter of intent with Pharmacie Horizon Santé and Dr. Éric Poirier, surgical oncologist, to integrate the innovative Medherize platform.
- **Convertible Debenture Conversion:** On November 27, 2024, the holder of the convertible debenture exercised their right to convert the entire principal amount of \$450,000 at a conversion price of \$0.10 per Class A share of KDA Group Inc., resulting in the issuance of a total of 4,500,000 Class A shares of KDA Group.
- **Strategic Partnerships:** In November 2024, the Corporation welcomed the Honourable Jean Charest as a strategic advisor. Mr. Jean Charest brings valuable expertise in governance, public policy, and international affairs to the team.
- **Launch of the Medherize Platform:** On August 1, 2024, the Corporation launched the Medherize platform, an innovation developed in collaboration with physicians, pharmacists, and patients. This platform aims to improve the quality of care and support for healthcare professionals and patients.

## OVERVIEW OF THE CORPORATION'S EVOLUTION

The Corporation started as a provider of pharmacy staffing and professional training services. Through a targeted acquisition strategy, the Corporation evolved into a leading provider of solutions and services to pharmacies and pharmaceutical companies across Canada. Today, it focuses on the development and commercialization of innovative technological products aimed at the rapidly growing healthcare market.

Its portfolio of digital health solutions addresses critical gaps in clinical efficiency, therapeutic adherence, and interprofessional collaboration. Each platform is purpose-built to support healthcare professionals and patients through intuitive, secure, and scalable technology. Together, these solutions embody KDA's commitment to improving clinical outcomes while creating sustainable value for all stakeholders.

The development of its technological products includes four different platforms:

**Adherize+** is an intelligent patient engagement platform designed to monitor treatment adherence and provide

tailored interventions. By combining smart reminders, automated follow-ups, and analytics powered by intelligent algorithms, Adherize+ enhances communication between healthcare providers and patients, supporting chronic care management across a range of conditions.

**Medherize**, a specialized module of Adherize+, focuses on patients undergoing complex therapies such as oral oncology treatments. It offers real-time tracking of side effects, automated dose management, and interprofessional alerts, ensuring that treatment plans are adjusted proactively in collaboration with the care team. Medherize addresses the high risk of treatment abandonment in oncology and helps optimize outcomes through structured, data-informed interventions.

**KRx** is an advanced electronic prescription platform that simplifies and secures the prescribing process for medical clinics. It integrates directly with clinic management systems, enabling physicians to access drug indications, detect interactions, transmit prescriptions electronically, and adapt the platform to their practice habits over time. KRx supports safer prescribing practices while reducing administrative burden.

**CareMedic** is our integrated digital health record and care coordination platform. It centralizes patient information—including medical history, lab results, allergies, and medication schedules, and enables secure communication among providers and with patients. Through its mobile application and customizable tools, CareMedic improves continuity of care and promotes patient empowerment, all while meeting the highest standards in data privacy and regulatory compliance.

Together, these four platforms position the Corporation as a leader in digital health innovation, capable of delivering connected solutions that address the most pressing challenges in the healthcare sector. Our technologies are designed not only to improve clinical outcomes and reduce system inefficiencies, but also to generate sustainable and recurring revenues as adoption increases.

## KEY INTANGIBLE ASSETS AND STRATEGIC COMPONENTS

### Intellectual Property

The Corporation holds licenses as intellectual property rights related to the technologies and solutions it develops for the digital health market. Among these, the rights associated with the **KRx** and **CareMedic** platforms are considered strategic assets. These licenses are fundamental to protecting the Corporation's technological innovations and are central to its product differentiation strategy in an increasingly competitive market.

### Development Costs

During the fiscal year ended July 31, 2025, the Corporation continued to invest in the enhancement, validation, and regulatory compliance of its platforms. Notable milestones include the commercial launch of Medherize in August 2024 and the DSQ certification of Adherize+ in May 2025, both key to supporting future commercialization efforts.

Development costs primarily consist of labor-related expenses (salaries and consulting fees) and are fully capitalized in accordance with IFRS. Amortization of these costs begins once pilot projects are initiated.

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Fiscal year ended October 31<sup>st</sup>, 2025**

The table below provides a breakdown of capitalized development costs as of October 31, 2025 and July 31, 2025:

	October 31, 2025	July 31, 2025
	\$	\$
<b>Opening balance</b>	<b>8,790,739</b>	7,448,414
Salaries and employee benefits	<b>353,983</b>	1,315,015
Consulting fees	<b>88,500</b>	353,841
Certification, compliance, and other costs	-	10,786
R&D tax credit – Adjustment	-	(337,317)
<b>Closing balance</b>	<b>9,233,222</b>	8,790,739

### Financial Impact

During the three-month period ended October 31, 2025, the Medherize platform began generating revenues, which are expected to grow significantly once the pilot project is completed.

Management considers that the ongoing investments are essential to ensure future commercial success and to achieve medium-term profitability, in line with a business model focused on recurring and scalable revenues.

Development costs continue to impact the Corporation’s short-term profitability. However, these investments are expected to generate returns over the medium and long term, as the developed solutions are brought to market. The Corporation anticipates continued accumulated deficits until revenues from the commercialization of its technologies reach a level sufficient to offset these costs.

To support its investments, the Corporation is actively exploring various financing options, including equity issuance, the establishment of strategic partnerships, and the pursuit of external funding. However, there is no assurance that such financing will be available or obtained under favorable terms.

### Conclusion

Ongoing investments in the development of the Corporation’s technological products are critical to its long-term growth. Management remains confident that these efforts will position the Corporation to capitalize on the rapid expansion of the connected healthcare market. Nonetheless, these expenditures pose a short-term financial challenge, and the Corporation will need to continue managing its financial resources prudently while seeking additional funding opportunities.

### SIGNIFICANT SUBSIDIARIES – OWNERSHIP PERCENTAGE

Corporation	Nature of Services	October 31 <sup>st</sup> , 2025	July 31 <sup>st</sup> , 2025
Groupe Technologique KDA inc.	Digital Health Software	<b>80%</b>	<b>80%</b>

**FINANCIAL POSITION**  
**SELECTED ANNUAL INFORMATION**

	October 31, 2025	July 31, 2025
	\$	\$
Cash and cash equivalents	55,997	133,795
Receivables	578,760	1,419,488
Non-current assets	9,116,843	9,641,774
<b>Total Assets</b>	<b>9,787,458</b>	11,251,251
Payables	1,069,174	1,092,755
Short-term and long-term debt	650,000	650,000
<b>Total Liabilities</b>	<b>1,923,152</b>	2,038,572
<b>Total Equity</b>	<b>7,864,306</b>	9,212,679

The decrease in cash since July 31, 2025 is primarily explained by the development costs of various platforms described earlier and the operating expenses for the period.

The decrease of \$840,728 in accounts receivable is mainly attributable to the collection of the \$1,000,000 balance receivable from the financing closed on May 29, 2025.

Non-current assets amounted to \$9,116,843 as of October 31, 2025, compared with \$9,641,774 as of July 31, 2025. The \$524,931 decrease during the three-month period ended October 31, 2025, is explained by acquisitions totaling \$444,133, offset by amortization of \$899,185 and the cancellation of a lease recorded as an asset under the right-of-use according to IFRS 16 – Net value of \$69,879.

The slight decrease in liabilities is related to the Company's ongoing operations.

Shareholders' equity decreased by \$1,348,373 since July 31, 2025, with the changes detailed as follows:

- Increase in share capital of \$142,500 from the exercise of warrants.
- Increase in contributed surplus of \$32,882 resulting from the fair value of options granted.
- Increase in accumulated deficit of \$1,523,755, corresponding to the deficit for the three-month period ended October 31, 2025.

**NET INCOME AND COMPREHENSIVE INCOME**  
**SELECTED ANNUAL INFORMATION**

Unaudited	For the three-month periods ended October 31 <sup>st</sup>	
	2025	2024
	\$	\$
Revenues	<b>118,608</b>	32,096
Expenses	<b>(867,910)</b>	(746,142)
Gross margin	<b>(749,302)</b>	(714,046)
Selling and administrative expenses	<b>737,086</b>	1,609,729
Amortization	<b>31,275</b>	32,757
Net finance costs	<b>21,493</b>	35,753
Profit on lease termination	<b>15,041</b>	-
Net loss and comprehensive loss	<b>(1,523,755)</b>	(2,394,824)
Net loss per share, basic and diluted	<b>(0.008)</b>	(0.014)

The increase in revenues for the three-month period ended October 31, 2025, compared with the same period in 2024, is primarily attributable to the Medherize platform. Although the pilot project is still ongoing, preliminary results are encouraging and demonstrate the potential value of our solution. Furthermore, the partnership established with CHU enhances the credibility of and confidence in our technology. These developments have allowed the platform to begin generating revenues, although they remain modest at this stage.

Direct costs consist of the amortization of development expenses for the three-month periods ended October 31, 2025, and 2024.

The decrease in operating expenses is explained by the value attributed to stock options, which amounted to \$32,882 for the three-month period ended October 31, 2025, compared with \$1,069,660 for the three-month period ended October 31, 2024.

## CASH FLOW

Unaudited	For the three-month periods ended October 31 <sup>st</sup>	
	2025	2024
	\$	\$
Operating activities	<b>230,918</b>	(229,305)
Investing activities	<b>(444,133)</b>	(480,467)
Financing activities	<b>135,417</b>	19,375
Net increase (decrease) in cash	<b>(77,798)</b>	(700,397)

Overall, the various activities presented in the statement of cash flows consist of the same elements for the three-month periods ended October 31, 2025, and 2024.

Cash flows from operating activities are primarily attributable to the non-cash components of working capital.

Cash flows from investing activities mainly reflect the capitalization of development expenses.

Cash flows from financing activities are attributable to the issuance of shares following the exercise of warrants.

## LIQUIDITY AND FINANCING

As long as the Corporation is unable to generate positive cash flows from its operations, it will continue to explore alternatives to raise additional financing, which may include equity and/or debt financing or entering into strategic partnerships or other agreements.

During the past year, management has undertaken several actions to improve the Corporation's financial position.

- The warrants related to the December 2023 private placement matured on December 8, 2025, and all investors exercised their rights. Since December 2024, 11,250,000 warrants have been exercised, generating cash proceeds of \$1,687,500.
- On December 3, 2025, the Company entered into a partnership and collaboration agreement with CHU de Québec for the deployment of its Medherize platform at Hôpital du Saint-Sacrement.
- On December 1, 2025, the Medherize platform was deployed in community pharmacies. Oncologists, patients, and pharmacists are now connected through a single digital platform.
- On May 29, 2025, as part of a private placement, the Corporation issued 8,800,000 common shares at a price of \$0.25 per share, for a total of \$2,200,000.
- On May 21, 2025, the Corporation obtained certification from the Dossier Santé Québec ("DSQ") for its Medherize platform, and a pilot project began at the end of June 2025. The deployment of this platform is planned during the next fiscal year, which is expected to generate increased revenues.
- On March 4, 2025, an investor financed the 2023 and 2024 tax credits for a total amount of \$500,000.

- On November 27, 2024, the holder of the convertible debenture exercised their right to convert the total principal amount of \$450,000 at a conversion price of \$0.10 per Class “A” share of Groupe KDA Inc., representing a total of 4,500,000 Class “A” shares of Groupe KDA.

Thanks to these initiatives, cash flows are improving, and management believes that the Corporation has the necessary resources to continue its operations for the next twelve months.

## **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 sound capital position.

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

## **RELATED PARTY TRANSACTIONS**

The related party transactions are disclosed in note 21 of the consolidated interim financial statements as of October 31, 2025.

## **FINANCIAL RISKS, MANAGEMENT OBJECTIVES AND POLICIES**

Financial risks, management objectives and policies are described in note 2 of the consolidated interim financial statements as of October 31, 2025.

## **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 do 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.

**Risk Related to History of Recurring Losses and Accumulated Deficits** – The Corporation has incurred recurring losses in previous fiscal years and carries a significant balance of accumulated deficits. This situation may affect its ability to attract investors, secure additional financing, or enter into strategic partnerships.

There is no assurance that the Corporation will achieve profitability in the future or generate sufficient cash flows to finance its operations and meet its financial obligations. Continued losses may limit the Corporation's ability to execute its growth strategy and increase its reliance on external capital, the availability and terms of which remain uncertain.

To mitigate this risk, management is implementing initiatives aimed at optimizing costs, improving operational efficiency, and accelerating the generation of sustainable revenue.

**Risk Related to Negative Cash Flows from Operating Activities** – The Corporation may experience negative cash flows from its operating activities due to significant expenditures associated with the development, commercialization, and expansion of its operations. Insufficient cash generated from operations may require the Corporation to seek additional external financing to meet working capital requirements and support strategic investments.

However, there can be no assurance that the Corporation will be able to secure adequate financing on favorable terms or in a timely manner. Persistent negative cash flows could impair the Corporation's ability to meet its financial obligations, hinder its growth initiatives, and ultimately affect its long-term viability. Management continuously evaluates cost optimization measures and alternative sources of funding in order to mitigate this risk.

**Risk Related to Lack of Significant Revenue from Customer Contracts** – Although the Company has begun generating revenues from client contracts, these remain modest at this stage. There is therefore a risk that current revenues may not be sufficient to cover all operating costs or support the anticipated growth.

However, the Company believes that the development of strategic partnerships, notably with recognized institutions such as CHU de Québec, as well as the deployment of Medherize in community pharmacies, could accelerate revenue generation and contribute to realizing the commercial potential of its platform.

**Availability of Capital** – The Corporation's ability to continue as a going concern is highly dependent on its capacity to secure additional financing to support the ongoing development of its technology products, cover operating expenses, and implement its commercialization strategies.

In the absence of significant revenue from sales or commercial contracts, the Corporation primarily funds its operations through the issuance of equity securities or financing arrangements. Failure to obtain additional capital—whether due to unfavorable market conditions, increased perceived risk by investors, or underwhelming financial performance—could result in the delay, slowdown, or termination of ongoing projects.

Furthermore, access to capital on acceptable terms is not guaranteed. Should the Corporation be forced to accept unfavorable financing terms (e.g., high dilution, restrictive covenants, reduced valuation), this could negatively impact its capital structure, investor confidence, and long-term strategic flexibility.

In addition, any difficulty in raising necessary funds could compromise the Corporation's ability to attract and retain key talent, meet contractual obligations, or sustain its day-to-day operations.

Nevertheless, management remains confident in its ability to structure financings on favorable terms while maintaining a balanced capital structure that supports long-term value creation for shareholders. The Corporation's growing market position and the favorable outlook for the digital health technology sector also support its future capacity to mobilize the necessary resources.

**Risk Related to Capital Dilution in the Pursuit of Additional Financing** - The Corporation may be required to raise additional funds to finance its operations, support growth initiatives, and meet working capital needs. Such capital raising efforts may involve the issuance of additional common shares or other financial instruments convertible into equity, which could result in the dilution of existing shareholders' ownership.

There is no assurance that the Corporation will be able to obtain financing on favorable terms or without significantly impacting the value of current shareholders' holdings. Excessive dilution could also negatively affect market perception and impair the Corporation's ability to attract new investors.

To mitigate this risk, the Corporation actively explores various non-dilutive financing alternatives, including strategic partnerships, government funding programs, and short-term debt instruments, in order to preserve shareholder value while meeting its financing needs.

**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.

To reduce its reliance on the renewal of credit facilities, the Corporation maintains proactive communication with its financial partners and continuously explores alternative short- and medium-term financing solutions. It also exercises strict cash flow management to meet its financial obligations as they come due.

**Credit Risks** – The Corporation is currently generating limited revenue and does not have a significant history of sales. As a result, no conclusions can be drawn regarding the concentration or diversification of credit risk related to accounts receivable. Management intends to implement credit risk management policies once commercial activities reach a level that warrants such an assessment.

**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.

The Corporation has implemented strategies to support the retention of key personnel, including flexible work

arrangements, recognition programs, and the active involvement of employees in strategic initiatives. It also continues targeted recruitment efforts to attract specialized talent aligned with its growth objectives.

**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.

To mitigate this risk, the Corporation follows an iterative approach in the development of its technological solutions, incorporating validation phases with key partners and potential users. It also maintains ongoing market and technology monitoring to guide its development priorities. This approach aims to align product development with market expectations while reducing time-to-market.

**Cybersecurity Risks** – The Corporation is increasingly exposed to cybersecurity risks, including intrusions, malware attacks, data breaches, phishing attempts, and advanced persistent threats. Despite the implementation of security systems, no measure provides absolute protection, and certain attacks may go undetected or may not be prevented in time.

A data security breach, whether caused by a technical failure, human error, or malicious activity, could compromise the confidentiality, integrity, or availability of the Corporation’s or its clients’ data. Such events could damage the Corporation’s reputation, result in financial losses, service interruptions, legal proceedings, and a loss of trust from clients and partners.

The Corporation continues to invest in protecting its systems but acknowledges that the threat landscape is constantly evolving and requires ongoing vigilance and adaptation.

**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 on the Corporation’s business, operating results or financial condition.

**Operating Environment** – The Corporation operates in a transforming environment, characterized by growing demand for health technology solutions. This dynamic creates opportunities for innovation but also presents significant challenges related to competition, regulatory requirements, and the gradual adoption of technology by industry stakeholders.

As a developing company, the Corporation must navigate with limited resources in a complex market where sales cycles are often lengthy. It relies on its agility and technological expertise to adapt to these conditions and

position its solutions in response to the real needs of healthcare professionals and patients.

**Interest Rate Fluctuations** – Changes in interest rates could affect future financing conditions, although their impact is currently limited due to the absence of significant indebtedness.

**Volatility of Common Share Market Price** – The market price of the Corporation’s common shares may fluctuate significantly, independently of its actual financial performance or outlook. These fluctuations can be influenced by various factors, including anticipated operating results, changes in the industry, movements in financial markets, strategic announcements (mergers, acquisitions, partnerships), or external events such as regulatory or economic changes.

Such volatility could affect the Corporation’s ability to raise capital, reduce the liquidity of the common shares, and lead to temporary or sustained discrepancies between the market value of the securities and the fundamental value perceived by investors. There is no guarantee that an active and liquid market for the common shares will persist, which could complicate the resale of these securities.

To mitigate this risk, the Corporation strives to maintain transparent, regular, and balanced communication with the market by providing relevant updates on its operations, technological advancements, and business outlook. This approach aims to strengthen long-term investor confidence and reduce discrepancies between the Corporation’s fundamental value and its market valuation.

**Internal Controls and Compliance Obligations** – The Corporation has implemented internal controls over financial reporting to provide reasonable assurance regarding the reliability of its financial reports and the compliance of its financial statements with IFRS standards. While these controls are designed to mitigate the risk of errors or fraud, they cannot provide absolute assurance.

Any weaknesses in the design, implementation, or maintenance of these controls could compromise the quality of financial information, affect the Corporation’s operating results, hinder its ability to meet regulatory obligations, or even necessitate restatements of prior financial statements.

Management recognizes that any control system has inherent limitations, including those related to erroneous judgments, human error, collusion, or intentional circumvention by management. Furthermore, available resources require balancing control effectiveness with cost.

Deficiencies in internal controls or disclosure controls could undermine investor confidence in the published financial information, potentially leading to a decline in the market price of the Corporation’s common shares. Therefore, management remains committed to maintaining, assessing, and continuously improving the effectiveness of its internal controls and disclosure controls.

## FINANCIAL INSTRUMENTS

Financial instruments are described in Note 19 of the unaudited consolidated interim financial statements as at October 31, 2025.

## **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 10<sup>th</sup>, 2021, the Corporation received a letter of formal notice claiming contractual indemnity from a former officer. As of July 31<sup>st</sup>, 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 31<sup>st</sup>, 2022.

On September 21<sup>st</sup>, 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<sup>th</sup>, 2022, the Corporation filed an Originating Application against 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.

## **STATEMENT OF COMPLIANCE WITH IFRS**

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as of October 31, 2025.

## **NEW ACCOUNTING STANDARDS ADOPTED**

No new accounting standards were adopted during the fiscal year ended July 31, 2025.

## **OUTLOOK**

The Corporation will continue to grow and aims to begin marketing an electronic adherence platform to establish connections between patients, doctors, pharmacies, and insurance companies. Regarding our electronic prescription system, we are in discussions with certain countries in Asia, the Middle East, and some groups in the United States to implement 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.sedarplus.ca](http://www.sedarplus.ca) and on our website [www.kdagroup.ca](http://www.kdagroup.ca).



**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Fiscal year ended October 31<sup>st</sup>, 2025**

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**GENERAL INFORMATION**

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

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Marc Lemieux

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Patrick Fernet, Chair of the audit committee  
Michael W. Kinley  
Marc Lemieux, Chairman  
Jean-Marc Léveillé

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