Management Discussion and Analysis
(Expressed in Canadian Dollars)

KANE BIOTECH INC.

Three and nine months ended September 30, 2025 and 2024

KANE BIOTECH INC.

Management Discussion and Analysis

The following management discussion and analysis ("MD&A") covers information up to November 26, 2025 and should be read in conjunction with, the Company's audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2024, together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2025 and 2024 which have been prepared using IFRS® Accounting Standards as issued by the International Accounting Standards Board, as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *"Interim Financial Reporting*". All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding Kane Biotech Inc. ("Kane Biotech", "Kane" or the "Company") is available on SEDAR at www.sedarplus.ca and on the Company's website at www.kanebiotech.com.

This MD&A has been prepared to help investors understand the financial performance of the Company in the broader context of the Company's strategic direction, the risks and opportunities as understood by management, and the key success factors that are relevant to the Company's performance. Management has prepared this document in conjunction with its broader responsibilities for the accuracy and reliability of the condensed interim consolidated financial statements, as well as the development and maintenance of appropriate information systems and internal controls to ensure that the financial information is complete and reliable. The Audit Committee and the Board of Directors have reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability, and consistency.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains certain forward-looking information and statements within the meaning of securities law which may not be based on historical fact, including without limitation statements containing the words "believes,", "should", "may," "plan," "will," "estimate," "predict," "continue," "anticipates," "potential", "intends," "expects," or other similar expressions. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events, or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, risks associated with the completion of clinical trials and obtaining regulatory approval to market the Company's products, the ability to protect its intellectual property and dependence upon collaborative partners. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements are made as of the date hereof, and the Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's ongoing business and/or the availability of financing on reasonable terms;
- our ability to successfully grow sales and distribution of our products;
- our ability to increase use of our products by existing and new customers;
- market competition;
- the Company's costs of trials;
- the Company's ability to attract and retain skilled staff;
- general business and economic conditions;
- interest rates and foreign exchange rates;
- the timing of the receipt of regulatory and governmental approvals for the Company's research and development projects;
- tax benefits and tax rates;
- and, the Company's ongoing relations with its employees and with its business partners.

Management cautions you, the reader, that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.

BUSINESS OVERVIEW

Kane Biotech is engaged in the commercialization, research and development of technologies and products that prevent and

remove microbial biofilms. Biofilms are thin films that develop when bacteria and other microorganisms form a protective matrix that acts as a shield against attack. Biofilms attach to and grow on living and inert surfaces. When protected by a biofilm, bacteria become up to 1000 times more resistant to antibiotics, antimicrobials, biocides and host immune responses. Biofilms can release bacteria into the bloodstream and potentially seed other tissue sites, therefore physically removing the biofilm is key to preventing or treating a chronic wound.

According to the United States National Institutes of Health, biofilms are estimated to be responsible for 80% of all bacterial infections including chronic wound infections, chronic inflammatory skin disorders and wounds, medical device-associated and hospital acquired infections. As a result, there is significant interest in safe and effective products that can treat and prevent biofilms.

Kane Biotech has a portfolio of technologies, intellectual property (patents, patents pending and trademarks) and products developed by the Company's own biofilm research expertise and acquired from leading research institutions. DispersinB®, coactiv+™, coactiv+®, DermaKB™, DermaKB Biofilm™, revyve™ and revyve® are trademarks of Kane Biotech. Kane Biotech's mission is to develop new approaches and participate in the chronic wound market by entering into licensing and distribution agreements with those who supply the wound care market.

The Company is listed on the TSX Venture Exchange (the "TSXV") under the symbol "KNE".

CORPORATE UPDATE

Kane Biotech is continuing to focus its efforts and financial resources primarily on the four verticals of its revyve biofilm dispersion wound care product portfolio. This includes ongoing commercialization efforts related to its US FDA 510(k) cleared and Health Canada approved revyve Antimicrobial Wound Gel and its US FDA 510(k) cleared revyve Antimicrobial Wound Gel Spray as well as product development of follow-on wound cleanser and surgical gel products.

Efforts are well underway in all three pillars of Kane's three-pillar strategy to significantly impact wound care in the United States:

1. Conduct a U.S.-based case series demonstrating the clinical use of revyve.
2. Report data at leading U.S. wound and burn care meetings.
3. Rebuild the U.S. distributor and sales agent network.

In September, 2025, Kane announced that it had enrolled 28 participants in its revyve Antimicrobial Wound Gel and Spray U.S. Case Series Studies, exceeding its 25-participant target. Enrollment continues in the Case Series in order to create a larger patient database.

Kane presented revyve clinical data at the Symposium on Advanced Wound Care (SAWC) Fall conference held in September 2025 where Interim CEO, Dr. Robert Huizinga met with potential US distributors.

New clinical data demonstrating the performance of Kane's revyve Antimicrobial Wound Gel in diabetic foot ulcer healing was presented at The Diabetic Foot Conference (DFCon 2025) held in October 2025. The clinical data presented outperformed the standard of care including an average 97% area wound reduction in four weeks, and 100% diabetic wound close in less than 12 weeks in the cases presented.

In addition, new pre-clinical data demonstrating the performance of revyve in burn wound infection control was presented at the Southern Region Burn Conference which was held in October/November 2025. It was revealed that the use of the revyve resulted in a six-log reduction in microbial load within 30 minutes and sustained antibiofilm activity for a minimum of seven days.

Kane also plans to attend and present at numerous scientific meetings throughout 2025 and 2026, where further results of its case series studies will be presented.

The Company continues to advance its discussions with US distributors and sales agents with the view of building a network of non-exclusive distributors and sales agents to establish and grow revyve sales in the US.

During the third quarter, the Company completed a U.S. Food and Drug Administration ("FDA") 510(k) clearance submission for its revyve Antimicrobial Wound Cleanser.

On November 27, 2025, Kane Biotech announced its intention to undertake a non-brokered private placement offering

(the "Offering") of up to 16 million common shares ("Shares") at a price of $0.05 per share for gross proceeds of up to $800,000. The net proceeds of the Offering will be used for working capital and general corporate purposes. Certain insiders of Kane Biotech may participate in the Offering. Closing of the Offering is expected to take place on or about December 17, 2025.

The Company continues to monitor announcements made by the United States government regarding new tariffs and adjustments to tariffs on imported goods as well as any retaliatory tariffs announced by the Canadian government as a significant portion of the Company's sales will be to the United States. Although these tariff actions could be expected to have an adverse financial impact on the Company, an estimate of their full impact cannot be made at this time. To date, the Company's products exported to the United States from Canada are exempt from tariffs in accordance with the Canada-United States-Mexico (CUSMA) Agreement.

SUMMARY OF RECENT CORPORATE EVENTS:

- In Q3, 2025 the Company completed a U.S. Food and Drug Administration ("FDA") 510(k) clearance submission for its revyve® Antimicrobial Wound Cleanser.
- In Q2, 2025, the Company completed the conversion of an unsecured demand loan of $1 million from an insider of the Company into a $1 million principal amount 3% unsecured convertible debenture that is due on June 26, 2030.
- In Q2, 2025, at its Annual and Special Meeting of Shareholders held on June 25, 2025, all Resolutions were voted 98% or higher in favour including the election of three new board directors, Ms. Anne Greven, Mr. Shameze Rampertab and Dr. David Kideckel, and three existing directors, Mr. Philip Renaud, Dr. John Coleman and Dr. Robert Huizinga.
- In Q2, 2025, the Company completed its previously announced non-brokered private placement offering of 12,000,000 shares at a price of $0.10 per share for gross proceeds of $1,200,000 from two insiders of the Company and signed an unsecured loan from an insider of the Company in the amount of $1,000,000. The loan was subsequently converted to an unsecured convertible debenture.
- In Q2, 2025, Dr. Robert Huizinga, the current Chair of the Board, was appointed interim CEO.
- In Q1, 2025, Kane Biotech initiated a three-year distribution agreement with Best Buy Medical Canada for its revyve Antimicrobial Wound Gel Product line. This strategic partnership expands access to the Company's innovative wound care solution across Canada.

BUSINESS UPDATE AND STRATEGY

Kane is focused on licensing and co-commercializing its biofilm-related intellectual property in established markets.
Kane's current strategy is to focus on the four verticals of its revyve wound care product portfolio (which includes revyve Antimicrobial Wound Gel; revyve Antimicrobial Wound Gel Spray; revyve Antimicrobial Skin and Wound Cleanser Wound Rinse; and coactiv+ Antimicrobial Surgical Gel) particularly in the U.S. market, where there are substantial opportunities. This focus includes engaging with key clinical stakeholders in the United States to receive insight and expertise and generate clinical data with Kane's products. These data are in the process of being presented at various medical meetings in 2025 and 2026. In addition, the focus includes engaging with key wound care and burn distributors in the United States to develop a robust distributorship pathway.

revyve Antimicrobial Wound Gel has been approved by the FDA and Health Canada and is indicated for the management of ulcers (including diabetic foot and leg ulcers and pressure ulcers), 1st and 2nd degree burns, partial & full thickness wounds, large surface area wounds and surgical incisions for adult populations.

The spray format of revyve Antimicrobial Wound Gel has been cleared by the FDA and is indicated for the management of ulcers (including diabetic foot and leg ulcers and pressure ulcers), 1st and 2nd degree burns, partial & full thickness wounds, large surface area wounds and surgical incisions for adult populations.

In 2023, the Company signed a distribution agreement for its revyve Antimicrobial Wound Gel wound care product with Salud Pharma for the launch of the product in Colombia, Panama, and Costa Rica. Regulatory approval in Colombia is anticipated during the first half of 2026.

In 2023, the Company also signed an agreement with ProgenaCare for the exclusive distribution rights of the Company's revyve Antimicrobial Wound Gel in the United States wound care market. In Q2, 2025, the Company terminated its exclusive distribution agreement with ProgenaCare due to various material breaches of the agreement by ProgenaCare. Activities to resecure distribution for its products in the United States are ongoing.

In Q1, 2025, the Company concluded a three-year distribution agreement with Best Buy Medical Canada for its revyve Antimicrobial Wound Gel Product line. In Q4, 2024, Kane received Health Canada approval of its revyve Antimicrobial Wound Gel as a Class 2 medical device and is anticipating regulatory approval for revyve Antimicrobial Wound Gel Spray in the near future.

Longer-term, the Company looks to continue work on its DispersinB Hydrogel for use in surgical/acute wounds by completing internal product development work. Kane has received the U.S. Department of Defense's Medical Technology Enterprise Consortium Research Project Award ("MTEC") which provides funding of approximately $3.1 million USD for the continued clinical development of the Company's DispersinB Hydrogel to treat biofilm-mediated antimicrobial resistance in non-healing chronic wounds. To date, the Company has received $2.4 million USD.

In Q3, 2024, the Company first obtained the ISO 13485:2016 MDSAP certification for its quality management system encompassing jurisdictional regulatory requirements under the Medical Device Single Audit Program (MDSAP). Broadening the quality systems provides the Company with opportunities specific to its ongoing efforts to design, develop, and manufacture, and distribute products for the wound care market. ISO certification demonstrates Kane's compliance, and customers can be assured that the medical devices it is designing, developing, manufacturing, and distributing are fit for their intended purpose. Kane maintains its quality management system and independent audits to verify conformance to the standards. These efforts allow Kane to progress its ongoing path of commercialization of its wound care portfolio. ISO 13485:2016 is recognized worldwide as a major standard in quality assurance systems for our products.

Products in investigational or development stages include the following:

- revyve Antimicrobial Skin and Wound Cleanser for use in acute and chronic wounds
- coactiv+ Antimicrobial Surgical Gel for use in surgical/acute wounds
- DispersinB Hydrogel for use in surgical/acute wounds
- DispersinB Acne Cleanser for use in the treatment of mild to moderate Acne Vulgaris

Objectives for the remainder of 2025 and early 2026 include the following:

- Conclude revyve clinical case series in both chronic wound care and burn care patients with US opinion leaders
- Compilation of preclinical and clinical data on revyve to be presented at key stakeholder meetings and conferences in 2025 and 2026. These data will showcase clinical evidence for the revyve product line, elevate scientific and brand credibility and allow the Company to engage with key stakeholders
- Meet with US distributors to reorganize Kane's approach to the distribution of the revyve product line including the Antimicrobial Wound Gel Spray in the US
- Support Best Buy Medical and Mohawk Medbuy in the launch and sales of revyve Antimicrobial Wound Gel product line in Canada
- Establish a multi-disciplinary Advisory Board with US opinion leaders who will provide clinical and scientific expertise, and market insights. This will include physicians specializing in wound care, doctors of podiatric medicine, burn specialists and advanced practice providers.
- Support foreign commercialization partners in the regulatory approval and launching of its revyve Antimicrobial Wound Gel product line in their respective jurisdictions
- Pursue distribution agreements in the US for revyve Antimicrobial Wound Gel product line
- Continue the development of the revyve technology pipeline of products including revyve Antimicrobial Skin and Wound Cleanser and coactiv+ Antimicrobial Surgical Gel

KANE BIOTECH TECHNOLOGIES

coactiv+

Kane Biotech's patented coactiv+ technology is specifically formulated to destabilize biofilm and create an environment for fast wound healing. coactiv+ is a biofilm destabilizing formula with continuous activity which is used in the revyve product pipeline.

In wound care and surgical applications, in addition to the launch of revyve Antimicrobial Wound Gel and the launch of its revyve Antimicrobial Wound Spray Gel, the Company is developing two additional follow-on products:

- Antimicrobial Skin and Wound Cleanser (to be sold under the brand name revyve): Intended for mechanical cleansing and removal of debris and foreign material from diabetic foot ulcers (DFU), venous leg ulcers (VLU), pressure ulcers (PU), first-second degree burns, skin grafts, and donor sites. Sales targets will be hospitals, ASC (ambulatory surgery centers), physician offices, mobile wound practices, home health, nursing homes, and HOPD settings.

- coactiv+ Antimicrobial Surgical Gel (brand name pending): A product for surgical/acute wounds and provided in a single use container for application in the operating room setting. The product can be applied to all types of surgical wounds and can be used prophylactically on post-surgical incisions as well. Although the initial target for this application are hospitals, ASC (ambulatory surgery centers) and physician offices are also potential markets.

The key ingredients of revyve and coactiv+ have been purposefully selected to provide support throughout the entire wound healing cascade.

The major advantages of the above-mentioned Antimicrobial Wound Gel products are as follows:

- Continuous bactericidal, biofilm destabilizing, and inhibition activity over 7 days
- Reduction of metalloprotease and elastase activity in chronic wounds
- Buffering agent to lower and maintain favorable pH conducive for wound healing
- Thermoreversible nature to assist in application and removal
- Biocompatible and non-toxic
- Prophylactic treatment for acute wounds at risk for infection, such as surgical incisions, pin and catheter sites and burns
- Patent protected

In Q3, 2024, Kane signed a five-year, non-exclusive worldwide royalty-based licensing agreement with Arizona-based Omni Bioceutical Innovations Inc. to commercialize Kane's scalp detoxifier product under the Omni Bioceuticals brand in the medical aesthetics market. No material revenues are anticipated in 2025.

DispersinB

Kane Biotech's other biofilm technology is DispersinB.

DispersinB is a naturally occurring enzyme that cleaves the bacterial surface polysaccharide poly-b-1, 6-N-acetylglucosamine (PNAG). This polysaccharide is produced by a wide range of bacteria and fungi and is a key component in biofilm formation. DispersinB cleaves PNAG, inhibiting bacterial adhesion and disperses the biofilm. This is especially useful for treating wounds, which can become chronic due to the persistent nature of the bacterial biofilms. Once the biofilm is dispersed the bacteria can be eradicated and the infection remedied.

In Q2, 2024, Kane entered into a worldwide license agreement with I-MED Pharma Inc. for the DispersinB technology. The DispersinB enzyme will be used to enhance I-MED's line of eye care products. Modest royalties from this agreement are anticipated in 2025.

In Q1, 2025, Kane received approval from the Internal Review Board of the University of Miami Health System to commence a clinical study of Kane's prototype DispersinB Acne Cleanser for the treatment of mild to moderate cases of Acne Vulgaris. The commencement of the clinical study is not expected to take place before 2026.

In Q1, 2025, the Company renewed its exclusive worldwide license agreement with the University of Medicine and Dentistry of New Jersey, now part of Rutgers University, for all human, animal, and industrial applications of the DispersinB enzyme.

Longer-term, the Company looks to continue work on its DispersinB Hydrogel for use in surgical/acute wounds by completing product development work internally. The Company seeks pathways to appropriate regulatory routes that are expected to ultimately allow for expanded claims and indications and a more appropriate price point.

INTELLECTUAL PROPERTY

The Company has 43 issued patents and 11 pending patents in various global jurisdictions.

Successful development of products to prevent and remove microbial biofilms may be dependent upon the ability to obtain approval for patents that are currently in pending status as well as successfully file new patents; however, there is no guarantee that new patents will be obtained, and, if obtained, it may not be possible to successfully defend against any subsequent infringements to these patents. Currently, the Company is not aware that it has infringed upon any existing patents issued to third parties. The Company's success may, in part, depend on operating without such infringement.

The Company's trademarks are as follows:

Trademarks	Jurisdiction
	Canada
	United States
	Europe
DispersinB®	United Kingdom
	Canada
	United States
coactiv+®	Europe
coactiv+™	United States
	Canada
DermaKB™	United States
	Canada
DermaKB Biofilm™	United States
	Canada
revyve™	United States
	Canada
revyve®	United States

OUTLOOK

The Company's direction remains centered on commercializing and developing solutions to biofilm-related problems. To advance these programs and fulfill its strategic objectives, management expects the Company to continue incurring operating losses for the foreseeable future. Given the cost reductions implemented earlier in the year across the Company, ongoing product development and commercialization, research and general and administrative expenditures are expected to be lower in the remainder of 2025 and early 2026 than in prior periods. Revenues are expected to be modest for the remainder of 2025 but growing in 2026 as the Company continues to expand the commercialization of its revyve Antimicrobial Wound Gel product line with a focus on the U.S. market.

The Company's funding of future operations is dependent upon its ability raise funds be it from equity, product sales, partnerships, and research and development grants. While the Company is continually striving to derive inflows from all of the above sources, there is no assurance that such sources will be sufficient to sustain its operations. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities and commitments when due is dependent on the successful completion of the actions taken or planned, some of which are described above. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

The Company may decide to accelerate, terminate, or reduce its focus in certain research areas, or commence research in new areas as a result of the Company's research progress and the availability of financial resources. These decisions are made with the goals of tightly managing the Company's cash resources and optimizing the Company's opportunities. Management is not presently aware of any factors that would change its strategy in the remainder of 2025 and 2026. See also "Note 2(b) Going

concern" in the accompanying condensed interim consolidated financial statements.

SELECTED QUARTERLY FINANCIAL INFORMATION

The selected financial information provided below is derived from Kane Biotech's unaudited quarterly for each of the last eight quarters:

Net income (loss) - continuing operations	Q3-2025 $	Q2-2025	Q1-2025 $	Q4-2024 $	Q3-2024 $	Q2-2024 $	Q1-2024 $	Q4-2023 $
Revenue	8,499	27,997	412,513	125,859	1,282,698	620,436	51,886	57,788
Cost of sales	13,627	73,523	370,066	213,063	723,944	259,941	11,835	23,488
Gross profit (loss)	(5,128)	(45,526)	42,447	(87,204)	558,754	360,495	40,051	34,300
Operating expenses	538,306	229,930	1,203,505	933,479	1,170,064	1,463,397	1,228,153	1,292,635
Loss and comprehensive loss from continuing operations before income tax	(607,345)	(348,541)	(1,218,497)	(1,082,935)	(678,636)	(1,215,996)	(1,493,786)	(1,522,425)
Net income (loss) from continuing operations attributable to shareholders	(607,345)	(348,541)	(1,218,497)	227,321	(678,636)	(1,215,996)	(1,493,786)	(1,522,425)
Net income (loss) from discontinued operations attributable to shareholders	-	-	-	(1,310,256)	72,823	10,398,508	97,964	(59,638)
Net income (loss) attributable to shareholders	(607,345)	(348,541)	(1,218,497)	(1,082,935)	(605,813)	9,182,512	(1,395,822)	(1,582,063)
Loss per share from continuing operations attributable to shareholders	(0.00)	(0.00)	(0.01)	0.00	(0.01)	(0.01)	(0.01)	(0.01)
Income (loss) per share attributable to shareholders								
Basic	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	0.07	(0.01)	(0.01)
Diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	0.06	(0.01)	(0.01)

It is important to note that historical patterns of expenditures cannot be taken as an indication of future expenditures. The amount and timing of expenditures, and therefore liquidity and capital resources, may vary substantially from period to period depending on the business and research activities being undertaken at any one time and the availability of funding from investors and prospective commercial partners.

Total revenue consists of license revenue (in Q4, 2023 and Q1 and Q2, 2024 only) and sales of goods and services.

License revenue related to continuing operations relates to (1) the recognition of revenue associated with the initial payment of $500,000 USD the Company received upon signing its exclusive license and distribution agreement with Dechra in March 2017 prior to the establishment of STEM and (2) the recognition of revenue associated with the $125,000 USD milestone payment received from Dechra in April, 2021 related to the successful production of a pilot batch of product manufactured in South America. These payments were recorded as contract liabilities on the consolidated statement of financial position of previous periods until they were derecognized in Q2, 2024 and were being recognized as license revenue on a straight-line basis over the duration of the license agreement on the condensed interim consolidated statement of income (loss) and comprehensive income (loss). Upon the sale of STEM in Q2, 2024, the Company recognized as license revenue the outstanding balance in contract liabilities as there were no further obligations to Dechra under this agreement.

Sales of goods are from revyve Antimicrobial Wound Gel and DermaKB scalp care products. In Q3, 2024, the Company recognized the majority of revyve Antimicrobial Wound Gel revenue related to the $500,000 USD upfront payment it received from ProgenaCare in Q2, 2023. From Q2, 2024 to Q1, 2025, the Company recorded services revenue associated with contract manufacturing of animal health products for Dechra post-sale of STEM. Effective Q1, 2025, the Company is no longer manufacturing animal health products for Dechra and has closed its animal health manufacturing facility.

In Q4, 2024, the Company recorded $204,423 in inventory write-downs primarily associated with its DermaKB product line.

The Company's ongoing operating expenses relate primarily to the execution of research programs, the commercialization of its intellectual property and general and administrative expenses. The operations of the Company are not subject to any material seasonality or cyclical factors.

Operating expenses can vary significantly from quarter to quarter primarily due to fluctuations in research expenditures related to the Company's ongoing development of its DispersinB Hydrogel and coactiv+ based Antimicrobial Wound Gel product pipelines,

legal expenses associated with private placements, debt financing and commercialization activities and non-cash expenditures related to the Company's restricted share unit long-term incentive plan. In Q2 and Q3, 2025, the company recorded significantly lower operating expenses than prior quarters due to various cost reduction initiatives.

The following is selected financial information for each of the last eight quarters specific to the discontinued operations of STEM which was sold during Q2, 2024:

Income (loss) - discontinued operations	Q3-2025 $	Q2-2025	Q1-2025 $	Q4-2024 $	Q3-2024 $	Q2-2024 $	Q1-2024 $	Q4-2023 $
Revenue	-	-	-	-	-	189,915	889,775	707,209
Cost of Sales	-	-	-	-	-	85,958	369,040	343,275
Gross profit	-	-	-	-	-	103,957	520,735	363,934
Operating expenses	-	-	-	-	-	56,947	396,112	441,912
Income (loss) from discontinued operations before income tax	-	-	-	-	72,823	10,417,826	146,961	(89,469)
Net income (loss) from discontinued operations	-	-	-	(1,310,256)	72,823	10,417,826	146,961	(89,469)
Net income (loss) from discontinued operations attributable to shareholders	-	-	-	(1,310,256)	72,823	10,398,508	97,964	(59,638)
Net income (loss) attributable to minority interest	-	-	-	-	-	19,318	48,997	(29,831)

Total revenue consists of license, royalty and goods and services.

License revenue related to discontinued operations was attributable to (1) the initial payment of $500,000 CAD the Company received upon signing its exclusive license and distribution agreement with Ecuphar NV ("Animalcare") in 2020; (2) milestone payments received for approximately $1.3 million as a result of STEM achieving the key milestone of obtaining the VOHC efficacy certification in 2022; and (3) the licensing agreement that STEM signed with Skout's Honor Pet Supply Co. ("Skout's Honor") in 2023 for its coactiv+ technology in pet oral care applications triggering a $500,000 USD licensing fee which was being paid by Skout's Honor to STEM over the course of the 10-year agreement. These payments were recorded as contract liabilities on the consolidated statement of financial position of previous periods until they were derecognized in Q2, 2024 and were recognized as license revenue on a straight-line basis over the duration of the license agreements on the condensed interim consolidated statement of income (loss) and comprehensive income (loss).

Royalty revenue relates to the Dechra, Animalcare and Skout's Honor license and distribution agreements.

Goods and services revenues were trending upwards prior to the sale of STEM as STEM continued to expand its product line and customer base.

STEM's operating expenses were primarily expenses associated with employee compensation and product sales and marketing programs. The operations of the Company were not subject to any material seasonality or cyclical factors.

RESULTS OF OPERATIONS

Revenue

In 2025, revenue is derived from the sales of revyve Antimicrobial Wound Gel and DermaKB scalp care products and animal health contract manufacturing and quality control services revenue.

In 2024, revenue was derived from 1) revyve Antimicrobial Wound Gel, DermaKB scalp care, animal health product sales, 2) license fee revenue recognition, 3) royalties related to exclusive license and distribution agreements with Dechra, Animalcare and Skout's Honor and 4) animal health contract manufacturing and quality control services revenue.

There was no revenue in the three months ended September 30, 2025 or 2024 related to discontinued operations.

The Company's revenue in continuing operations by category for the three months ended September 30, 2025 and 2024 is summarized in the table below:

Three months ended September 30,	Continuing operations			
	2025	2024	Change	% Change
Products	2,856	597,677	(594,821)	-100%
Services	5,643	685,021	(679,378)	-99%
Total Revenue	$ 8,499	$ 1,282,698	$ (1,274,199)	-99%

Product sales from continuing operations in the three months ended September 30, 2025 were $2,856 compared to $597,677 in the three months ended September 30, 2024. The decrease is due mainly to the recognition of revyve Antimicrobial Wound Gel revenue in the comparative quarter related to the company's $500,000 USD upfront payment it received from ProgenaCare in 2023. Subsequent to the termination of the ProgenaCare agreement, management has been working toward establishing distribution agreements with other U.S. distributors within multiple sales channels.

Services revenue from continuing operations consists of animal health quality control services revenue. In the three months ended September 30, 2025, services revenue from continuing operations was $5,643 compared to $685,021 for the three months ended September 30, 2024. The decrease is primarily due to the Company no longer manufacturing animal health products for Dechra and closing its animal health manufacturing facility in Q1 2025.

The Company's revenue by category for the nine months ended September 30, 2025 and 2024 is summarized in the table below:

Nine months ended September 30,	Continuing operations				Discontinued operations				Total			
	2025	2024	Change	% Change	2025	2024	Change	% Change	2025	2024	Change	% Change
License	$ -	$ 279,642	$ (279,642)	-100%	$ -	$ 70,398	$ (70,398)	-100%	$ -	$ 350,040	$ (350,040)	-100%
Royalty	-	-	-	N/A	-	149,026	(149,026)	-100%	-	149,026	(149,026)	-100%
Products	11,739	671,818	(660,079)	-98%	-	730,034	(730,034)	-100%	11,739	1,401,852	(1,390,113)	-99%
Services	437,270	1,003,561	(566,291)	N/A	-	130,232	(130,232)	-100%	437,270	1,133,793	(696,523)	-61%
Total Revenue	$ 449,009	$ 1,955,021	$ (1,506,012)	-77%	$ -	$ 1,079,690	$ (1,079,690)	-100%	$ 449,009	$ 3,034,711	$ (2,585,702)	-85%

License revenue from continuing operations in the nine months ended September 30, 2024 consists of the following: (1) The recognition of revenue associated with the initial payment of $500,000 USD the Company received upon signing its exclusive license and distribution agreement with Dechra in 2017 prior to the establishment of STEM; and (2) The recognition of revenue associated with the $125,000 USD milestone payment received from Dechra in 2021 related to the successful production of a pilot batch of product manufactured in South America. These payments were recorded as contract liabilities on the consolidated statement of financial position of previous periods until they were derecognized in Q2, 2024 and were recognized as license revenue on a straight-line basis over the duration of the license agreement on the condensed interim consolidated statement of income (loss) and comprehensive income (loss). Upon the sale of STEM during the three months ended June 30, 2024, the Company recognized as license revenue the outstanding balance in contract liabilities as there were no further obligations to Dechra under this agreement. License revenue for the nine months ended September 30, 2025 was $nil compared to $279,642 for the nine months ended September 30, 2024.

License revenue from discontinued operations in the nine months ended September 30, 2024 consists of the following: (1) The initial payment of $500,000 CAD the Company received upon signing its exclusive license and distribution agreement with Animalcare in 2020; (2) Milestone payments received for approximately $1.3 million as a result of STEM achieving the key milestone of obtaining the VOHC efficacy certification in 2022; and (3) The licensing agreement that STEM signed with Skout's Honor in 2023 for its coactiv+ technology in pet oral care applications triggering a $500,000 USD licensing fee which was being paid by Skout's Honor to STEM over the course of the 10-year agreement. These payments were recorded as contract liabilities on the consolidated statement of financial position of previous periods until they were derecognized in Q2, 2024 and were recognized as license revenue on a straight-line basis over the duration of the license agreements on the condensed interim consolidated statement of income (loss) and comprehensive income (loss). In the nine months ended September 30, 2025, license revenue recognized from these sources was $nil compared to $70,398 in the nine months ended September 30, 2024 due to the sale of STEM occurring during the three months ended June 30, 2024.

Royalty revenue from discontinued operations in the nine months ended September 30, 2024 consisted of royalties received from Dechra on their sales of Vetradent products in the North American veterinary market, from Animalcare on their sales of Plactiv+ products in the European veterinary market and from Skout's Honor on their sales Skout's Honor products in the North American pet retail market. In the nine months ended September 30, 2025, royalty revenue was $nil compared to $149,026 in the nine months ended September 30, 2024, due to the sale of STEM occurring during the three months ended June 30, 2024.

Product sales from continuing operations in the nine months ended September 30, 2025 were $11,739 compared to $671,818 in

the nine months ended September 30, 2024. The decrease is due mainly to the recognition of revyve Antimicrobial Wound Gel revenue in the comparative period related to the company's $500,000 USD upfront payment it received from ProgenaCare in 2023. Subsequent to the termination of the ProgenaCare agreement, management has been working toward establishing distribution agreements with other U.S. distributors within multiple sales channels.

Product sales from discontinued operations in the nine months ended September 30, 2025 were $nil, compared to $730,034 in the nine months ended September 30, 2024, due to the sale of STEM occurring during the three months ended June 30, 2024.

Services revenue from continuing operations consists of animal health contract manufacturing and quality control services provided by the Company to Dechra post-sale of STEM. In the nine months ended September 30, 2025, services revenue from continuing operations was $437,270 compared to $1,003,561 for the nine months ended September 30, 2024. The decrease is primarily due to the Company no longer manufacturing animal health products for Dechra and closing its animal health manufacturing facility in Q1 2025.

Services revenue from discontinued operations consists of STEM contract manufacturing and quality control services related to the Company's relationship with Dechra prior to the sale of STEM. In the nine months ended September 30, 2025, services revenue were $nil compared to $130,232 for the nine months ended September 30, 2024, due to the sale of STEM occurring during the three months ended June 30, 2024.

General and Administration Expenses

General and administration expenses include those costs not directly related to research and development. These include expenses associated with management, business development, quality assurance and administrative staff compensation, commercialization activities and professional fees such as consulting, legal, audit, and investor relations.

There were no general and administration expenses in the discontinued operations for the three months ended September 30, 2025 or 2024 due to sale of STEM in Q2 2024.

The changes in general and administration expenditures in continuing operations by category for the three months ended September 30, 2025 and 2024 are reflected in the following table:

	Continuing operations			
Three months ended September 30,	**2025**	**2024**	**Change**	**% Change**
Compensation related costs and consulting fees	$ 283,373	$ 671,297	$ (387,924)	-58%
Business development costs	92,091	179,065	(86,974)	-49%
Legal costs	6,661	36,067	(29,406)	-82%
Other administration costs	9,210	100,395	(91,185)	-91%
Government assistance	(12,667)	-	(12,667)	N/A
General and administration expenses	$ 378,668	$ 986,824	$ (608,156)	-62%

Lower compensation related costs and consulting fees in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are primarily due to lower staffing levels and lower long-term compensation expense in the current period as well as short-term compensation expense recorded in the comparative period.

Lower business development costs in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are due primarily to lower investor relations and travel expenses in the current period.

Lower legal costs in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are primarily due to legal fees incurred in the comparative period associated with a potential acquisition.

Lower other administration costs in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are primarily due to lower lease expense and a gain on the sale of office furniture associated with the termination of the office lease as well as lower audit expense in the current period.

Government assistance in the current period consists of funding received from the NRC IRAP program.

The changes in general and administration expenditures by category for the nine months ended September 30, 2025 and 2024 are reflected in the following table:

	Continuing operations				Discontinued operations				Total			
Nine months ended September 30,	2025	2024	Change	% Change	2025	2024	Change	% Change	2025	2024	Change	% Change
Compensation related costs and consulting fees	$ 913,420	$ 1,953,628	$ (1,040,208)	-53%	$ -	$ 285,364	$ (285,364)	-100%	$ 913,420	$ 2,238,992	$ (1,325,572)	-59.2%
Business development costs	370,946	407,831	(36,885)	-9%	-	144,607	(144,607)	-100%	370,946	552,438	(181,492)	-32.9%
Legal costs	25,970	105,122	(79,152)	-75%	-	669	(669)	-100%	25,970	105,791	(79,821)	-75.5%
Other administration costs	197,229	285,571	(88,342)	-31%	-	15,502	(15,502)	-100%	197,229	301,073	(103,844)	-34.5%
Government assistance	(46,708)	-	(46,708)	N/A	-	-	-	N/A	(46,708)	-	(46,708)	N/A
General and administration expenses	$ 1,460,857	$ 2,752,152	$ (1,291,295)	-47%	$ -	$ 446,142	$ (446,142)	-100%	$ 1,460,857	$ 3,198,294	$ (1,737,437)	-54.3%

There are no general and administrative expenses related to discontinued operations for the nine months ended September 30, 2025 as the sale of STEM took place during the three months ended June 30, 2024.

Lower compensation related costs and consulting fees in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are primarily due to lower staffing levels, lower long-term compensation expense and lower consulting expense in the current period as well as short-term compensation expense recorded in the comparative period.

Lower business development costs in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are due primarily to lower travel and investor relations expenses partially offset by higher consulting, revyve case series studies and conference costs in the current period.

Lower legal costs in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are primarily due to a one-time adjustment to legal fees in the current period.

Lower other administration costs in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are primarily due to lower lease expense and a gain on the sale of office furniture associated with the termination of the office lease as well as lower audit expense in the current period.

Government assistance in the current period consists primarily of funding received from the NRC IRAP program.

Research and Development Expenses

Research and development expenses are associated with the Company's research and development programs. The Company is in the development and commercialization stage and devotes a significant portion of its financial resources to research and market-ready product development activities.

There were no research and development expenses in discontinued operations during the three months ended September 30, 2025 or 2024.

The changes in research and development expenses in the continuing operations by category for the three months ended September 30, 2025 and 2024 are reflected in the following table:

Three months ended September 30,	Continuing operations			
	2025	2024	Change	% Change
Compensation related costs and consulting fees	$ 48,939	$ 137,260	$ (88,321)	-64%
Contract research and scientific consulting	57,805	70,341	(12,536)	-18%
Patent related costs and other intangibles expensed	41,157	17,517	23,640	135%
Other research costs	48,730	61,668	(12,938)	-21%
Government assistance	(36,993)	(103,546)	66,553	-64%
Research expenses	$ 159,638	$ 183,240	$ (23,602)	-13%

Lower compensation related costs and consulting fees in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are primarily due to a reduction in staff in the current period.

Lower contract research and scientific consulting costs in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are due to lower scientific consulting expense in the current period.

Higher patent related costs and other intangibles expenses in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are primarily due to timing differences in the recording of annual patent maintenance fees..

Lower other research costs in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 are primarily due to lower R&D laboratory consumables expense in the current period.

Lower government assistance in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 is primarily due to lower funding from the US Government MTEC program during the current period.

The changes in research and development expenses by category for the nine months ended September 30, 2025 and 2024 are reflected in the following table:

	Continuing operations				Discontinued operations				Total			
Nine months ended September 30,	2025	2024	Change	% Change	2025	2024	Change	% Change	2025	2024	Change	% Change
Compensation related costs and consulting fees	$ 108,639	$ 504,921	$ (396,282)	-78%	$ -	$ -	$ -	N/A	$ 108,639	$ 504,921	$ (396,282)	-78.5%
Contract research and scientific consulting	231,812	515,658	(283,846)	-55%	-	-	-	N/A	231,812	515,658	(283,846)	-55.0%
Patent related costs and other intangibles expensed	135,454	73,026	62,428	85%	-	-	-	N/A	135,454	73,026	62,428	85.5%
Other research costs	189,373	219,358	(29,985)	-14%	-	6,917	(6,917)	-100%	189,373	226,275	(36,902)	-16.3%
Government assistance	(154,394)	(203,500)	49,106	-24%	-	-	-	N/A	(154,394)	(203,500)	49,106	-24.1%
Research expenses	$ 510,884	$ 1,109,463	$ (598,579)	-54%	$ -	$ 6,917	$ (6,917)	-100%	$ 510,884	$ 1,116,380	$ (605,496)	-54.2%

Lower compensation related costs and consulting fees in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are primarily due to a reduction in staff and lower long-term compensation expense recorded in the current period as well as short-term compensation expense recorded in the comparative period.

Lower contract research and scientific consulting costs in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are due to contract research expenditures related to the Company's revyve Antimicrobial Wound Gel product development incurred in the comparative period.

Higher patent related costs and other intangibles expenses in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are primarily due to patents derecognized and higher patent legal fees in the current period.

Lower other research costs in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 are primarily due to lower R&D laboratory consumables expense in the current period.

Lower government assistance in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 is primarily due to lower funding from MTEC partially offset by higher funding from NRC IRAP in the current period.

Other income (expenses)

The changes in other income (expenses) for the three and nine months ended September 30, 2025 and 2024 are reflected in the following table:

	Continuing operations			Discontinued operations			Total		
Three months ended September 30,	2025	2024	Change	2025	2024	Change	2025	2024	Change
Finance income	$ 7,953	$ 3,250	$ 4,703	$ -	$ -	$ -	$ 7,953	$ 3,250	$ 4,703
Finance expenses	(69,198)	(64,773)	(4,425)	-	-	-	(69,198)	(64,773)	(4,425)
Gain on sale of subsidiary	-	-	N/A	-	72,823	(72,823)	-	72,823	(72,823)
Foreign exchange loss, net	(2,666)	(5,803)	3,137	-	-	-	(2,666)	(5,803)	3,137
Net other income (expenses)	$ (63,911)	$ (67,326)	$ 3,415	$ -	$ 72,823	$ (72,823)	$ (63,911)	$ 5,497	$ (69,408)

	Continuing operations			Discontinued operations			Total		
Nine months ended September 30,	2025	2024	Change	2025	2024	Change	2025	2024	Change
Finance income	$ 15,992	$ 3,724	$ 12,268	$ -	$ 9,104	$ (9,104)	$ 15,992	$ 12,828	$ 3,164
Finance expenses	(232,618)	(483,059)	250,441	-	(3,793)	3,793	(232,618)	(486,852)	254,234
Fair value adjustment	20,997	-	20,997	-	-	-	20,997	-	20,997
Gain on sale of subsidiary	-	-	-	-	10,432,705	(10,432,705)	-	10,432,705	(10,432,705)
Foreign exchange gain (loss), net	1,194	(6,769)	7,963	-	27,961	(27,961)	1,194	21,192	(19,998)
Net other income (expenses)	$ (194,435)	$ (486,104)	$ 291,669	$ -	$ 10,465,977	$ (10,465,977)	$ (194,435)	$ 9,979,873	$ (10,174,308)

Higher finance expense in continuing operations for the three months ended September 30, 2025 compared to the three months ended September 30, 2024 is due primarily to accretion expense on the convertible loan in the current period.

Lower finance expense in continuing operations for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 is due primarily to interest expense on the Pivot loan in the comparative period partially offset by accretion expense on the convertible loan in the current period.

Income (loss) and comprehensive income (loss)

The income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2025 and 2024 are reflected in the following tables:

	Continuing operations			Discontinued operations			Total		
Three months ended September 30,	2025	2024	Change	2025	2024	Change	2025	2024	Change
Income (loss) and comprehensive income (loss)	$ (607,345)	$ (678,636)	$ 71,291	$ -	$ 72,823	$ (72,823)	$ (607,345)	$ (605,813)	$ (1,532)
Income (loss) and comprehensive income (loss) attributable to shareholders	$ (607,345)	$ (678,636)	$ 71,291	$ -	$ 72,823	$ (72,823)	$ (607,345)	$ (605,813)	$ (1,532)
Basic income (loss) per share	$ (0.00)	$ (0.01)	$ 0.01	$ -	$ 0.00	$ (0.00)	$ (0.00)	$ (0.01)	$ 0.01
Diluted income (loss) per share	$ (0.00)	$ (0.01)	$ 0.01	$ -	$ 0.00	$ (0.00)	$ (0.00)	$ (0.01)	$ 0.01

	Continuing operations			Discontinued operations			Total		
Nine months ended September 30,	2025	2024	Change	2025	2024	Change	2025	2024	Change
Income (loss) and comprehensive income (loss)	$ (2,174,383)	$ (3,388,418)	$ 1,214,035	$ -	$ 10,637,610	$ (10,637,610)	$ (2,174,383)	$ 7,249,192	$ (9,423,575)
Income (loss) and comprehensive income (loss) attributable to shareholders	$ (2,174,383)	$ (3,388,418)	$ 1,214,035	$ -	$ 10,569,295	$ (10,569,295)	$ (2,174,383)	$ 7,180,877	$ (9,355,260)
Basic income (loss) per share	$ (0.01)	$ (0.03)	$ 0.02	$ -	$ 0.08	$ (0.08)	$ (0.01)	$ 0.05	$ 0.06
Diluted income (loss) per share	$ (0.01)	$ (0.03)	$ 0.02	$ -	$ 0.08	$ (0.08)	$ (0.01)	$ 0.05	$ 0.06

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has primarily financed its operations from revenues, public and private sales of equity, the exercise of warrants, loans and convertible notes, government grants and tax credits. On a consolidated basis, the Company reported cash of $939,062 as of September 30, 2025 compared to $358,813 as of December 31, 2024.

There was no cash flow for the three months or nine months ended September 30, 2025 or the three months ended September 30, 2024 from discontinued operations.

The following table illustrates the Company's cash flow for the three months and nine months ended September 30, 2025 in continuing operations.

		Continuing operations
Cash as of June 30, 2025	$	1,612,985
Changes in operating activities - three months ended September 30, 2025		(698,216)
Changes in financing activities - three months ended September 30, 2025		(30,095)
Changes in investing activities - three months ended September 30, 2025		54,388
Decrease in cash - three months ended September 30, 2025		(673,923)
Cash as of September 30, 2025	**$**	**939,062**

		Continuing operations
Cash as of December 31, 2024	$	358,813
Changes in operating activities - nine months ended Septemer 30, 2025		(2,574,805)
Changes in financing activities - nine months ended September 30, 2025		3,186,299
Changes in investing activities - nine months ended September 30, 2025		(31,245)
Increase in cash - Nine months ended September 30, 2025		580,249
Cash as of September 30, 2025	**$**	**939,062**

Cash used in operating activities

Cash used in operating activities for the three months ended September 30, 2025 was $698,216 compared to cash used in operating activities of $538,125 for the three months ended September 30, 2024 in the continuing operations. The increase in cash used in operating activities is due mainly to more cash used in net working capital in the current period.

Cash used in operating activities for the nine months ended September 30, 2025 was $2,574,805, of which $nil is associated with discontinued operations, compared to cash used in operating activities for the nine months ended September 30, 2024 of $3,691,469 of which $446,882 was used in the discontinued operations. The decrease in cash used in operating activities is due primarily to a lower operating loss and less cash used in net working capital in the current period.

Cash provided by (used in) financing activities

Cash used in financing activities for the three months ended September 30, 2025 was $30,095, compared to cash provided by financing activities of $81,033 for the three months ended September 30, 2024 in the continuing operations. Cash used in financing activities in the current period is primarily lease repayment and financing fees paid in the current period. Cash provided by financing activities in the comparative period is primarily proceeds from warrants exercised partially offset by repayment of government loans.

Cash provided by financing activities for the nine months ended September 30, 2025 was $3,186,299, of which $nil was provided by discontinued operations, compared to cash used in financing activities for the nine months ended September 30, 2024 of $7,889,135 of which $689,052 was associated with discontinued operations. Cash provided by financing activities in the current

period is primarily proceeds from the Company's private placements and convertible loan both of which closed during the current period. Cash used in financing activities in the comparative period is primarily associated with the repayment of the Pivot loan.

Cash provided by (used in) investing activities

Cash provided by investing activities during the three months ended September 30, 2025 was $54,388 compared to $8,459 used in investing activities during the three months ended September 30, 2024 in the continuing operations. Cash provided by investing activities in the current period is primarily the proceeds from the disposal of office furniture.

Cash used in investing activities during the nine months ended September 30, 2025 was $31,245 compared to cash generated from investing activities during the nine months ended September 30, 2024 of $10,236,253 of which $3,546 was used in discontinued operations. Cash used in investing activities in the current period is due mainly to cash outflows related to patents and patents pending partially offset by proceeds received from the disposal of office furniture. Cash provided by investing activities in the comparative period is primarily associated with proceeds received from the sale of STEM.

The Company continues to seek additional licensing and distribution partners for its various products and technologies currently in various stages of development in order to provide increasing liquidity in the future. The Company also intends to seek maximization of government grant programs in order to offset some of its research costs.

However, it is possible that these sources of cash inflows will not be sufficient to entirely fund the Company's planned research activities and administration costs in future periods. Historically, management has secured funding for its operations through the issuance of equity, loans, and others means and intends to continue to do so.

The Company manages its operational spending and determines its future financing requirements through a process of budgeting and ongoing cash flow forecasting.

Common shares, restricted share units, warrants, and stock options

	November 26, 2025	September 30, 2025	December 31, 2024
Common shares issued and outstanding	167,346,565	167,346,565	137,786,567
Restricted Share Units	14,692,417	14,692,417	21,474,510
Warrants	566,100	566,100	3,125,000
Stock options	750,000	750,000	-

A summary of the Company's share capital may be found in Note 12 of the accompanying condensed interim consolidated financial statements.

CONTRACTUAL OBLIGATIONS

The Company periodically enters into credit and funding agreements, long term contractual agreements for the licensing of technologies, facility and equipment lease agreements and consulting service agreements. The following table presents commitments arising from outstanding agreements in force over the next seven years:

	Payments due by Period				
	Within 1 year	2-3 years	4-5 years	6-7 years	Total
Canadian Dollars :					
Leases	$ 97,237	$ 194,474	$ 194,474	$ 53,600	$ 539,785
Accounts payable and accrued liabilities	1,236,576	-	-	-	1,236,576
Government loans	546,000	853,267	-	-	1,399,267
	$ 1,879,813	$ 1,047,741	$ 194,474	$ 53,600	$ 3,175,628
US Dollars :					
Quality management platform fee (USD)	$ -	$ 13,005	$ -	$ -	$ 13,005
Licence maintenance fees (USD)	10,000	20,000	20,000	20,000	70,000
	$ 10,000	$ 33,005	$ 20,000	$ 20,000	$ 83,005

GUARANTEES

The Company periodically enters into research and licence agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification obligations.

OFF-STATEMENT OF FINANCIAL POSITION- ARRANGEMENTS

The Company does not have any off--Statement of Financial Position arrangements.

CONTROLS

As a result of the Company's limited administrative staffing levels, internal controls which rely on segregation of duties are not always appropriate or possible. Management has implemented compensating procedures, including increased Audit Committee oversight and enhanced CFO review of key approvals, to mitigate these limitations. Due to resource constraints and the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct this potential weakness at this time. To help mitigate the impact of this potential weakness, the Company is highly reliant on the performance of compensating procedures and senior management's review and approval.

As a TSXV issuer, the Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), and as such has not completed such an evaluation.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS")

requires the Company to select from possible alternative accounting principles and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the statements of financial position date and reported costs and expenditures during the reporting period. Management believes that the estimates and assumptions upon which the Company relies are reasonable based upon information available at the time these estimates and assumptions are made. Estimates and assumptions may be revised as new information is acquired and are subject to change.

In addition to the going concern assumption described above, management believes that its most critical accounting policies and estimates relate to the following areas, with reference to notes contained in the accompanying condensed interim consolidated financial statements:

Revenue recognition

The Company's accounting policy over revenue recognition may be found in Note 3(b) in the Company's audited consolidated financial statements as at and for the year ended December 31, 2024.

The Company has consistently applied accounting policies in accordance with IFRS 15 *Revenue from Contracts with Customers ("IFRS 15")* to all periods presented in these condensed interim consolidated financial statements. These policies are as follows:

The Company has entered into exclusive license and distribution agreements for specific territories for which there may be non-refundable upfront payments, milestone payments based on achievement of certain milestones and royalties on related sales. Under the terms of these agreements in addition to the exclusive license rights, the Company may provide support, transfer of knowhow, marketing materials and efforts to increase the value of the license through introduction of new products or industry certifications. As these additional activities are not distinct and separable from the exclusive license rights, the primary performance obligation under the agreements has been determined to be a right to access the exclusive license. As a result, where non-refundable upfront payments are received or receivable, they are recognized over time on a straight-line basis over the contractual life of the agreement. Where milestone payments represent variable consideration, they are recognized as an adjustment to the transaction price of the contract when it is highly probable that a significant reversal of cumulative revenue recognized will not occur.

Royalties not subject to guaranteed minimum royalties are recognized as the related sales occur. Where guaranteed minimum annual royalties apply, the Company recognizes the minimum guaranteed royalty revenue over time and recognizes excess sales royalties as the related sales occur.

Sales based milestone payments are recognized as revenue only when the applicable sales target has been met.

Revenue from the sales of goods and services, net of discounts, is recognized when control of those goods has been transferred to the customer or the related services have been rendered.

Research and development costs

The Company's accounting policy over research and development costs may be found in Note 3(g)(i) in the Company's audited consolidated financial statements as at and for the year ended December 31, 2024. Research expenditures are expensed as incurred. Development expenditures are deferred when they meet the criteria for capitalization in accordance with IFRS and the future benefits could be regarded as being reasonably certain. No development expenditures have been capitalized to date and there are no plans to capitalize development expenditures in the foreseeable future. Related Scientific Research & Experimental Development (SR&ED) investment tax credits are accounted for as a reduction to research and development expenditures in the period that they are earned and only to the extent they are refundable. Non-refundable SR&ED investment tax credits are not recorded in the consolidated financial statements as there is no assurance at this time there will be sufficient taxable income in the future to utilize those tax credits.

Patents and trademarks

The Company's accounting policy over patents and trademarks may be found in Notes 3(g)(ii) in the Company's audited consolidated financial statements as at and for the year ended December 31, 2024. Patents and trademarks are reviewed for impairment on an ongoing basis whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated. An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree

of variability in cash flows, as well as other factors, are considered when making assumptions regarding future cash flows and the appropriate discount rate. A change in any of the significant assumptions of estimates used to evaluate the underlying assets could result in a material change to the results of operations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in research expense in the statement of loss and comprehensive loss.

Stock based compensation

The Company's accounting policy over stock-based compensation may be found in Notes 3(i)(ii),17(c) and 17(d) in the Company's audited consolidated financial statements as at and for the year ended December 31, 2024.

Where the Company issues restricted share units to its employees, directors, officers or consultants, the fair value of these units is derived from the Company's closing share price on the TSXV on the date of issuance.

Where the Company issues stock options to its employees, directors, officers or consultants, the fair value of the options is derived using the Black Scholes pricing model. The application of this pricing model requires Management to make assumptions regarding several variables, including the expected life of the options and warrants, the price volatility of the Company's stock over a relevant timeframe, the determination of a relevant risk free interest rate and an assumption regarding the Company's dividend policy in the future.

A summary of all the Company's material accounting policies and estimates may be found in Note 3 to the Company's audited consolidated financial statements as at and for the year ended December 31, 2024.

RISKS AND UNCERTAINTY

Kane Biotech operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control. The Company is subject to risks both inherent and not inherent to the biotechnology industry, including:

Risks Related to the Company's Financial Condition

- The Company has not derived sufficient revenues to date from the commercial sale of its antibiofilm technology and products to offset its costs. In light of the length of time and expense associated with bringing new products through commercialization, obtaining regulatory approval and bringing products to market, operating losses are expected to continue.
- The Company's business is subject to the ability of third-party sales agents and distributors to effectively execute the sales and distribution of the Company's products.
- The Company has relied primarily upon equity financing and loans over the years to support operations and will continue to need significant amounts of additional capital. Historically, management has secured the capital for its operations be it through the equity markets, loans and other means and continues to explore various options to diversify capital sources.
- The Company has relied upon non-dilutive government funding to support some of its research and development programs and other operations. This funding is contingent upon certain deliverables being fulfilled as mandated by the government agencies.
- The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates.

The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, equity financing and government funding. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The availability of financing will be affected by the results of scientific and clinical research, the ability to obtain regulatory approvals, market acceptance of the Company's products, the state of the capital markets generally (with particular reference to pharmaceutical, biotechnology and medical

companies), the status of strategic alliance agreements, available government funding and other relevant commercial considerations.

Risks Related to the Company's Financial Management

The Company is subject to ongoing foreign exchange, interest rate, credit and liquidity risks. The management of these risks is described in Note 24 of the Company's audited consolidated financial statements for the year ended December 31, 2024.

Risks Related to the Company's Business and Operations

- The Company is in various stages of development of its technologies and products and is dependent on the successful commercialization of its technologies and products to prevent and remove microbial biofilms. Delays may cause the Company to incur additional costs which could adversely affect the Company's liquidity and financial results.
- The Company's business is subject to significant government regulation and failure to achieve regulatory approval of its products would negatively affect the business.
- The Company can rely on contract manufacturers as part of its product development strategy, and it would be negatively affected if it is not able to maintain these relationships and/or the contract manufacturers failed to maintain appropriate quality levels.
- Even if product candidates receive all of the required regulatory approvals, there is no guarantee of market acceptance or commercialization of the resulting product candidates, which will be determined by the Company's sales, marketing and distribution capabilities and the positioning and competitiveness of its products compared with any alternatives.
- The Company's industry is characterized by rapid change and a failure by the Company to react to these changes could have a material adverse effect on its business.
- If the Company fails to hire or retain needed personnel, the implementation of its business plan could slow and future growth could suffer.

Risks Relating to the Intellectual Property

- Failure to protect intellectual property, or infringement on the intellectual property rights of others, may impede the Company's ability to operate freely.
- The Company is dependent on strategic partners, including contract research organizations, as part of its product development strategy, and it would be negatively affected if it is not able to initiate or maintain these relationships.

Kane Biotech views patents and other means of intellectual property protection as essential to the Company's core business by protecting the Company's proprietary technology from infringement by competitors. To that end, patents will continue to be filed by the Company to ensure the highest level of protection possible is obtained for its products and technologies. The Company requires all employees, consultants, and parties to collaborative research agreements to execute confidentiality agreements upon the commencement of employment, consulting relationships or a collaboration with the Company. These agreements require that all information developed or made known during the course of the engagement with the Company is to be kept confidential. The Company also maintains agreements with scientific staff and all parties contracted in a scientific capacity, providing that all inventions resulting from work performed for Kane Biotech, using its property, or relating to its business and conceived or completed during the period covered by the agreement are the exclusive property of the Company.

Risks Relating to the Company's Common Shares

- The Company has not paid and does not intend to pay any cash dividends on its common shares and therefore, its shareholders may not be able to receive a return on their shares unless they sell them.
- The market price and trading volume of the Company's common shares may be volatile. In addition, variations in future earnings estimates by securities analysts and the market prices of the securities of the Company's competitors may also lead to fluctuations in the trading price of the common shares.
- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect

its business.

To date, no dividends have been declared or paid on the common shares, and it is not expected that dividends will be declared or paid in the immediate or foreseeable future. The policy of the Board of Directors of the Company is to reinvest all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of Kane Biotech will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.