Management Discussion and Analysis
(Expressed in Canadian Dollars)

KANE BIOTECH INC.

Three months ended March 31, 2026 and 2025

KANE BIOTECH INC.

Management Discussion and Analysis

The following management discussion and analysis ("MD&A") covers information up to May 27, 2026, 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, 2025, together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim financial statements of the Company as at and for the three months ended March 31, 2026 and 2025 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 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 and Compensation 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 MD&A 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 the reader that the foregoing list of material factors and assumptions is not exhaustive. Actual results may differ materially from those expressed or implied in these forward-looking statements due to events or circumstances not currently anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements or the foregoing list of factors, whether as a result of new information, 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 1,000 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's mission is to develop innovative solutions for chronic wound care and commercialize them through non-exclusive distribution and license partnerships with established wound care product providers. 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. coactiv+®, revyve®, revyve™, DispersinB®, DermaKB® and DermaKB Biofilm® are trademarks of Kane Biotech.

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

CORPORATE UDPATE

Overview

During the first quarter of 2026 and subsequent to quarter-end, the Company continued to execute on its strategy to advance and commercialize its revyve wound care product portfolio, with a focus on expanding market access in the United States and Canada, strengthening its distribution network, and securing additional financing to support ongoing operations.

Regulatory and Product Development

In February 2026, the Company announced that it had received U.S. FDA 510(k) clearance for its revyve Antimicrobial Skin and Wound Cleanser, representing the third product within the Company's wound care portfolio to receive FDA clearance. This regulatory milestone complements the Company's existing product offerings and supports its commercial expansion strategy in the United States.

In addition, during the quarter, the Company expanded its ISO 13485:2016 certification under the Medical Device Single Audit Program ("MDSAP") to include product distribution and the wound cleanser product category, further strengthening its regulatory and quality infrastructure.

Commercial and Distribution Activities

During Q1 2026, the Company resumed and expanded its commercial activities in North America through the execution of a number of non-exclusive distribution and sales agent agreements across targeted channels in the United States.

The Company also entered into a distribution relationship with Marathon Medical Corporation, providing access to U.S. federal procurement channels, including Veterans Affairs ("VA"), Department of Defense ("DoD"), and Indian Health Services ("IHS") systems.

In Canada, the Company converted its distribution agreement with Best Buy Medical Canada to a non-exclusive arrangement and is pursuing additional distribution partners to broaden market coverage.

To support commercialization efforts, the Company continued to build its contract-based sales organization and strengthened its leadership team with the appointment of Vice Presidents of Business Development in both the United States and Canada.

Financing and Liquidity

On May 25, 2026, the Company closed an oversubscribed non-brokered private placement offering (the "Offering") of 23,200,000 units of the Company("Units") at a price of $0.05 per Unit for gross proceeds of $1,160,000. Each Unit is comprised of one common share of the Company (a "Share") and one Share purchase warrant (a "Warrant"). Each full Warrant shall entitle the holder thereof to purchase one additional Share of the Company for a period of 18 months at an exercise price of $0.06 per Share.

Kane's Board Chair, Philip Renaud, participated in the Offering. The proceeds from this financing are expected to be used for working capital, regulatory and commercialization activities, and general corporate purposes.

The Company continues to monitor its liquidity position closely and remains reliant on external financing sources, including equity issuances and insider financing, to fund its operations.

Clinical and Scientific Activities

The Company continued its focus on generating clinical and preclinical data to support the adoption of its revyve product portfolio. Clinical observations and scientific data continued to be presented at relevant conferences and in peer-reviewed publications, supporting the positioning of the Company's technologies in the wound care market. The company has so far released two publications in 2026:

- **"Efficacy of a Novel Thermo-Reversible Wound Gel Against Antibiotic Tolerant Biofilm"** (March 2026, *Frontiers in Antibiotics*) — This peer-reviewed article co-authored with researchers from the University of Manitoba, demonstrates how the revyve gel inactivates mature, antibiotic-tolerant *Staphylococcus aureus* and *Pseudomonas aeruginosa* biofilms.

- **"Wound Healing Property of a Novel Thermo-Reversible Wound Gel With Lasting Antimicrobial and Antibiofilm Activity"** (February 2026, *International Wound Journal*) — This peer-reviewed article co-authored with researchers from the University of Miami outlines revyve gel's thermo-reversible properties (shifting from liquid to form-fitting gel at body temperature) and its 99.99%–99.9999% bacterial reduction within 30 minutes.

The company is completing publications that stem from the clinical work conducted in 2025. These activities are aligned with the Company's strategy to build clinical evidence and engage key opinion leaders to support commercialization efforts.

Governance and Management

During the period, the Company continued to operate under the governance structure established in 2025, including its reconstituted Board of Directors and leadership team. The Company remains focused on aligning its governance and operational structure with its commercialization strategy.

Tariffs

The Company continues to monitor announcements made by the United States government and the Supreme Court regarding U.S.-imposed tariffs on imported goods as well as any retaliatory tariff action 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 to the extent they meet North America rules of origin requirements in accordance with the Canada-United States-Mexico (CUSMA) Agreement.

SUMMARY OF KEY CORPORATE DEVELOPMENTS

- **Q2 2026** – Kane Biotech closed an oversubscribed non-brokered private placement offering of 23,200,000 units at a

price of $0.05 per unit for gross proceeds of $1,160,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at $0.06 for a period of 18 months. An insider participated in the private placement offering.

- **Q1 2026** – The Company received U.S. FDA 510(k) clearance for its revyve Antimicrobial Skin and Wound Cleanser, representing the third FDA-cleared product within its revyve wound care portfolio.
- **Q1 2026** – The Company advanced commercial activities in North America, including the execution of multiple non-exclusive distribution and sales agent agreements across targeted U.S. markets, and entered into a distribution relationship with Marathon Medical Corporation, providing access to U.S. federal procurement channels (VA, DoD, IHS).
- **Q1 2026** – The Company published two peer-reviewed scientific articles demonstrating the antimicrobial and antibiofilm activity of its revyve product platform, supporting its clinical validation strategy.
- **Q1 2026** – The Company expanded its commercial infrastructure, including the appointment of business development leadership in the United States and Canada and the build-out of a contract-based U.S. sales force.
- **Q1 2026** – The Company expanded its ISO 13485:2016 certification under the MDSAP to support additional product categories and distribution activities.
- **Q4 2025** – Kane Biotech completed a non-brokered private placement, issuing 14,000,000 common shares at $0.05 per share for gross proceeds of $700,000 from a company insider.
- **Q4 2025** – The Company received Health Canada approval for its revyve Antimicrobial Wound Gel Spray.
- **Q2 2025**–The Company terminated its exclusive distribution agreement with ProgenaCare Global LLC (“ProgenaCare”) due to material breaches, transitioning to a non-exclusive, multi-channel commercialization model.
- **Q2 2025** – Kane Biotech completed a non-brokered private placement, issuing 12,000,000 common shares at $0.10 per share for gross proceeds of $1.2 million from two company insiders. In addition, the Company received an unsecured $1.0 million loan from an insider, which was subsequently converted into a 3% unsecured convertible debenture maturing on June 26, 2030.
- **Q2 2025** – Dr. Robert Huizinga, formerly the Executive Chair, was appointed interim CEO.

BUSINESS STRATEGY

Kane is focused on commercializing its biofilm-related intellectual property in established markets, primarily in North America. Kane’s current strategy is to focus on the four verticals of its revyve/coactiv+ wound care product portfolio (which includes revyve Antimicrobial Wound Gel; revyve Antimicrobial Wound Gel Spray; revyve Antimicrobial Skin and Wound Cleanser; 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 from Kane’s products. These data have been presented at various medical meetings in 2025 and early 2026 and will continue to be presented at selected conferences throughout the remainder of 2026. In addition, the focus includes continuing to engage with key wound care and burn distributors in the United States to develop a robust distributorship pathway.

Kane’s coactiv+ and DispersinB technology-based product portfolio overview is as follows:

Product	Regulatory Status	Indications / Use	Target Settings / Markets
revyve Antimicrobial Wound Gel	FDA 510(k) cleared; Health Canada approved	Management of chronic and acute wounds; antimicrobial and antibiofilm activity to support wound healing	Hospitals, outpatient wound care clinics, long-term care, military settings, home health

revyve Antimicrobial Wound Gel Spray	FDA 510(k) cleared; Health Canada approved	Management of chronic and acute wounds; sprayable format for ease of application and coverage	Burn units, hospitals, inpatient wound care, military settings, home health
revyve Antimicrobial Skin and Wound Cleanser	FDA 510(k) cleared	Cleansing of wounds and skin with antimicrobial and antibiofilm properties	Hospitals, ambulatory surgery centers (ASC), physician offices, wound clinics
coactiv+ Antimicrobial Surgical Gel (brand name pending)	Development stage	Intended for use in surgical/acute wounds, including prophylactic application to reduce risk of infection and biofilm formation	Hospitals, operating rooms, ASC, surgical centers
DispersinB Wound Gel (Hydrogel)	Preclinical / Development stage; regulatory pathway under evaluation	Enzymatic biofilm disruption for potential use in chronic and acute wounds; disperses biofilm to enhance antimicrobial effectiveness	Hospitals, military settings, surgical/acute care settings, burn centers, chronic wound care markets
DispersinB Acne Cleanser	Early-stage clinical planning; Institutional Review Board (IRB) approval obtained	Intended for the treatment of acne through disruption of biofilm-associated bacteria and reduction of microbial load on the skin	Dermatology clinics, physician offices, outpatient skin care settings

In Q1 2026, Kane announced that it had expanded its ISO 13485:2016 certification under the MDSAP to include distribution while expanding to wound cleansers, building on its existing certifications for nonsterile antimicrobial wound dressings (revyve Antimicrobial Wound Gel and revyve Antimicrobial Wound Gel Spray). This expansion is aligned with the FDA's new Quality Management System Regulation which came into effect February 2026, harmonizing U.S. requirements with ISO 13485. The expanded certification supports Kane's ability to pursue regulatory approvals across multiple jurisdictions and demonstrates the Company's continued investment in quality systems, compliance, and operational readiness.

In Q1 2026, the Company entered into four non-exclusive distribution and sales agent agreements across targeted sales channels and geographic markets. Kane also expanded its U.S. commercialization strategy by partnering with Marathon Medical Corporation to access federal procurement channels and support nationwide distribution of its revyve wound care products across the VA, DOD, and IHS systems.

In Q1 2026, the Company announced the appointment of two Vice Presidents of Business Development in the US and Canada, respectively, to strengthen commercial activities. Kane has commenced building a contract-based sales team with team members in place across the U.S. and it will continue to build this group throughout 2026.

In Q1 2026, the Company announced that the exclusive distribution agreement for its revyve product line that it signed with Best Buy Medical Canada in Q1 2025 has been converted to a non-exclusive arrangement. Discussions with additional distribution partners in Canada are underway.

In 2026, the Company looks to continue work on its DispersinB Hydrogel for use in surgical/acute wounds by completing internal product development work. In 2020, Kane received the U.S. Department of Defense's Medical Technology Enterprise Consortium Research Project Award 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.

Products in investigational or development stages include the following:

- coactiv+ Antimicrobial Surgical Gel for use in surgical/acute wounds
- DispersinB Hydrogel for use in surgical/acute wounds

Objectives for the remainder of 2026 include the following:

- Continue 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

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
- Expand U.S. distributor network within targeted sales channels and geographical markets and grow sales of the revyve product line in the U.S.
- Expand distributor network and grow revyve product line sales in Canada.
- Establish a multi-disciplinary Clinical Advisory Board with North American 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
- Continue the product development and expansion of the revyve product portfolio, specifically the Antimicrobial Skin and Wound Cleanser and Antimicrobial Surgical Gel
- Resume pre-clinical product development work on the DispersinB Hydrogel for use in surgical/acute wounds in preparation for a safety clinical trial to commence in 2027

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 within the revyve product pipeline.

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

- revyve Antimicrobial Skin and Wound Cleanser, which has been cleared by the FDA: Sales targets will be hospitals, ambulatory surgery centers (ASC), physician offices, mobile wound practices, home health, nursing homes, and hospital outpatient department settings. In 2026, the Company will collaborate with its external manufacturer to advance the technology transfer and scale-up of the revyve Antimicrobial Skin and Wound Cleanser, with the objective of making the product available for commercial sale in 2027.

- 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 and physician offices are also potential markets. In 2026, the Company will focus on finalizing the product sterilization process, completing biocompatibility and commencement of related stability studies. During the first half of 2027, the Company expects to initiate technology transfer and commence manufacturing scale-up activities, in preparation for launching this surgical gel product later in 2027.

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 revyve/coactiv+ product line are as follows:
- Continuous bactericidal, biofilm destabilizing, and inhibition of bacterial 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 during dressing changes
- 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

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 2025, Kane received approval from the Institutional Review Board of the University of Miami Health System to commence a clinical study of its prototype DispersinB Acne Cleanser. The Company does not expect the study to commence before 2027 and will be required to maintain or renew IRB approval prior to initiation.

In 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.

In 2026, the Company plans to resume work on its DispersinB Hydrogel for use in surgical/acute wounds by completing product development work internally. The Company is seeking pathways to appropriate regulatory routes that are expected to ultimately allow for expanded claims and indications and a more appropriate price point. The Company plans to commence a safety clinical trial in 2027.

INTELLECTUAL PROPERTY

The Company has 43 issued patents and 9 pending patents within the following global jurisdictions:

	Patents		
Jurisdiction	Issued	Pending	Total
Canada	3	2	5
United States	5	5	10
Rest of World	35	2	37
Total	43	9	52

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
coactiv+®	Canada United States Europe United Kingdom
revyve®	Canada United States United Kingdom
revyve™	Europe
DispersinB®	Canada United States Europe United Kingdom
DermaKB®	Canada United States
DermaKB Biofilm®	Canada 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. Following the cost reductions implemented across the Company in 2025, general and administrative and research expenditures in 2026 are expected to be at or modestly above 2025 levels as the Company reallocates resources toward the commercialization and product development of its four revyve/coactiv+ verticals. Revenues are expected to increase in 2026 over 2025 as the Company continues to expand the commercialization of its revyve Antimicrobial Wound Gel product line in both the U.S. and Canadian markets.

The Company's funding of future operations is dependent upon its ability to raise funds primarily from financings, product sales, and research and development grants. While the Company is continually striving to derive capital 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 elect to accelerate, terminate, or reduce its focus on certain research areas, or initiate research in new areas, depending on 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 commercial opportunities. Management is not presently aware of any factors that would change its strategy in 2026. See also "Note 2(b) Going concern" to the accompanying condensed interim 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)	Q1-2026 $	Q4-2025 $	Q3-2025 $	Q2-2025 $	Q1-2025 $	Q4-2024 $	Q3-2024 $	Q2-2024 $
License	-	-	-	-	-	-	-	257,585
Royalty	-	1,699	-	-	-	-	-	-
Sales of goods and services	43,218	(22,839)	8,499	27,997	412,513	125,859	1,282,698	362,851
Revenue	43,218	(21,140)	8,499	27,997	412,513	125,859	1,282,698	620,436
Cost of sales	47,117	(28,707)	13,627	73,523	370,066	213,063	723,944	259,941
Gross profit (loss)	(3,899)	7,567	(5,128)	(45,526)	42,447	(87,204)	558,754	360,495
Operating expenses	669,402	681,467	538,306	229,930	1,203,505	933,479	1,170,064	1,463,397
Loss and comprehensive loss from continuing operations before income tax	(710,604)	(654,861)	(607,345)	(348,541)	(1,218,497)	(1,082,935)	(678,636)	(1,215,996)
Net income (loss) from continuing operations attributable to shareholders	(714,827)	(546,856)	(607,345)	(348,541)	(1,218,497)	227,321	(678,636)	(1,215,996)
Net income (loss) from discontinued operations attributable to shareholders	-	-	-	-	-	(1,310,256)	72,823	10,398,508
Net income (loss) attributable to shareholders	(714,827)	(546,856)	(607,345)	(348,541)	(1,218,497)	(1,082,935)	(605,813)	9,182,512
Loss per share from continuing operations attributable to shareholders	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	0.00	(0.01)	(0.01)
Income (loss) per share attributable to shareholders								
Basic	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	0.07
Diluted	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	0.06

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.

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 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 being recognized as license revenue on a straight-line basis over the duration of the license agreement on the 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.

Royalty revenue is derived from the licensing agreement with Omni for its use of Kane's coactiv+ technology in products manufactured for the hair and scalp care market.

Product sales are from the Company's 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 2023. From Q2 2024 to Q1 2025, the Company recorded services revenue associated with the contract manufacturing of animal health products for Dechra post-sale of STEM. During Q1 2025, the Company completed its animal health manufacturing activities for Dechra and subsequently closed its animal health manufacturing facility. During Q1 2026, the Company completed the liquidation of its DermaKB product inventory to an independent third party.

In Q4 2024, the Company recorded $204,423 in inventory write-downs primarily associated with its DermaKB product line of which $43,813 was subsequently reversed in Q4 2025 and $96,884 was reversed in 2026.

The Company's ongoing operating expenses relate primarily to the execution of product development 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 product development expenditures related to the Company's ongoing development of its coactiv+-based Antimicrobial Wound Gel and DispersinB-based Hydrogel product pipelines, legal expenses associated with financings, commercialization activities associated with the Company's revyve product line and non-cash expenditures related to the Company's restricted share unit long-term incentive plan. Since Q2 2025, the company recorded significantly lower operating expenses than prior quarters due to a number of cost reduction initiatives.

There were no transactions related to discontinued operations from Q1 2025 through Q1 2026, following the sale of STEM in Q2 2024. The financial impact of discontinued operations from Q2 2024 to Q4 2024 is included in the selected financial information table above.

RESULTS OF OPERATIONS

Revenue

In 2026, revenue was derived primarily from the sales of the Company's revyve® and DermaKB® products lines.

In 2025, revenue was derived primarily from the sales of the Company's revyve® and DermaKB® product lines as well as animal health contract manufacturing and quality control services.

The Company's revenue by category for the three months ended March 31, 2026 and 2025 is summarized in the table below:

Three months ended March 31,	2026	2025	Change	% Change
Products	$ 43,218	$ 7,309	$ 35,909	491%
Services	-	405,204	(405,204)	100%
Total Revenue	$ 43,218	$ 412,513	$ (369,295)	-90%

Product sales in the three months ended March 31, 2026 and 2025 consists mainly of the sales of the Company's revyve® and DermaKB® product lines. During Q1 2026, the Company completed the liquidation of its DermaKB® product inventory to an independent third party.

Services revenue in the three months ended March 31, 2025 consists of revenue derived from animal health contract manufacturing and quality control services.

Gross Profit (Loss)

The Company's gross profit (loss) for the three months ended March 31, 2026 and 2025 is summarized in the table below:

Three months ended March 31,	2026	2025	Change	% Change
Revenue	$ 43,218	$ 412,513	$ (369,295)	-90%
Cost of sales	47,117	370,066	(322,949)	-87%
Gross profit (loss)	$ (3,899)	$ 42,447	$ (46,346)	-109%

Gross loss in Q1 2026 reflects sales of revyve wound gel and the liquidation of the Company's DermaKB product inventory and was impacted by fixed inventory-related and storage costs associated with these product lines.

Gross profit in Q1 2025 is primarily associated with the Company's animal health segment, which wound down during the period. Gross margin was reduced relative to historical levels due to lower production volumes, resulting in under-absorption of fixed manufacturing overhead, along with the impact of winding down operations and completing remaining customer orders.

General and Administration Expenses

General and administrative expenses consist of costs not directly related to research and development, including employee compensation, business development, quality assurance, commercialization activities, and professional services such as consulting, legal, audit, and investor relations.

The changes in general and administration expenditures by category for the three months ended March 31, 2026 and 2025 are reflected in the following table:

Three months ended March 31,	2026	2025	Change	% Change
Compensation related costs and consulting fees	$ 265,507	$ 695,131	$ (429,624)	-62%
Business development costs	104,258	158,448	(54,190)	-34%
Legal costs	2,947	13,480	(10,533)	-78%
Other administration costs	87,894	84,803	3,091	4%
Government assistance	-	(9,376)	9,376	-100%
General and administration expenses	$ 460,606	$ 942,486	$ (481,880)	-51%

Lower compensation related costs and consulting fees for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due to lower staffing levels and lower short term and long-term incentive expenses recorded in the current period.

Lower business development costs for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are due primarily to lower travel, investor relations and sales promotion expenses in the current period.

Lower legal costs for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due to lower general legal expenses incurred in the current period.

Higher other administration costs for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due to higher recorded audit fees partially offset by lower amortization expense recorded in the current period.

Government assistance recognized during the three months ended March 31, 2025 relates to funding received from NRC IRAP.

Research and Development Expenses

Research and development expenses relate to the Company's ongoing research and development programs. As the Company operates in the development and commercialization stage, it allocates a significant portion of its financial resources to research activities and the advancement of market-ready products.

The changes in research and development expenses by category for the three months ended March 31, 2026 and 2025 are reflected in the following table:

Three months ended March 31,	2026	2025	Change	% Change
Compensation related costs and consulting fees	$ 61,422	$ 127,687	$ (66,265)	-52%
Contract research and scientific consulting	22,956	133,524	(110,568)	-83%
Patent related costs and other intangibles expensed	80,070	12,114	67,956	561%
Other research costs	48,348	85,603	(37,255)	-44%
Government assistance	(4,000)	(97,909)	93,909	-96%
Research expenses	$ 208,796	$ 261,019	$ (52,223)	-20%

Lower compensation related costs and consulting fees for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due lower staffing levels in the current period.

Lower contract research and scientific consulting costs for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due to lower revyve Antimicrobial Wound Gel and DispersinB wound Gel product development costs incurred in the current period.

Higher patent related costs and other intangibles expenses for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due to higher patent maintenance fees and patent write-off expenses recorded in the current period.

Lower other research costs for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 are primarily due to lower amortization, laboratory consumables and DispersinB royalty expenses recorded in the current period.

Lower Government assistance recorded in the current period is due primarily to the NRC IRAP funding project ending in 2025 as well as no U.S. Department of Defense funding claimed in the current period.

Other income (expenses)

The changes in other income (expenses) for the three months ended March 31, 2026 and 2025 are reflected in the following table:

Three months ended March 31,	2026	2025	Change
Finance income	$ 3,077	$ 1,925	$ 1,152
Finance expenses	(57,877)	(58,659)	782
Foreign exchange loss, net	(2,898)	(705)	(2,193)
Gain on lease termination	20,395	-	20,395
Net other expenses	$ (37,303)	$ (57,439)	$ 20,136

Lower finance expenses for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, are primarily due to reduced accretion expense associated with the Company's laboratory lease, which was terminated during the current period, as well as lower accretion expense on the PrairiesCan loan, partially offset by accretion expense recognized on the convertible loan in the current period.

The gain on the lease termination is associated with the termination of the Company's laboratory lease during the current period.

Loss and comprehensive loss

The loss and comprehensive loss for the three months March 31, 2026 and 2025 are reflected in the following tables:

Three months ended March 31,	2026	2025	Change
Loss and comprehensive loss	$ (714,827)	$ (1,218,497)	$ 503,670
Basic and diluted loss per share	$ (0.00)	$ (0.01)	$ 0.01

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. The Company reported cash of $395,058 as of March 31, 2026 compared to $901,698 as of December 31, 2025. Subsequent to the end of the quarter, the Company closed a non-brokered private placement offering for gross proceeds of $1,160,000.

Cash used in operating activities

Cash used in operating activities for the three months ended March 31, 2026 was $485,651 compared to $1,103,685 for the three months ended March 31, 2025. The decrease in cash used in operating activities is due mainly to a lower operating loss recorded in the current period compared to the prior period.

Cash provided by (used in) financing activities

Cash used in financing activities for the three months ended March 31, 2026 was $8,103, compared to cash provided by financing activities of $1,283,288 for the three months ended March 31, 2025. The higher cash inflow in the comparative period reflects

proceeds received from the Company's private placement completed during that quarter.

Cash used in investing activities

Cash used in investing activities during the three months ended March 31, 2026 was $12,886, compared to $44,832 for the three months ended March 31, 2025. The decrease in cash used reflects lower expenditures on intangible assets in the current period, as well as property and equipment expenditures incurred in the comparative period.

The Company continues to pursue additional distribution and licensing partners for its various products and technologies to enhance future liquidity. The Company also intends to maximize the use of available government grant programs to help offset a portion 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

	May 27, 2026	March 31, 2026	December 31, 2025
Common shares issued and outstanding	205,056,565	181,856,565	181,596,565
Restricted Share Units	13,104,440	13,104,440	13,114,440
Warrants	23,766,100	566,100	566,100
Stock options	-	250,000	500,000

A summary of the Company's share capital may be found in Note 11 of the accompanying condensed interim 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 :					
Accounts payable and accrued liabilities	$ 1,212,852	$ -	$ -	$ -	$ 1,212,852
Other liability	99,168	-	-		99,168
Government loans	952,051	475,267	-	-	1,427,318
Convertible loan	-	-	1,159,274	-	1,159,274
	$ 2,264,071	$ 475,267	$ 1,159,274	$ -	$ 3,898,612
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
	$ 23,005	$ 20,000	$ 20,000	$ 20,000	$ 83,005

GUARANTEES

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These provisions generally require the Company to compensate the counterparty for certain damages and costs arising from claims related to research and development activities conducted on the Company's behalf. In some instances, the maximum potential future payments under these indemnification arrangements may be unlimited. Such provisions typically survive termination of the underlying agreement. Due to the nature of these obligations, the Company is unable to reasonably estimate the maximum potential exposure. Historically, the Company has not made any indemnification payments under these agreements, and no amounts have been accrued in the accompanying condensed interim financial statements in respect of these 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 that rely on segregation of duties are not always practical or feasible. Management has implemented compensating controls, including enhanced Audit and Compensation Committee oversight and increased review and approval by the Chief Financial Officer of key transactions, to mitigate these limitations. Due to current resource constraints and the Company's stage of development, it does not have the size or scale to justify the addition of personnel to address this potential weakness at this time. Accordingly, the Company relies significantly on these compensating procedures, as well as senior management review and approval, to help mitigate the associated risks.

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 52-109 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 condensed interim 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 financial statements:

Revenue recognition

The Company's accounting policy over revenue recognition may be found in Note 3(b) in the consolidated financial statements for the year ended December 31, 2025.

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 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 consolidated financial statements for the year ended December 31, 2025. 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 condensed interim 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 consolidated financial statements for the year ended December 31, 2025. 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.

Share-based compensation

The Company's accounting policy over share-based compensation may be found in Notes 3(i)(ii),16(c) and 16(d) in the consolidated financial statements for the year ended December 31, 2025.

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 Notes 2 and 3 to the consolidated financial statements for the year ended December 31, 2025.

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 23 of the consolidated financial statements for the year ended December 31, 2025.

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.
* The Company operates in a highly competitive market and may face increased pressure from established and emerging competitors, which could adversely impact pricing, market share and commercialization success.
* Participation in government and institutional procurement processes, including competitive tenders, may limit pricing flexibility and does not guarantee contract awards, which could affect revenue generation.
* Geopolitical instability, including changes in international relations or government priorities, could disrupt supply chains, regulatory environments or access to key markets.
* The imposition of tariffs or changes in trade policies could increase the cost of raw materials or finished goods and negatively impact margins and competitiveness.
* The Company relies on third-party distributors and sales agents for commercialization, and any failure by such parties to perform effectively could adversely affect sales, market penetration and customer relationships.
* The Company may become subject to reporting obligations under the Physician Payments Sunshine Act, and failure to comply with such requirements could result in administrative burdens, penalties and reputational risk.

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.