

Management Discussion and Analysis
(Expressed in Canadian Dollars)

KANE BIOTECH INC.

Years ended December 31, 2025 and 2024

KANE BIOTECH INC.

Management Discussion and Analysis

The following management discussion and analysis (“MD&A”) covers information up to April 23, 2026, and should be read in conjunction with the consolidated financial statements for the years ended December 31, 2025 and 2024. Except as otherwise noted, the financial information contained in this MD&A and in the consolidated financial statements has been prepared in accordance with IFRS[®] Accounting Standards issued by the International Accounting Standards Board. 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 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 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 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 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 1000 times more resistant to antibiotics, antimicrobials, biocides and host immune responses. Biofilms can release

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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. DispersinB[®], coactiv+[®], DermaKB[®], DermaKB Biofilm[®], revyve[™] and revyve[®] are trademarks of Kane Biotech.

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

CORPORATE UPDATE

Overview

2025 was a transition year for the Company. Following the divestiture of animal health activities in 2024, the Company undertook a restructuring in 2025 to align its cost structure, governance, and operational priorities with its strategy to advance and commercialize its revyve wound care product portfolio, with the focus on the North American market.

Strategic Refocus and Restructuring

In April 2025, management announced a restructuring designed to concentrate resources on select wound care assets utilizing Kane's biofilm dispersion technology. The strategy included reductions in operating expenses, prioritization of development and commercialization activities, and a targeted geographic focus. As part of this process, Kane realigned internal resources toward its revyve product line and reduced expenditures in non-core activities.

By Q2 2025, execution was organized around three operational areas: (i) generating U.S.-based clinical case series data; (ii) presenting data at recognized wound and burn care conferences; and (iii) re-establishing U.S. distributor and sales agent relationships following termination of a prior exclusive distribution agreement.

Clinical Activities and Data Generation

In September 2025, the Company reported enrollment of 28 participants in its U.S. case series studies for revyve Antimicrobial Wound Gel and Gel Spray, exceeding the initial target of 25 participants; enrollment continued thereafter to expand the dataset. Total enrollment in the case series in Canadian and the U.S. was 43 participants.

Clinical observations and preclinical data were presented during 2025 at several professional conferences, including:

- The Symposium on Advanced Wound Care (May and September 2025);
- Nurses Specialized in Wound, Ostomy and Continence Canada (May 2025);
- Wounds Canada National Hybrid Conference (October 2025);
- The Diabetic Foot Conference (October 2025);
- Southern Region Burn Conference (October 2025);
- Innovations in Wound Healing Annual Meeting (December 2025);
- Boswick Burn & Wound Care Symposium (January 2026);

Two publications were accepted and published:

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- The publication in *Frontiers in Antibiotics* demonstrated that revyve was effective at inactivating antibiotic-tolerant biofilms and may serve as a valuable tool in combating biofilms in chronic wounds.
 - Visvalingam J, Muzaleva A, Sailer M, Logsetty S and Huizinga RB (2026) Efficacy of a novel thermo-reversible wound gel against antibiotic tolerant biofilm. *Front. Antibiot.* 5:1773630. <https://doi:10.3389/frabi.2026.1773630>
- The second publication in the *International Wound Journal*, demonstrated that revyve had efficacy against a broad range of wound-related pathogens, including *Staphylococcus aureus* and *Pseudomonas aeruginosa*, with a 99.99%–99.9999% reduction in bacterial counts within 30 min.
 - J. Visvalingam, J. Li, I. Jozic, et al., “Wound Healing Property of a Novel Thermo-Reversible Wound Gel With Lasting Antimicrobial and Antibiofilm Activity,” *International Wound Journal* 23, no. 2 (2026): e70845, <https://doi.org/10.1111/iwj.70845>.

The Company notes these are early-stage clinical observations and that additional evidence may be required to support broader clinical adoption.

Regulatory Developments

In December 2025, Health Canada approved the Company’s revyve Antimicrobial Wound Gel Spray, complementing prior regulatory clearances within the Company’s wound care portfolio.

In February 2026, Kane announced that it received FDA 510(k) clearance of its revyve Antimicrobial Wound Cleanser, its third wound care product under the FDA 510(k) process, as well as the expansion of its ISO 13485:2016 certification under the Medical Device Single Audit Program (MDSAP) to include product distribution and the wound cleanser product category.

Commercial and Distribution Activities

In June 2025, Kane terminated its exclusive U.S. distribution agreement with ProgenaCare Global LLC due to alleged material breaches of the agreement. The Company initiated efforts to re-secure U.S. distribution and sales agent coverage, with discussions continuing through the second half of 2025 and supported by conference engagement.

In February 2026, the Company announced the resumption of its commercial activities in the United States and Canada through the execution of a series of non-exclusive distribution and sales agent agreements for its revyve product line in the United States, as well as the conversion of its distribution agreement with Best Buy Medical Canada to a non-exclusive arrangement. These efforts are supported by targeted sales and sampling initiatives, with initial shipments expected in the near term.

Governance and Leadership

At the Annual and Special Meeting of Shareholders on June 25, 2025, three new directors — Ms. Anne Greven, Mr. Shameze Rampertab, and Dr. David Kideckel — were elected alongside the re-election of existing directors. In June 2025, Dr. Robert Huizinga stepped down as Executive Chair and Mr. Philip Renaud was appointed as Board Chair. In August 2025, Mr. Rampertab was appointed Chair of the Audit and Compensation Committee, Ms. Greven was appointed Chair of the Governance and Nominating Committee, and Dr. John Coleman was designated Lead Independent Director.

Earlier in 2025, the Company announced the departure of its former Chief Executive Officer and the appointment of Dr. Robert Huizinga as Interim CEO.

Financing and Liquidity

In February 2025, Kane closed a private placement offering for gross proceeds of \$1.7 million of which \$370,000 was from insiders of the Company.

In May 2025, the Company closed a private placement with insiders of the Company for gross proceeds of \$1.2 million and received \$1.0 million under an unsecured insider loan. In June 2025, the Company converted the insider loan into a five-year unsecured convertible debenture bearing interest at 3% per annum compounded annually.

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In June 2025, as described in Note 13 (b) of the accompanying consolidated financial statements, the Company received a notice of default from Prairies Economic Development Canada (“PrairiesCan”) following a missed installment under its repayable contribution agreement. Kane has temporarily suspended payments on the loan and continues to work proactively with PrairiesCan to determine an appropriate timeline for resuming monthly payments.

In December 2025, Kane closed a private placement offering with an insider of the Company for gross proceeds of \$700,000.

In April 2026, Kane received a \$1.0 million cash advance from an insider of the Company.

Tariffs

The Company continues to monitor announcements made by the United States government and the Supreme Court regarding US-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 RECENT CORPORATE EVENTS:

- In Q2, 2026, Kane Biotech received a \$1.0 million cash advance from an insider of the Company.
- In Q1 2026, the Company announced that it had received U.S. FDA 510(k) clearance for its revyve Antimicrobial Skin and Wound Cleanser.
- In 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.
- In Q4 2025, the Company received Health Canada approval for its revyve Antimicrobial Wound Gel Spray.
- In Q2 2025, Kane Biotech terminated its exclusive distribution agreement with ProgenaCare Global LLC (“ProgenaCare”) due to various material breaches by ProgenaCare of the agreement.
- In 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.
- In 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+ technology-based product portfolio overview is as follows:

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Product	Regulatory Status	Indications / Intended Use	Target Settings / Markets
revyve Antimicrobial Wound Gel	Cleared by FDA Approved by Health Canada	Management of a broad range of wounds including: Ulcers (diabetic foot, leg, pressure) 1st and 2nd degree burns Partial and full thickness wounds Large surface area wounds Surgical incisions (adult population)	Hospitals Long-term care Outpatient clinics Home care
revyve Antimicrobial Wound Spray	Cleared by FDA Approved by Health Canada	Management of a broad range of wounds including: Ulcers (diabetic foot, leg, pressure) 1st and 2nd degree burns Partial and full thickness wounds Large surface area wounds Surgical incisions (adult population)	Hospitals Long-term care Outpatient clinics Home care
revyve Antimicrobial Skin & Wound Cleanser	Cleared by FDA	Mechanical cleansing, moistening, debriding, and removal of foreign material (including microorganisms and debris) from acute and chronic dermal lesions as follows: Stage I-IV pressure ulcers Venous ulcers Diabetic foot ulcers Surgical wounds Burns Graft and donor sites Minor cuts and abrasions	Hospitals Long-term care Clinics Home care
coactiv+ Antimicrobial Surgical Gel <i>(brand name pending)</i>	In development	Surgical/acute wounds Applicable to all surgical wound types and for prophylactic use on post-surgical incisions	Primary: Hospitals (operating rooms) Secondary: ambulatory Surgical Centers (ASCs) and physician offices

In Q1 2026, Kane announced that it had expanded its ISO 13485:2016 certification under the Medical Device Single Audit Program (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 (QMSR) 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 Vice Presidents of Business Development in both the US and Canada 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 (“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.

Products in investigational or development stages include the following:

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

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- 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 US distributor network within targeted sales channels and geographical markets and grow sales of the revyve product line in the US
- 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 (HOPD) 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

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- Patent protected

In 2024, Kane signed a five-year, non-exclusive worldwide royalty-based licensing agreement with Arizona-based Omni Bioceutical Innovations Inc. (“Omni”) to commercialize Kane’s coactiv+-based scalp detoxifier product line under the Omni Bioceuticals brand in the medical aesthetics market. Royalties have been immaterial to date.

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 2024, Kane entered into a worldwide license agreement with I-MED Pharma Inc. (“I-MED”) 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 2026.

In 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 2027.

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 12 pending patents within the following global jurisdictions:

Jurisdiction	Patents		Total
	Issued	Pending	
Canada	3	3	6
United States	5	6	11
Rest of World	35	3	38
Total	43	12	55

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:

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

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(c) Going concern" to the accompanying consolidated financial statements.

SELECTED ANNUAL FINANCIAL INFORMATION

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Continuing operations

Years ended December 31,	2025	2024	2023
License & royalty	\$ 1,699	\$ 279,641	\$ 109,886
Sale of goods and services	426,170	1,801,238	39,094
Total revenue	427,869	2,080,879	148,980
Cost of sales-sales of goods and services	428,509	1,208,783	39,510
Gross profit (loss)	(640)	872,096	109,470
General and administration expenses	1,982,985	3,078,109	2,412,956
Research expenses	670,223	1,716,984	1,053,900
Net other expenses	(175,396)	(548,356)	(1,204,959)
Loss from continuing operations	(2,721,239)	(3,161,097)	(4,562,345)
Net loss from continuing operations attributable to shareholders	(2,721,239)	(3,161,097)	(4,562,345)
Basic and diluted loss per share from continuing operations	(0.02)	(0.02)	(0.04)
Net income (loss) from discontinued operations attributable to shareholders	-	9,259,039	(471,758)
Net income (loss) attributable to shareholders	(2,721,239)	6,097,942	(5,034,103)
Basic income (loss) per share attributable to shareholders	(0.02)	0.05	(0.04)
Diluted income (loss) per share attributable to shareholders	(0.02)	0.04	(0.04)
Cash and cash equivalents	901,698	358,813	749,248
Total assets	2,734,041	2,494,176	5,680,919
Non-current liabilities	978,714	1,713,448	3,195,911
Total current liabilities	2,501,872	2,409,965	10,894,400
Deficit	(37,136,365)	(34,415,126)	(42,134,276)
Total capital stock, warrants, and contributed surplus	36,389,820	32,785,889	31,575,972

Discontinued operations

Years ended December 31,	2025	2024	2023
License & royalty	\$ -	\$ 219,424	\$ 620,978
Sale of goods and services	-	860,266	2,047,818
Total revenue	-	1,079,690	2,668,796
Cost of sales-sales of goods and services	-	454,998	1,389,215
Gross profit	-	624,692	1,279,581
General and administration expenses	-	446,142	1,985,483
Research expenses	-	6,917	22,384
Net other income	-	33,272	20,578
Income (loss)	-	204,905	(707,708)
Gain on sale of subsidiary	-	9,122,449	-
Net income (loss) and comprehensive income (loss)	-	9,327,354	(707,708)
Net income (loss) and comprehensive income (loss) attributable to shareholders	-	9,259,039	(471,758)
Net income (loss) and comprehensive income (loss) attributable to minority	-	68,315	(235,950)
Cash and cash equivalents	-	-	1,139,480
Total assets	-	-	2,630,499
Non-current liabilities	-	-	829,318
Total current liabilities	-	-	621,133
Deficit	-	-	(1,633,755)

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:

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	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024	Q2-2024	Q1-2024
	\$	\$	\$	\$	\$	\$	\$	\$
Net income (loss) - continuing operations								
License	-	-	-	-	-	-	257,585	22,056
Royalty	1,699	-	-	-	-	-	-	-
Sales of goods and services	(22,839)	8,499	27,997	412,513	125,859	1,282,698	362,851	29,830
Total revenue	(21,140)	8,499	27,997	412,513	125,859	1,282,698	620,436	51,886
Cost of sales - sales of goods and services	(28,707)	13,627	73,523	370,066	213,063	723,944	259,941	11,835
Gross profit (loss)	7,567	(5,128)	(45,526)	42,447	(87,204)	558,754	360,495	40,051
Operating expenses	681,467	538,306	229,930	1,203,505	933,479	1,170,064	1,463,397	1,228,153
Loss and comprehensive loss from continuing operations before income tax	(654,861)	(607,345)	(348,541)	(1,218,497)	(1,082,935)	(678,636)	(1,215,996)	(1,493,786)
Net income (loss) from continuing operations attributable to shareholders	(546,856)	(607,345)	(348,541)	(1,218,497)	227,321	(678,636)	(1,215,996)	(1,493,786)
Net income (loss) from discontinued operations attributable to shareholders	-	-	-	-	(1,310,256)	72,823	10,398,508	97,964
Net income (loss) attributable to shareholders	(546,856)	(607,345)	(348,541)	(1,218,497)	(1,082,935)	(605,813)	9,182,512	(1,395,822)
Loss per share from continuing operations attributable to shareholders	(0.01)	(0.00)	(0.00)	(0.01)	0.00	(0.01)	(0.01)	(0.01)
Income (loss) per share attributable to shareholders								
Basic	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	0.07	(0.01)
Diluted	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	0.06	(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.

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. 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 of which \$43,813 was subsequently reversed in 2025.

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. In Q2, Q3, and Q4 2025, the company recorded significantly lower operating expenses than prior quarters due to a number of cost reduction initiatives.

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Management Discussion and Analysis

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:

	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024	Q2-2024	Q1-2024
Income (loss) - discontinued operations	\$	\$	\$	\$	\$	\$	\$	\$
License	-	-	-	-	-	-	7,668	62,730
Royalty	-	-	-	-	-	-	34,738	114,288
Sales of goods and services	-	-	-	-	-	-	147,509	712,757
Total revenue	-	-	-	-	-	-	189,915	889,775
Cost of Sales - sales of goods and services	-	-	-	-	-	-	85,958	369,040
Gross profit	-	-	-	-	-	-	103,957	520,735
Operating expenses	-	-	-	-	-	-	56,947	396,112
Income from discontinued operations before income tax	-	-	-	-	-	72,823	10,417,826	146,961
Net income (loss) from discontinued operations	-	-	-	-	(1,310,256)	72,823	10,417,826	146,961
Net income (loss) from discontinued operations attributable to shareholders	-	-	-	-	(1,310,256)	72,823	10,398,508	97,964
Net income attributable to minority interest	-	-	-	-	-	-	19,318	48,997

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 agreement 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 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 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.

In 2024, revenue was derived primarily from: 1) revyve and DermaKB product sales; 2) animal health product sales; 3) license payment revenue recognition; 4) royalties related to exclusive license and distribution agreements with Dechra, Animalcare and Skout’s Honor and 5) animal health contract manufacturing and quality control services.

There was no revenue in the three months ended December 31, 2025 or 2024 related to discontinued operations.

The Company’s revenue in continuing operations by category for the three months ended December 31, 2025 and 2024 is summarized in the table below:

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Three months ended December 31,	2025	2024	Change	% Change
Royalty	\$ 1,699	\$ -	\$ 1,699	N/A
Products	4,419	3,550	869	24%
Services	(27,258)	122,309	(149,567)	-122%
Total Revenue	\$ (21,140)	\$ 125,859	\$ (146,999)	-117%

Royalty revenue from continuing operations in the three months ended December 31, 2025 is related to the Omni agreement.

Product sales from continuing operations in the three months ended December 31, 2025 and 2024 consists mainly of the sales of the Company's revyve and DermaKB product lines.

Services revenue from continuing operations in the three months ended December 31, 2025 is negative mainly due to an adjustment of \$40,280 in the current period related to animal health contract manufacturing services revenue recognized in a prior period. Services revenue in the three months ended December 31, 2024 consists of revenue derived from animal health contract manufacturing and quality control services.

The Company's revenue by category for the years ended December 31, 2025 and 2024 is summarized in the table below:

Year ended December 31,	Continuing operations				Discontinued operations				Total			
	2025	2024	Change	% Change	2025	2024	Change	% Change	2025	2024	Change	% Change
License	\$ -	\$ 279,641	\$ (279,641)	-100%	\$ -	\$ 70,398	\$ (70,398)	-100%	\$ -	\$ 350,039	\$ (350,039)	-100%
Royalty	1,699	-	1,699	N/A	-	149,026	(149,026)	-100%	1,699	149,026	(147,327)	-99%
Products	16,158	675,368	(659,210)	-98%	-	730,034	(730,034)	-100%	16,158	1,405,402	(1,389,244)	-99%
Services	410,012	1,125,870	(715,858)	N/A	-	130,232	(130,232)	-100%	410,012	1,256,102	(846,090)	-67%
Total Revenue	\$ 427,869	\$ 2,080,879	\$ (1,653,010)	-79%	\$ -	\$ 1,079,690	\$ (1,079,690)	-100%	\$ 427,869	\$ 3,160,569	\$ (2,732,700)	-86%

License revenue from continuing operations in the year ended December 31, 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 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.

License revenue from discontinued operations in the year ended December 31, 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 of 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 consolidated statement of income (loss) and comprehensive income (loss).

Royalty revenue from continuing operations in the year ended December 31, 2025 is related to the Omni agreement.

Royalty revenue from discontinued operations in the year ended December 31, 2024 consisted of royalties received from Dechra on their sales of Vetrudent 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.

Lower product sales from continuing operations in the year ended December 31, 2025 compared the year ended December 31, 2024 is due primarily to the previous year including the recognition of revyve product revenue related to the \$500,000 USD upfront payment the Company received from ProgenaCare in 2023. Subsequent to the termination of the ProgenaCare agreement in Q2 2025, management has signed a number of non-exclusive distribution and sales agent agreements within multiple geographic jurisdictions and sales channels within the U.S. and expects to realize revenues from these agreements in the near future.

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Product sales from discontinued operations in the year ended December 31, 2024 consist of STEM product sales that occurred prior to the sale of STEM in Q2 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. Lower services revenue from continuing operations in the year ended December 31, 2025 compared to the year ended December 31, 2024 is primarily due to the Company no longer manufacturing animal health products for Dechra as of Q1 2025.

Services revenue from discontinued operations in the year ended December 31, 2024 consists of STEM contract manufacturing and quality control revenue realized prior to the sale of STEM in Q2 2024.

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.

There were no general and administration expenses in discontinued operations for the three months ended December 31, 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 December 31, 2025 and 2024 are reflected in the following table:

Three months ended December 31,	2025	2024	Change	% Change
Compensation related costs and consulting fees	\$ 247,373	\$ 31,350	\$ 216,023	689%
Business development costs	124,349	155,028	(30,679)	-20%
Legal costs	1,880	109,589	(107,709)	-98%
Other administration costs	162,989	99,801	63,188	63%
Government assistance	(14,463)	(69,811)	55,348	N/A
General and administration expenses	\$ 522,128	\$ 325,957	\$ 196,171	60%

Higher compensation related costs and consulting fees in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to a reversal of short-term incentive expense related to 2023 and 2024 recorded in the comparative period partially offset by lower salaries, consulting expense, and long-term incentive expense recorded in the current period.

Lower business development costs in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are due primarily to lower travel expenses partially offset by higher investor relations expenses in the current period.

Lower legal costs in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to legal fees incurred in the comparative period associated with a potential acquisition.

Higher other administration costs in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to higher audit fees recorded in the current period.

Lower government assistance for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 is due primarily to lower NRC IRAP and US DOD funding recorded in the current period.

The changes in general and administration expenditures by category for the years ended December 31, 2025 and 2024 are reflected in the following table:

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Year ended December 31,	Continuing operations				Discontinued operations				Total			
	2025	2024	Change	% Change	2025	2024	Change	% Change	2025	2024	Change	% Change
Compensation related costs and consulting fees	\$ 1,160,793	\$ 1,984,978	\$ (824,185)	-42%	\$ -	\$ 285,364	\$ (285,364)	-100%	\$ 1,160,793	\$ 2,270,342	\$ (1,109,549)	-49%
Business development costs	495,295	562,859	(67,564)	-12%	-	144,607	(144,607)	-100%	495,295	707,466	(212,171)	-30%
Legal costs	27,850	214,711	(186,861)	-87%	-	669	(669)	-100%	27,850	215,380	(187,530)	-87%
Other administration costs	360,218	385,372	(25,154)	-7%	-	15,502	(15,502)	-100%	360,218	400,874	(40,656)	-10%
Government assistance	(61,171)	(69,811)	8,640	N/A	-	-	-	N/A	(61,171)	(69,811)	8,640	N/A
General and administration expenses	\$ 1,982,985	\$ 3,078,109	\$ (1,095,124)	-36%	\$ -	\$ 446,142	\$ (446,142)	-100%	\$ 1,982,985	\$ 3,524,251	\$ (1,541,266)	-44%

There are no general and administrative expenses related to discontinued operations for the year ended December 31, 2025 as the sale of STEM took place in Q2 2024.

Lower compensation related costs and consulting fees in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to lower staffing levels, lower long-term compensation expense and lower consulting expense in the current period partially offset by a reversal of short-term incentive expense related to 2023 and 2024 recorded in the comparative period.

Lower business development costs in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 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 year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to legal fees related to a potential acquisition incurred in the comparative period as well as a one-time adjustment to legal fees recorded in the current period.

Lower other administration costs in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to lower audit expense as well as a gain on the sale of office equipment recorded in the current period.

Government assistance in the current period consists primarily of funding received from the NRC IRAP and the US DOD.

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.

There were no research and development expenses in discontinued operations during the three months ended December 31, 2025 or 2024.

The changes in research and development expenses in the continuing operations by category for the three months ended December 31, 2025 and 2024 are reflected in the following table:

Three months ended December 31,	2025	2024	Change	% Change
Compensation related costs and consulting fees	\$ 48,304	\$ 45,893	\$ 2,411	5%
Contract research and scientific consulting	54,525	235,504	(180,979)	-77%
Patent related costs and other intangibles expensed	34,035	244,803	(210,768)	-86%
Other research costs	36,148	93,489	(57,341)	-61%
Government assistance	(13,673)	(12,167)	(1,506)	12%
Research expenses	\$ 159,339	\$ 607,522	\$ (448,183)	-74%

Higher compensation related costs and consulting fees in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to an adjustment to short-term compensation expense in the comparative period partially offset by a reduction in staff and long-term compensation expense in the current period.

Lower contract research and scientific consulting costs in continuing operations for the three months ended December 31, 2025

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compared to the three months ended December 31, 2024 are primarily due to revyve Antimicrobial Wound Gel manufacturing scale-up expenses incurred in the comparative period.

Lower patent related costs and other intangibles expenses in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to patents derecognized in the comparative period.

Lower other research costs in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to lower research laboratory consumables expenses in the current period.

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

The changes in research and development expenses by category for the years ended December 31, 2025 and 2024 are reflected in the following table:

Year ended December 31,	Continuing operations				Discontinued operations				Total			
	2025	2024	Change	% Change	2025	2024	Change	% Change	2025	2024	Change	% Change
Compensation related costs and consulting fees	\$ 156,943	\$ 550,814	\$ (393,871)	-72%	\$ -	\$ -	\$ -	N/A	\$ 156,943	\$ 550,814	\$ (393,871)	-72%
Contract research and scientific consulting	286,337	751,162	(464,825)	-62%	-	-	-	N/A	286,337	751,162	(464,825)	-62%
Patent related costs and other intangibles expensed	169,489	317,828	(148,339)	-47%	-	-	-	N/A	169,489	317,828	(148,339)	-47%
Other research costs	225,521	312,847	(87,326)	-28%	-	6,917	(6,917)	-100%	225,521	319,764	(94,243)	-29%
Government assistance	(168,067)	(215,667)	47,600	-22%	-	-	-	N/A	(168,067)	(215,667)	47,600	-22%
Research expenses	\$ 670,223	\$ 1,716,984	\$ (1,046,761)	-61%	\$ -	\$ 6,917	\$ (6,917)	-100%	\$ 670,223	\$ 1,723,901	\$ (1,053,678)	-61%

Lower compensation related costs and consulting fees in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to a reduction in staff and lower long-term compensation expense recorded in the current period.

Lower contract research and scientific consulting costs in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to contract research expenditures related to the Company's revyve Antimicrobial Wound Gel product development incurred in the comparative period.

Lower patent related costs and other intangibles expenses in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to patents derecognized in the comparative period partially offset by higher patent legal fees incurred in the current period.

Lower other research costs in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 are primarily due to lower research laboratory consumables expense in the current period.

Lower government assistance in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 is primarily due to lower funding from the US DOD partially offset by higher funding from NRC IRAP in the current period.

Other income (expenses)

There were no other income (expenses) in discontinued operations during the three months ended December 31, 2025 or 2024.

The changes in other income (expenses) for the three months ended December 31, 2025 and 2024 in continuing operations are reflected in the following table:

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Three months ended December 31,	2025	2024	Change
Finance income	\$ 3,002	\$ 1,220	\$ 1,782
Finance expenses	(10,141)	(62,421)	52,280
Fair value adjustment	(20,997)	-	(20,997)
Foreign exchange gain (loss), net	2,761	(1,050)	3,811
Gain on lease termination	17,406	-	17,406
Gain on disposal of equipment	27,008	-	27,008
Net other income (expenses)	\$ 19,039	\$ (62,251)	\$ 81,290

Lower finance expenses in continuing operations for the three months ended December 31, 2025 compared to the three months ended December 31, 2024 are primarily due to lower accretion expense on the PrairiesCan loan recorded in the current period.

The fair value adjustment in the current period is the reversal of the fair value adjustment recorded in Q2 2025 related to the convertible loan.

The changes in other income (expenses) for the years ended December 31, 2025 and 2024 are reflected in the following table:

Year ended December 31,	Continuing operations			Discontinued operations			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
Finance income	\$ 18,994	\$ 4,943	\$ 14,051	\$ -	\$ 9,104	\$ (9,104)	\$ 18,994	\$ 14,047	\$ 4,947
Finance expenses	(242,759)	(545,480)	302,721	-	(3,793)	3,793	(242,759)	(549,273)	306,514
Foreign exchange gain (loss), net	3,955	(7,819)	11,774	-	27,961	(27,961)	3,955	20,142	(16,187)
Gain on sale of subsidiary	-	-	-	-	10,432,705	(10,432,705)	-	10,432,705	(10,432,705)
Gain on lease termination	17,406	-	17,406	-	-	-	17,406	-	17,406
Gain on disposal of equipment	27,008	-	27,008	-	-	-	27,008	-	27,008
Net other income (expenses)	\$ (175,396)	\$ (548,356)	\$ 372,960	\$ -	\$ 10,465,977	\$ (10,465,977)	\$ (175,396)	\$ 9,917,621	\$ (10,093,017)

Lower finance expenses in continuing operations for the year ended December 31, 2025 compared to the year ended December 31, 2024 is due primarily to interest expense on the Pivot loan in the comparative period partially offset by accretion expense recorded on the convertible loan in the current period.

Income (loss) and comprehensive income (loss)

The income (loss) and comprehensive income (loss) for the three months and the years ended December 31, 2025 and 2024 are reflected in the following tables:

Three months ended December 31,	Continuing operations			Discontinued operations			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
Income (loss) and comprehensive income (loss)	\$ (546,856)	\$ 227,321	\$ (774,177)	\$ -	\$ -	\$ -	\$ (546,856)	\$ 227,321	\$ (774,177)
Income (loss) and comprehensive income (loss) attributable to shareholders	\$ (546,856)	\$ 227,321	\$ (774,177)	\$ -	\$ (1,310,256)	\$ 1,310,256	\$ (546,856)	\$ (1,082,935)	\$ 536,079
Basic income (loss) per share	\$ (0.01)	\$ 0.00	\$ 0.01	\$ -	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ -
Diluted income (loss) per share	\$ (0.01)	\$ 0.00	\$ 0.01	\$ -	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ -

Year ended December 31,	Continuing operations			Discontinued operations			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
Income (loss) and comprehensive income (loss)	\$ (2,721,239)	\$ (3,161,097)	\$ 439,858	\$ -	\$ 9,327,354	\$ (9,327,354)	\$ (2,721,239)	\$ 6,166,257	\$ (8,887,496)
Income (loss) and comprehensive income (loss) attributable to shareholders	\$ (2,721,239)	\$ (3,161,097)	\$ 439,858	\$ -	\$ 9,259,039	\$ (9,259,039)	\$ (2,721,239)	\$ 6,097,942	\$ (8,819,181)
Basic income (loss) per share	\$ (0.02)	\$ (0.02)	\$ -	\$ -	\$ 0.07	\$ (0.07)	\$ (0.02)	\$ 0.05	\$ (0.07)
Diluted income (loss) per share	\$ (0.02)	\$ (0.02)	\$ -	\$ -	\$ 0.06	\$ (0.06)	\$ (0.02)	\$ 0.04	\$ (0.06)

KANE BIOTECH INC.

Management Discussion and Analysis

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 \$901,698 as of December 31, 2025 compared to \$358,813 as of December 31, 2024.

The following table illustrates the Company's cash flow for the three months and the years ended December 31, 2025 and 2024 in both continuing operations and discontinued operations.

	Three months ended December 31, 2025			Three months ended December 31, 2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Beginning of period	October 1, 2025			October 1, 2024		
Cash and cash equivalents, beginning of period	\$ 939,062	\$ -	\$ 939,062	\$ 544,377	\$ -	\$ 544,377
Changes in operating activities	(680,613)	-	(680,613)	(419,877)	-	(419,877)
Changes in financing activities	665,137	-	665,137	202,719	-	202,719
Changes in investing activities	(21,888)	-	(21,888)	31,594	-	31,594
Decrease in cash	(37,364)	-	(37,364)	(185,564)	-	(185,564)
Cash and cash equivalents, end of period	\$ 901,698	\$ -	\$ 901,698	\$ 358,813	\$ -	\$ 358,813

	Year ended December 31, 2025			Year ended December 31, 2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Beginning of year	January 1, 2025			January 1, 2024		
Cash and cash equivalents, beginning of year	\$ 358,813	\$ -	\$ 358,813	\$ 749,248	\$ 1,139,480	\$ 1,888,728
Changes in operating activities	(3,255,418)	-	(3,255,418)	(3,664,464)	(446,882)	(4,111,346)
Changes in financing activities	3,851,436	-	3,851,436	(6,997,364)	(689,052)	(7,686,416)
Changes in investing activities	(53,133)	-	(53,133)	10,271,393	(3,546)	10,267,847
Increase (decrease) in cash	542,885	-	542,885	(390,435)	(1,139,480)	(1,529,915)
Cash and cash equivalents, end of year	\$ 901,698	\$ -	\$ 901,698	\$ 358,813	\$ -	\$ 358,813

Cash used in operating activities

Cash used in operating activities for the three months ended December 31, 2025 was \$680,613, of which \$nil is associated with discontinued operations, compared to cash used in operating activities of \$419,877, of which \$nil is associated with discontinued operations, for the three months ended December 31, 2024. The increase in cash used in operating activities is due mainly to more cash used for net working capital in the current period.

Cash used in operating activities for the year ended December 31, 2025 was \$3,255,418, of which \$nil is associated with discontinued operations, compared to cash used in operating activities for the year ended December 31, 2024 of \$4,111,346 of which \$446,882 was used in discontinued operations. The decrease in cash used in operating activities is due primarily to a lower operating loss in continuing operations in the current period.

Cash provided by (used in) financing activities

Cash provided by financing activities for the three months ended December 31, 2025 was \$665,137, of which \$nil is associated with discontinued operations, compared to cash provided by financing activities of \$202,719, of which \$nil is associated with discontinued operations, for the three months ended December 31, 2024. The increase in cash provided by financing activities in the current period is due primarily to proceeds received from the private placement offering which closed during the current period.

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Cash provided by financing activities for the year ended December 31, 2025 was \$3,851,436, of which \$nil was provided by discontinued operations, compared to cash used in financing activities for the year ended December 31, 2024 of \$7,686,416 of which \$689,052 was associated with discontinued operations. Cash provided by financing activities in the current period consists primarily of proceeds from the Company's private placements and convertible loan 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 used in investing activities during the three months ended December 31, 2025 was \$21,888, of which \$nil is associated with discontinued operations, compared to \$31,594, of which \$nil is associated with discontinued operations, provided by investing activities during the three months ended December 31, 2024. Cash used in investing activities in the current period is primarily patent-related. Cash provided by investing activities in the comparative period is primarily due to an adjustment to the sales proceeds recognized on the sale of STEM partially offset by patent-related cash outflows.

Cash used in investing activities during the year ended December 31, 2025 was \$53,133, of which \$nil is associated with discontinued operations, compared to cash generated from investing activities during the year ended December 31, 2024 of \$10,271,393, of which \$3,546 was used in discontinued operations. Cash used in investing activities during the current period primarily relates to patent-related expenditures, partially offset by proceeds from the disposal of office equipment. Cash provided by investing activities in the comparative period primarily reflects proceeds received from the sale of STEM.

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

	April 23, 2026	December 31, 2025	December 31, 2024
Common shares issued and outstanding	181,856,565	181,596,565	137,786,567
Restricted Share Units	13,104,440	13,114,440	21,474,510
Warrants	566,100	566,100	3,125,000
Stock options	250,000	500,000	-

A summary of the Company's share capital may be found in Note 16 of the accompanying 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:

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	Payments due by Period					Total
	Within 1 year	2-3 years	4-5 years	6-7 years		
Canadian Dollars :						
Accounts payable and accrued liabilities	\$ 1,076,177	\$ -	\$ -	\$ -	\$ -	\$ 1,076,177
Other liability	100,101	-	-	-	-	100,101
Government loan	805,317	601,267	-	-	-	1,406,584
Lease liability	97,237	194,474	194,474	29,291	-	515,476
Convertible loan	-	-	1,159,274	-	-	1,159,274
	\$ 2,078,832	\$ 795,741	\$ 1,353,748	\$ 29,291	\$ -	\$ 4,257,612
US Dollars :						
Quality management platform fee (USD)	\$ 13,005	\$ -	\$ -	\$ -	\$ -	\$ 13,005
Licence maintenance fees (USD)	10,000	20,000	20,000	20,000	20,000	70,000
	\$ 23,005	\$ 20,000	\$ 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 consolidated 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 consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS")

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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 consolidated financial statements:

Revenue recognition

The Company's accounting policy over revenue recognition may be found in Note 3(b) in the accompanying 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 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 accompanying 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 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 accompanying 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

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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 income (loss) and comprehensive income (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 accompanying 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 accompanying 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

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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 accompanying 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

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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.