

November 12, 2024



Kane Biotech Announces Agreement to Acquire FB Dermatology

Transaction will Strengthen Kane's Wound Care and Dermatology Portfolio and Expand Global Commercial Reach

WINNIPEG, Manitoba, Nov. 12, 2024 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (the "**Company**", "**Kane Biotech**") announces today that it has entered into a binding term sheet (the "**Term Sheet**") setting out the key terms and conditions relating to the acquisition of all of the issued and outstanding shares (the "**Purchased Shares**") of FB Dermatology S.R.L. ("**FB Dermatology**"), incorporated under the laws of Italy. FB Dermatology currently has operations in Italy and Australia with product sales throughout Europe, Australia and New Zealand.

"This transaction is a powerful catalyst for Kane Biotech's growth," stated Marc Edwards, President and CEO of Kane Biotech. "FB Dermatology's Fluorescent Light Energy Technology or FLETECH offers a proven, patented, and fully commercialized portfolio with impactful applications in wound care and dermatology. With this acquisition, we are positioning Kane Biotech as one of the frontrunners in delivering one of the best and most innovative solutions in these fields, backed by an advanced lineup of products. I'm enthusiastic about the future potential of our combined organization, especially as this transaction significantly enhances our commercial capabilities, setting the stage for accelerated growth and impact in the market."

"We're thrilled to move this transaction forward with minimal dilution and an initial minimal cash component. This approach aligns with our commitment to maximizing shareholder value and preserving our financial strength, and we believe it's a win for our investors," concluded Edwards.

FB Dermatology's products include:

- LumiHeal[®], which has a European Union MDR CE Mark for the treatment of chronic wounds, as well as a Class II de novo device (US Food and Drug Administration (FDA)) for surgical scar reduction, utilizes the principles of Fluorescence Biomodulation to manage impaired and damaged skin by delivering fluorescence, at a cellular level, to impact the three critical phases of healing: Inflammation, Proliferation and Remodeling.
- Kleresca[®], which also has a European Union CE Mark, stimulates the skin's own repair systems in a harmless, non-destructive, and painless manner and is used for skin rejuvenation and the treatment of acne and rosacea.

- Lumixa[®], which acts through photobiomodulation light stimuli activating biological processes and regeneration mechanisms of the skin.

In addition to financial synergies, there are a number of commercial synergies that are expected to result from this acquisition including:

- Accelerated commercialization of Kane Biotech's revyve[™] Antimicrobial Wound Gel in a number of international markets including but not limited to Australia and New Zealand leveraging FB Dermatology's local sales team. Kane Biotech's ISO 13485:2016 certification under the Medical Device Single Audit Program (MDSAP) covers Australian regulatory requirements. This certification as well as the Company's US FDA 510(k) clearance of its revyve[™] Antimicrobial Wound Gel will simplify regulatory approval in Australia and New Zealand.
- Leveraging FB Dermatology's sales and distribution networks in Europe, Australia and New Zealand to launch the DermaKB[®] product line in those jurisdictions.
- The commercial launch of Lumixa[®] in the United States and Canada for wound care and dermatological applications is expected to be done in synergy with Kane Biotech's coactiv+[™] based technology including its revyve[™] product line.
- The US commercial launch of FB Dermatology's LumiHeal[®] technology, which has a Class II de novo device (US FDA) for surgical scar reduction, along with Kane Biotech's coactiv+[™] Antimicrobial Surgical Gel.

"Kane Biotech's vision and expertise align closely with our goals, and we are fully committed to supporting their growth and innovation as long-term shareholders. We believe Kane Biotech is well-positioned to unlock significant value, and we look forward to partnering with them on this exciting journey to make a lasting impact in the industry," stated Dr Francesco Bellini, majority shareholder of FB Dermatology.

Subject to adjustments set out in the Term Sheet, the aggregate purchase price expected to be paid by the Company for the Purchased Shares shall consist of the following: (i) approximately \$200,000 in cash on the closing date of the Acquisition, defined below (the "**Closing Date**"); (ii) 6,000,000 common shares of Kane Biotech (each a **Kane Share**"), which shall be held in escrow and released pursuant to an escrow agreement on the date that is 36 months from the Closing Date; (iii) 6,000,000 warrants to purchase Kane Shares at a price of \$0.25 per Kane Share for a period of 36 months; (iv) on the date that is 18 months from the Closing Date, approximately \$920,000 in cash which, at the option of Kane Biotech, may be satisfied by issuing the equivalent number of Kane Shares; and (v) on the date that is 36 months from the Closing Date, approximately \$1,380,000 in cash which, at the option of Kane Biotech, may be satisfied by issuing the equivalent number of Kane Shares. The potential payments in shares referenced in subparagraph (iv) and (v) above, if satisfied by the issuance of Kane Shares, are subject to the approval of the TSX Venture Exchange based on the 5 Day volume weighted average price on the day that is 18 and 36 months from the Closing Date, respectively.

The Term Sheet contains a number of standard terms and conditions, including, without limitation, that the closing of the acquisition of the Purchased Shares (the "**Acquisition**") is

conditional upon FB Dermatology and its shareholders satisfying certain required conditions, including, the parties entering into a framework agreement, regulatory and third party approvals or consents with respect to the Acquisition, the completion of a pre-closing reorganization in accordance with the laws of Italy, FB Dermatology adopting new by-laws, Kane Biotech making certain capital contributions to FB Dermatology and, if required by Italian law, a consultation with the employees of FB Dermatology.

The closing of this arm's length transaction is expected to occur on or about January 31, 2025.

About FB Dermatology

FB Dermatology is a biotechnology company offering innovative and exclusive patented solutions for tissue regeneration, dermatology conditions and aesthetic alterations. FB Dermatology is present all over Europe as well as Israel, Australia and New Zealand. At FB Dermatology, we aspire to change the fundamentals of tissue regeneration, dermatology and aesthetic medicine. Our innovative FLE technology represents a unique mode of action that allows us to create a new gold standard within the industry for the benefit of patients worldwide. FB Dermatology is headquartered in San Benedetto del Tronto, Italy.

About Kane Biotech

Kane Biotech Inc. is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms. Kane Biotech has a portfolio of biotechnologies, intellectual property (66 patents and patents pending as well as trade secrets and trademarks) and products developed by Kane Biotech's own biofilm research expertise and acquired from leading research institutions. DispersinB[®], coactiv+[™], coactiv+[®], DermaKB[™], DermaKB Biofilm[™], and revyve[™] are trademarks of Kane Biotech Inc. Kane Biotech is listed on the TSX Venture Exchange under the symbol "KNE" and on the OTCQB Venture Market under the symbol "KNBIF".

For more information:

Marc Edwards
Chief Executive Officer
Kane Biotech Inc
medwards@kanebiotech.com

Ray Dupuis
Chief Financial Officer
Kane Biotech Inc
rdupuis@kanebiotech.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward-Looking Information

This press release contains certain statements regarding Kane Biotech Inc. that constitute forward-looking information under applicable securities law. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements in this news release include, but are not limited to, statements regarding the anticipated terms of the Acquisition and the closing of the Acquisition, the expected results of the Acquisition and Kane Biotech's future development

plans for its products. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Forward-looking statements are subject to various risks and uncertainties which include, but are not limited to, risks relating to Kane Biotech's: (a) financial condition, including lack of significant revenues to date and reliance on equity and other financing; (b) business, including its early stage of development, government regulation, market acceptance for its products, rapid technological change and dependence on key personnel; (c) intellectual property including the ability of Kane Biotech to protect its intellectual property and dependence on its strategic partners; and (d) capital structure, including its lack of dividends on its common shares, volatility of the market price of its common shares and public company costs. Further information about these and other risks and uncertainties can be found in the disclosure documents filed by Kane Biotech with applicable securities regulatory authorities, available at www.sedarplus.ca. Kane Biotech cautions that the foregoing list of factors that may affect future results is not exhaustive.



Source: Kane Biotech Inc.