

November 24, 2022



Kane Biotech Announces Third Quarter 2022 Financial Results

Company Files First 510(k) Application in Wound Care

WINNIPEG, Manitoba, Nov. 24, 2022 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech") today announced its third quarter 2022 financial results.

Financial Highlights:

- Total revenue for the three months ended September 30, 2022 was \$571,686 an increase of 5% compared to \$541,302 in the three months ended September 30, 2021. In the nine months ended September 30, 2022, total revenue increased by 65% to \$1,976,698 compared to \$1,196,082 in the nine months ended September 30, 2021.
- License revenue in the three months ended September 30, 2022 was \$69,411, an increase of 93% compared to \$35,872 in the three months ended September 30, 2021. This increase is due mainly to revenue recognition in the current quarter associated with VOHC milestone payments. In the nine months ended September 30, 2022, license revenue recognized from these sources increased by 499% to \$605,508 compared to \$101,012 in the nine months ended September 30, 2021.
- In the three months ended September 30, 2022, royalty revenue increased by 118% to \$76,604 compared to \$35,146 in the three months ended September 30, 2021. Obtaining VOHC certification in Q2 2022 immediately triggered minimum royalties as per the Dechra and Animalcare license agreements and has resulted in an increase in related sales in the veterinary channel. In the nine months ended September 30, 2022, royalty revenue increased by 73% to \$175,852 compared to \$101,899 in the nine months ended September 30, 2021.
- Revenue from product and services sales for the three months ended September 30, 2022 was \$425,671, a decrease of 9% from \$470,284 in the three months ended September 30, 2021. The decrease is due mainly to the reclassification of certain sales discounts to cost of sales and sales expenses in the prior period. Revenue from product sales in the nine months ended September 30, 2022 was \$1,046,234, an increase of 18% compared to \$889,721 in the nine months ended June 30, 2021.
- Gross profit for the third quarter of 2022 was \$269,740, an increase of 105% compared to \$131,665 for the quarter ended September 30, 2021. Gross profit for the nine months ended September 30, 2022 was \$1,092,576, an increase of 187%

compared to \$381,126 in the nine months ended September 30, 2021.

- Total operating expenses for the three months ended September 30, 2022 were \$1,121,337 a decrease of 35% compared to \$1,721,305 for the three months ended September 30, 2021. This decrease is due mainly to lower long-term incentive expense as well as lower expenditures related to the Company's DispersinB[®] Hydrogel program partially offset by higher research expenditures related to the Company's coactiv+[™] Antimicrobial Hydrogel program in the current period than the comparative period. Total operating expenses for the nine months ended September 30, 2022 were \$3,902,740, a decrease of 1% compared to \$3,961,313 in the nine months ended September 30, 2021.
- Loss for the third quarter of 2021 was (\$1,039,091), a decrease of 34% compared to (\$1,582,959) for the quarter ended September 30, 2021. Loss for the nine months ended September 30, 2022 was \$(2,985,850), a decrease of 17% compared to \$(3,592,739) in the nine months ended September 30, 2021.
- Cash at September 30, 2022 was \$1,256,046.

Detailed financial information about Kane Biotech can be found in its September 30, 2022 Financial Statements and Management Discussion and Analysis on SEDAR and the Company's website.

"Submitting our first 510(k) application for our coactiv+[™] Antimicrobial Wound Gel is another major milestone for Kane. Our wound gel is a great combination of "best in class" efficacy and ease of use", said Marc Edwards, Kane Biotech's Chief Executive Officer. "There is a real need in both North American and international advanced wound care markets for a premium gel that is accessible to patients. coactiv+[™] Antimicrobial Wound Gel is a thermo-reversible gel making it ideal for sensitive wounds. Essentially, when the gel is cooled below 16° C/60° F, it becomes completely liquid allowing it to be poured onto a sensitive wound, such as a burn. Once applied, the product will gel within seconds providing a thick clear coating. It can also be easily rinsed off with cold water. The preliminary response from potential partners and practitioners has been overwhelmingly positive."

Recent Corporate Developments:

- On November 3, 2022, the Company announced that it recently submitted a 510(k) premarket notification, which has been received by The Center for Devices and Radiological Health (CDRH) of the U.S. Food and Drug Administration ("FDA"), for a new Wound Care coactiv+[™] Antimicrobial Hydrogel. The Company's device, which uses its patented coactiv+[™] technology in a thermo-reversible gelling system, provides ease of use and is optimized for sensitive wounds.
- On October 4, 2022, the Company announced that it had received an additional \$425K USD of funding for its DispersinB[®] Hydrogel from the United States Department of Defense. This additional funding supplements the approximately \$2.7 million USD in non-dilutive funding previously awarded for the continued clinical development of Kane's DispersinB[®] Hydrogel to treat biofilm-mediated antimicrobial resistance in non-healing chronic wounds.

Conference Call

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Thursday, November 24, 2022 at 4:30pm ET to review the financial results and discuss business developments in the period.

Participants must register for the call using this link: [Pre-registration to Q3](#) to receive the dial-in numbers and unique PIN to access the call seamlessly. It is recommended that you join 10 minutes before the event, though you may pre-register at any time. A webcast of the call will be available on the Company's website at [kanebiotech.com](#) under "News/Events" in the Investors section of the Kane Biotech website at [ir.kanebiotech.com](#).

About Kane Biotech

Kane Biotech is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms. The Company has a portfolio of biotechnologies, intellectual property (80 patents and patents pending, trade secrets and trademarks) and products developed by the Company's own biofilm research expertise and acquired from leading research institutions. StrixNB™, DispersinB®, Aledex™, bluestem™, bluestem®, silkstem™, goldstem™, coactiv+™, coactiv+®, DermaKB™ and DermaKB Biofilm™ are trademarks of Kane Biotech Inc. The Company 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
+1 (514) 910-6991

Ray Dupuis
Chief Financial Officer
Kane Biotech Inc
rdupuis@kanebiotech.com
+1 (204) 298-2200

Nicole Sendey
Investor Relations/PR
Kane Biotech Inc
nsendey@kanebiotech.com
+1 (250) 327-8675

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. 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. These risks and uncertainties include, but are not limited to, risks relating to the Company'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 the Company

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 the Company with applicable securities regulatory authorities, available at www.sedar.com. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive.

KANE BIOTECH INC.
Selected Financial Results

Statement of Comprehensive Loss	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Total Revenue	\$ 571,686	\$ 541,302	\$ 1,976,698	\$ 1,196,082
Gross Profit	269,740	131,665	1,092,576	381,126
Operating expenses				
General and administration	1,020,825	1,405,664	3,040,950	3,124,022
Research	100,512	315,641	861,790	837,291
Total operating expenses	1,121,337	1,721,305	3,902,740	3,961,313
Loss from operations	\$ (851,597)	\$ (1,589,640)	\$ (2,810,164)	\$ (3,580,187)
Loss and comprehensive loss for the period	\$ (1,039,091)	\$ (1,582,959)	\$ (2,985,850)	\$ 3,592,739
Loss and comprehensive loss for the period				
attributable to shareholders	\$ (1,011,420)	\$ (1,522,796)	\$ (3,020,003)	\$ (3,335,748)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average shares outstanding - basic				
and diluted	121,730,202	114,813,535	117,789,298	111,857,331

Statement of Financial Position	September 30,	December 31
	2022	2021
Cash and cash equivalents	\$ 1,256,045	\$ 1,153,090
Other current assets	2,146,635	1,727,320
Non-current assets	3,192,242	3,253,883
Total Assets	\$ 6,594,922	\$ 6,134,293
Current liabilities	\$ 6,632,871	\$ 4,721,009
Non-current liabilities	3,290,507	2,980,298
Shareholders' deficit	(3,328,456)	(1,567,014)
Total liabilities and shareholders' equity	\$ 6,594,922	\$ 6,134,293



Source: Kane Biotech Inc.