

May 25, 2023



## Kane Biotech Announces First Quarter 2023 Financial Results

WINNIPEG, Manitoba, May 25, 2023 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech"), a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms, today announced its first quarter 2023 financial results.

### First Quarter Financial Highlights:

- Total revenue for the three months ended March 31, 2023, was \$677,617, an increase of 20% compared to \$565,433 in the three months ended March 31, 2022.
- License and royalty revenue for the three months ended March 31, 2023 was \$138,180, an increase of 66% compared to \$83,349 in the three months ended March 31, 2022.
- Revenue from product and services sales for the three months ended March 31, 2023 was \$539,437, an increase of 12% from \$482,084 in the three months ended March 31, 2022.
- Gross profit for the first quarter of 2023 was \$345,047, an increase of 88% compared to \$183,621 for the quarter ended March 31, 2022.
- Total operating expenses for the three months ended March 31, 2023, were \$1,360,793, a decrease of 4% compared to \$1,420,097 for the three months ended March 31, 2022.
- Loss for the first quarter of 2023 was (\$1,244,684) an increase of 8% compared to (\$1,152,164) for the quarter ended March 31, 2022. This increase is primarily attributable to higher financing costs in the current period and a higher non-cash fair value adjustment on government loan advances in the comparative period.

Detailed financial information about Kane Biotech can be found in its March 31, 2023. Financial Statements and Management Discussion and Analysis on SEDAR and the Company's website.

"To date, 2023 has seen Kane achieve three important milestones in the commercialization of its technologies. First, the licensing of Kane's clinically proven pet dental care line to Skout's Honor Pet Supply Co. ("Skout's Honor") will greatly accelerate expansion into the U.S. pet retail market. Skout's Honor have built an enviable network of retailers across North America and it is expected that their new dental line will reach the shelves of the majority of

US retailers, both big and small, by the end of this year.” said Marc Edwards, Kane’s President and CEO. “Second, distribution agreements for our coactiv+™ Antimicrobial Wound Gel were signed earlier this year with ProgenaCare Global LLC (“ProgenaCare”) in the United States bringing our effective, differentiated and accessible product to the annual USD \$200 million U.S. wound gel market and with Salud Pharma S.A (“Salud Pharma”) covering Colombia, Panama and Costa Rica representing our first global distribution agreement in wound care. Finally, the 510(k) clearance from the United States Food and Drug Administration (“FDA”) that we just announced today will not only open the door to multiple additional markets throughout the world, but will also allow Kane to use this first product clearance as a predicate product for additional 510(k) devices.”

### **Recent Corporate Developments:**

- On May 25, 2023, the Company announced that it had received 510(k) clearance of its coactiv+™ Antimicrobial Wound Gel from the FDA for the management of ulcers (including diabetic foot and leg ulcers and pressure ulcers), 1st and 2nd degree burns, partial & full thickness wounds, large surface area wounds and surgical incisions for adult populations.
- On April 20, 2023 the Company announced that it had signed a distribution agreement with ProgenaCare for its coactiv+™ Antimicrobial Wound Gel in the United States wound care market. ProgenaCare will have exclusive distribution rights in the United States wound care market for Kane’s coactiv+™ Antimicrobial Wound Gel and Kane will receive a \$500,000 USD upfront payment from ProgenaCare once it obtains 510(k) clearance from the FDA.
- On April 18, 2023, the Company announced that it had signed a licensing agreement with Skout’s Honor for its patented coactiv+™ technology in pet oral care applications. Skout’s Honor has been granted a ten-year license for the non-exclusive use of Kane’s coactiv+™ technology under their own brand in North America while STEM will continue to commercialize its bluestem™ line of pet oral care products. STEM will receive a \$500,000 USD licensing fee from Skout’s Honor to be paid over the course of the agreement as well as an ongoing royalty on all Skout’s Honor’s sales of products that use the coactiv+™ technology. The Company also announced that Kevin Cole, STEM’s President and CEO, will be departing the company.
- On March 2, 2023, the Company announced that it had entered into a formal agreement with Pivot Financial I Limited Partnership (“Pivot”) to amend the terms of the credit facility stated in the amended and restated credit agreement between Pivot and the Company dated August 31, 2021 by increasing the size of the Credit Facility from \$4 million to \$5 million, increasing the interest rate from 14% to 15% and extending the maturity date from February 28, 2023 to August 31, 2023.
- On Jan 4, 2023, the Company announced that it had signed a distribution agreement with Salud Pharma for its coactiv+™ Antimicrobial Wound Gel wound care and DermaKB™ scalp care products. Once Kane obtains 510(k) approval from the FDA, Salud Pharma through its distribution partners will register and commercialize Kane’s coactiv+™ Antimicrobial wound gel throughout Colombia, Panama, and Costa Rica via wound care centers and pharmacies and will also import and distribute Kane’s

DermaKB™ (www.dermaKB.com) line of scalp detoxifier and shampoos.

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Thursday, May 25, 2023 at 4:30pm ET during which time the results will be discussed.

### Conference Call

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Thursday, May 25, 2023 at 4:30pm ET to review the financial results and discuss business developments in the period.

Participants can access the call using this link: [Q1 2023](#). A webcast of the call will be available on the Company's website at [kanebiotech.com](http://kanebiotech.com) under "News/Events" in the Investors section of the Kane Biotech website at [ir.kanebiotech.com](http://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".

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### 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](http://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**

	<b>Three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Total Revenue</b>	<b>\$ 677,617</b>	<b>\$ 565,433</b>
<b>Gross Profit</b>	<b>345,047</b>	<b>183,621</b>
<b>Operating expenses</b>		
General and administration	<b>1,052,837</b>	<b>1,068,248</b>
Research	<b>307,956</b>	<b>351,849</b>
<b>Total operating expenses</b>	<b>1,360,793</b>	<b>1,420,097</b>
<b>Loss from operations</b>	<b>\$ (1,015,746)</b>	<b>\$ (1,236,476)</b>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (1,244,684)</b>	<b>\$ (1,152,164)</b>
<b>Loss and comprehensive loss for the period attributable to shareholders</b>	<b>\$ (1,201,102)</b>	<b>\$ (1,108,591)</b>
<b>Basic and diluted loss per share for the period</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average shares outstanding - basic and diluted</b>	<b>124,833,906</b>	<b>114,817,239</b>

**Statement of Financial Position**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Cash and cash equivalents</b>	<b>\$ 990,078</b>	<b>\$ 1,104,091</b>
<b>Other current assets</b>	<b>1,962,979</b>	<b>1,992,654</b>
<b>Non-current assets</b>	<b>2,512,145</b>	<b>2,523,090</b>
<b>Total Assets</b>	<b>\$ 5,465,202</b>	<b>\$ 5,619,835</b>
<b>Current liabilities</b>	<b>\$ 7,589,265</b>	<b>\$ 6,341,562</b>
<b>Non-current liabilities</b>	<b>3,293,660</b>	<b>3,415,984</b>
<b>Shareholders' equity</b>	<b>(5,417,723)</b>	<b>(4,137,711)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5,465,202</b>	<b>\$ 5,619,835</b>



Source: Kane Biotech Inc.