



Kane Biotech Announces Second Quarter 2023 Financial Results

68% Increase in Product and Services Revenue; 74% Increase in Royalties Revenue

WINNIPEG, Manitoba, August 29, 2023 (NEWSWIRE) -- Kane Biotech Inc. (TSX- V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech") today announced its second quarter 2023 financial results.

Second Quarter Financial Highlights:

- Revenue from product and services for the three months ended June 30, 2023 was \$484,433 an increase of 68% from \$287,584 in the three months ended June 30, 2022. This increase is due mainly to higher STEM Animal Health "STEM" online and pet retail sales as well as a higher demand for contract manufacturing services during the current period.
- Royalty revenue for the three months ended June 30, 2023 was \$89,850, an increase of 74% compared to \$51,770 in the three months ended June 30, 2022. The Veterinary Oral Health Council ("VOHC") certification that STEM received in April, 2022 immediately triggered minimum royalties from STEM's licensing partners which has contributed to the increase in royalty revenue recognized in the current period.
- Total revenue for the three months ended June 30, 2023 was \$657,310, a decrease of 22% compared to \$839,579 in the three months ended June 30, 2022. Total revenue in the comparative quarter includes license revenue of \$430,814 recognized by STEM related to the VOHC certification that STEM received in April, 2022. Excluding this revenue recognition, total revenue for the three months ended June 30, 2023 increased by \$248,545 or 61% compared to the three months ended June 30, 2022.
- Gross profit for the second quarter of 2023 was \$330,505, a decrease of 48% compared to \$639,215 for the quarter ended June 30, 2022. Revenue recognized for VOHC in the comparative quarter significantly contributed to the gross profit recorded in that period.
- Total operating expenses for the three months ended June 30, 2023 were \$866,229 a decrease of 36% compared to \$1,361,306 for the three months ended June 30, 2022. The decrease is due primarily to an adjustment in the current period of accrued short-term incentive compensation expense recorded in prior periods as well as lower contract research expenditures related to the Company's coactiv+™ Antimicrobial Wound Gel and DispersinB® Hydrogel product development programs incurred in the current period.
- Loss for the second quarter of 2023 was (\$967,905), an increase of 22% compared to (\$794,595) for the quarter ended June 30, 2022.

Detailed financial information about Kane Biotech can be found in its June 30, 2023 Financial Statements and Management Discussion and Analysis on SEDAR and the Company's website.

"Once again, our second quarter saw us achieve significant milestones as we continue to deliver on our business plan. These include obtaining US FDA 510(k) clearance and signing a distribution agreement with ProgenaCare Global, both related to our coactiv+™ Antimicrobial Hydrogel, as well as signing a licensing agreement with Skout's Honor for our Pet Oral Care

line. The significant period over period increases in animal health product and royalty revenues are also very encouraging," said Marc Edwards, President, and Chief Executive Officer.

Recent Corporate Developments:

- On April 18, 2023, the Company announced that it had signed a licensing agreement with Skout's Honor Pet Supply Company ("Skout's Honor") for its 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.
- On April 20, 2023 the Company announced that it had signed a distribution agreement with ProgenaCare Global LLC ("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. The agreement includes a \$500,000 USD upfront payment from ProgenaCare that Kane received when it obtained 510(k) clearance from the U.S. Food and Drug administration.
- 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 August 2, 2023, the Company announced that it had engaged Research Capital Corporation as Kane's exclusive financial advisor to conduct a strategic review process for its STEM Animal Health business division. Kane is considering a variety of strategic alternatives to maximize shareholder value with regards to STEM. These alternatives could include, among other things, the sale of all or part of its assets in STEM, a merger or other business combinations with another party, or any other strategic transaction.
- On August 3, 2023, the Company announced its intention to undertake a non-brokered private placement offering of up to 6,250,000 units of the Company ("Units") at a price of \$0.08 per Unit for gross proceeds of up to \$500,000. Each Unit shall be comprised of one common share of the Company and one-half of one Share purchase warrant. Each full Warrant shall entitle the holder thereof to purchase one additional Share of the Company for a period of 18 months at an exercise price of \$0.10 per Share.

Conference Call

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Tuesday, August 29, 2023 at 4:30pm ET to review the financial results and discuss business developments in the period.

Participants can access the live webcast link at: <https://edge.media-server.com/mmc/p/u773v8vk>. 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 (74 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. 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 June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Total Revenue	\$ 657,310	\$ 839,579	\$ 1,334,927	\$ 1,405,013
Gross Profit	330,505	639,215	675,552	822,837
Operating expenses				
General and administration	805,906	951,877	1,858,742	2,020,125
Research	60,323	409,429	368,279	761,278
Total operating expenses	866,229	1,361,306	2,227,021	2,781,403
Loss from operations	\$ (535,724)	\$ (722,091)	\$ (1,551,469)	\$ (1,958,566)
Loss and comprehensive loss for the period	\$ (967,905)	\$ (794,595)	\$ (2,212,589)	\$ (1,946,759)
Loss and comprehensive loss for the period attributable to shareholders	\$ (872,537)	\$ (899,991)	\$ (2,073,639)	\$ (2,008,583)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average shares outstanding - basic and diluted	124,933,141	116,744,488	124,881,956	115,786,187
Statement of Financial Position	June 30, 2022	December 31 2022		
Cash and cash equivalents	\$ 1,146,138	\$ 1,104,091		
Other current assets	1,922,484	1,992,654		
Non-current assets	2,513,738	2,523,090		
Total Assets	\$ 5,582,360	\$ 5,619,835		
Current liabilities	\$ 8,256,586	\$ 6,341,562		
Non-current liabilities	3,571,291	3,415,984		
Shareholders' equity (deficit)	(6,245,517)	(4,137,711)		
Total liabilities and shareholders' equity	\$ 5,582,360	\$ 5,619,835		