

November 28, 2023



# Kane Biotech Announces Improved Third Quarter 2023 Financial Results

## 29% Increase in Product and Services Revenue; 26% Increase in Total Revenue

WINNIPEG, Manitoba, Nov. 28, 2023 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech") today announced its third quarter 2023 financial results.

### Third Quarter Financial Highlights:

- Revenue from product and services for the three months ended September 30, 2023 was \$548,785 an increase of 29% from \$425,671 in the three months ended September 30, 2022. This increase is due mainly to higher STEM Animal Health (STEM) online and pet retail sales in the current period.
- Royalty and license revenue for the three months ended September 30, 2023 was \$169,067, an increase of 16% compared to \$146,015 in the three months ended September 30, 2022. This increase is due mainly to incremental license revenue in the current period associated with the Skout's Honor license and distribution agreement which was signed earlier in the year.
- Total revenue for the three months ended September 30, 2023 was \$717,852, an increase of 26% compared to \$571,686 in the three months ended September 30, 2022.
- Gross profit for the third quarter of 2023 was \$315,265, an increase of 17% compared to \$269,740 for the quarter ended September 30, 2022.
- Total operating expenses for the three months ended September 30, 2023 were \$1,513,154, an increase of 35% compared to \$1,121,337 for the three months ended September 30, 2022. The increase is due mainly to higher non-cash long-term incentive expense and legal expenses related to both the Company's private placement offering and amendments to its credit facility recorded in the current period as well as higher government assistance recorded in the comparative period.
- Loss for the third quarter of 2023 was (\$1,197,889), an increase of 41% compared to (\$851,597) for the quarter ended September 30, 2022.

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

"In the third quarter of 2023, we continued to make good progress on all fronts. This includes the scale-up manufacturing of our newly rebranded revyve™ Antimicrobial Wound Gel and

open communication with the FDA as we progress towards our DispersinB<sup>®</sup> Wound Gel clinical trial. I'm also pleased with the progress we've made in relation to our strategic review of STEM Animal Health and I look forward to reporting on the outcome of that review in the near future. I also want to thank Pivot Financial for their continued support as we work through the strategic review," said Marc Edwards, President and Chief Executive Officer.

### **Recent Corporate Developments:**

- On November 16, 2023, Kane Biotech announced that Dr. John Coleman had been appointed to the Board of Directors of Kane Biotech effective immediately. Dr. Coleman is an accomplished executive with over two decades of senior biotechnology expertise. He is the President and CEO of Avivo Biomedical Inc., a Vancouver-based biotech firm specializing in groundbreaking technologies facilitating the conversion of blood and organs into universally accepted types, thereby significantly improving the utilization of the existing pool of donors.
- On November 2, 2023, the Company announced the launch of the newly rebranded revyve<sup>™</sup> Antimicrobial Wound Gel (formerly coactiv+<sup>™</sup> Antimicrobial Wound Gel). The revyve<sup>™</sup> Antimicrobial Wound Gel is a combination of the Company's patented coactiv+<sup>™</sup> technology and PHMB, paired with a non-ionic pluronic surfactant with thermo-gelling properties. The combination of these three components provides for a moist environment best suited for wound healing, with effective antimicrobial activity in an easy-to-use gel that is optimized for sensitive wounds.
- On October 25, 2023, the Company announced that it would be unveiling the new brand for its coactiv+<sup>™</sup> Antimicrobial Wound Gel product at the Symposium on Advanced Wound Care Fall ("SAWC Fall") forum. Both the Company and its U.S. Wound Gel distribution partner, ProgenaCare Global, hosted informational booths at SAWC Fall introducing the new brand and recruited practitioners to participate in clinical evaluations using the Company's Wound Gel.
- On September 12, 2023, the Company announced the closing of its fully subscribed Private Placement Offering and amendments to its credit facility with Pivot Financial I Limited Partnership ("Pivot"). Kane issued 6,250,000 units of the Company at a price of \$0.08 per unit for aggregate gross proceeds of \$500,000. Each unit is comprised of one common share of the Company and one-half of one share purchase warrant. Each full warrant entitles 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. The Company and Pivot entered into a definitive agreement to amend the terms of the Company's Amended and Restated Credit Agreement between Pivot and the Company dated August 31, 2021, as amended, by increasing the size of the Credit Facility from \$5 million to \$6 million and extending the maturity date of the Credit Facility from August 31, 2023 to November 30, 2023. The Amended Credit Facility has an interest rate of 15% per annum.
- 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.

## Conference Call

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Tuesday, November 28, 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: [Q3 2023 Investor call](#). 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™, DermaKB Biofilm™, and revyve™ 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".

*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,	
	2023	2022	2023	2022
<b>Total Revenue</b>	<b>\$ 717,852</b>	<b>\$ 571,686</b>	<b>\$ 2,052,779</b>	<b>\$ 1,976,698</b>
<b>Gross Profit</b>	<b>315,265</b>	<b>269,740</b>	<b>990,817</b>	<b>1,092,576</b>
<b>Operating expenses</b>				
General and administration	1,235,746	1,020,825	3,094,489	3,040,950
Research	277,408	100,512	645,687	861,790
<b>Total operating expenses</b>	<b>1,513,154</b>	<b>1,121,337</b>	<b>3,740,176</b>	<b>3,902,740</b>
<b>Loss from operations</b>	<b>\$ (1,197,889)</b>	<b>\$ (851,597)</b>	<b>\$ 2,749,359</b>	<b>\$ (2,810,164)</b>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (1,445,570)</b>	<b>\$ (1,039,091)</b>	<b>\$ (3,658,160)</b>	<b>\$ (2,985,850)</b>
<b>Loss and comprehensive loss for the period attributable to shareholders</b>	<b>\$ (1,378,401)</b>	<b>\$ (1,011,420)</b>	<b>\$ (3,452,040)</b>	<b>\$ (3,020,003)</b>
<b>Basic and diluted loss per share for the period</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
<b>Weighted average shares outstanding - basic and diluted</b>	<b>126,798,371</b>	<b>121,730,202</b>	<b>125,527,781</b>	<b>117,789,298</b>
Statement of Financial Position	September 30,	December 31,		
	2023	2022		
<b>Cash and cash equivalents</b>	<b>\$ 1,623,177</b>	<b>\$ 1,104,901</b>		
<b>Other current assets</b>	<b>1,900,798</b>	<b>1,991,844</b>		
<b>Non-current assets</b>	<b>2,486,957</b>	<b>2,523,090</b>		
<b>Total Assets</b>	<b>\$ 6,010,932</b>	<b>\$ 5,619,835</b>		
<b>Current liabilities</b>	<b>\$ 9,633,300</b>	<b>\$ 6,341,562</b>		
<b>Non-current liabilities</b>	<b>3,390,886</b>	<b>3,415,984</b>		
<b>Shareholders' deficit</b>	<b>(7,013,254)</b>	<b>(4,137,711)</b>		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 6,010,932</b>	<b>\$ 5,619,835</b>		

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Source: Kane Biotech Inc.