

March 26, 2024



Kane Biotech Announces Fourth Quarter and Full Year 2023 Financial Results

WINNIPEG, Manitoba, March 26, 2024 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech") today announces its fourth quarter and full year 2023 financial results.

On December 20, 2023, Kane Biotech announced that it received a non-binding offer for its interest in STEM Animal Health. The terms of the offer remain confidential but specify that Kane will sell its ownership of STEM. In addition, pursuant to the terms of the offer, Kane received a US \$625,000 deposit. The parties have agreed to collaborate using their best efforts to enter into a binding share purchase agreement with respect to the sale of STEM within 90 days.

On March 20, 2024, Kane announced that it has extended the exclusivity period from March 19, 2024 until March 31, 2024 and that it has received additional deposits totaling US \$900,000. All deposits will be applied towards the sale price of Kane's interest in STEM.

Fourth Quarter Financial Highlights:

- License and royalty income for the three months ended December 31, 2023 was \$250,740, an increase of 66% compared to \$151,173 in the three months ended December 31, 2022. The increase is due mainly to incremental license and royalty income associated with Skout's Honor's launch of its oral care product line as well as increased royalty revenue from Animalcare in the current period.
- Product revenue for the three months ended December 31, 2023 was \$490,829, an increase of 9% compared to \$450,313 in the three months ended December 31, 2022. The increase is due mainly to higher online sales of bluestemTM products in the current period.
- Total revenue for the three months ended December 31, 2023 was \$764,997, an increase of 11% compared to \$691,655 in the three months ended December 31, 2022.
- Gross profit for the fourth quarter of 2023 was \$398,234, an increase of 24% compared to \$320,653 for the fourth quarter ended December 31, 2022.
- Total operating expenses for the three months ended December 31, 2023 were \$1,734,547, an increase of 96% compared to \$884,298 for the three months ended December 31, 2022. The increase is primarily due to short-term compensation expense adjustments in the comparative period as well as higher non-cash long-term

incentive expense and higher contract research expenditures related to the Company's coactiv+™ Antimicrobial Wound Gel product development in the current period.

- Loss for the fourth quarter of 2023 was (\$1,611,894), an increase of 92% compared to (\$838,150) for the quarter ended December 31, 2022.

2023 Full Year Financial Highlights:

- License and royalty income for the twelve months ended December 31, 2023 was \$730,864, a decrease of 22% compared to \$932,532 in the twelve months ended December 31, 2022. Excluding the one-time revenue recognition in the prior period associated with contractual Veterinary Oral Health Council milestone payments received from licensing partners, license and royalty income increased by 46% in the current period over the comparative period. The increase is due mainly to incremental license and royalty income associated with Skout's Honor's launch of its oral care product line as well as increased royalty revenue from Dechra and Animalcare in the current period.
- Product revenue for the twelve months ended December 31, 2023 was \$1,872,418, an increase of 25% compared to \$1,496,548 in the twelve months ended December 31, 2022. The increase is due mainly to higher online and pet retail sales of bluestem™ products in the current period.
- Total revenue for the twelve months ended December 31, 2023 was \$2,817,776 an increase of 6% compared to \$2,668,352 in the twelve months ended December 31, 2022.
- Gross profit for the twelve months ended December 31 2023 was \$1,389,051, a decrease of 2% compared to \$1,413,229 for the twelve months ended December 31, 2022.
- Total operating expenses for the twelve months ended December 31, 2023 were \$5,474,723, an increase of 15% compared to \$4,777,038 for the twelve months ended December 31, 2022. The increase is primarily due to higher long-term compensation expense and employee separation costs incurred in the current period as well as higher government assistance received in the comparative period partially offset by lower contract research expenditures incurred in the current period.
- Loss for the year ended December 31, 2023 was (\$5,270,053), an increase of 38% compared to (\$3,824,000) for the year ended December 31, 2022. Contributing to the higher loss were higher finance expenses in the current period and higher non-cash fair value adjustments on government loan advances in the comparative period.

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

"In 2023 and early 2024 we signed multiple licensing and distribution agreements, received US FDA clearance of our revyve™ Antimicrobial Wound Gel, strengthened our Board and

signed a non-binding offer for the sale of Kane's interest in STEM Animal Health," said Marc Edwards, President & CEO. "I am extremely proud of everything we have accomplished and look forward to more exciting developments throughout the remainder of 2024."

2023 and 2024 YTD Corporate Highlights:

- On April 20, 2023, Kane Biotech 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 May 25, 2023, the Company announced that on May 24, 2023 it received 510(k) clearance of its coactiv+™ Antimicrobial Wound Gel from the U.S. Food and Drug Administration (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 December 20, 2023, the Company announced that it received a non-binding offer for its interest in STEM Animal Health.
- On March 8, 2024, Kane Biotech announced that at the Bioscience Association of Manitoba ("BAM") annual awards dinner held on March 7, 2024, the Company received the BAM Company of the Year award. The Bioscience Company of the Year award acknowledges a private sector company based in Manitoba that has distinguished itself in the past year through demonstrated leadership, significant achievement and paving the road toward future wealth and job creation in the region.
- On February 22, 2024, Kane Biotech announced that at the special meeting of the shareholders of the Company held on February 20, 2024, Dr. Robert Huizinga was elected as a director of the Company. The Company also announced that Dr. Huizinga had been appointed by the directors of the Company as Executive Chair of the Company.
- On January 31, 2024, the Company announced that if it had filed a patent on its revyve™ Antimicrobial Wound Gel Spray, a follow-on product to its FDA 510(k) cleared revyve™ Antimicrobial Wound Gel and would be introducing it at the Boswick Burn and Wound Care Symposium on the same date
- On November 16, 2023, Kane Biotech announced that Dr. John Coleman had been appointed to the Board of Directors of Kane Biotech.
- On November 02, 2023, the Company announced the launch of the newly rebranded revyve™ Antimicrobial Wound Gel (formerly coactiv+™ Antimicrobial Wound Gel). The product rebranding was being unveiled as part of Kane's participation in the Symposium on Advanced Wound Care (SAWC) Fall forum.
- On September 12, 2023, the Company announced that it had fully subscribed and

closed its previously announced non-brokered private placement offering of \$500,000 and that it had entered into a further amending agreement to its credit facility with Pivot Financial I Limited Partnership ("Pivot") increasing the size of the credit facility from \$5 million to \$6 million.

- 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.
- On March 2, 2023, Kane Biotech announced that it had entered into a formal amending agreement with Pivot, increasing the size of the non-revolving term loan under the Credit Facility from \$4 million to \$5 million.
- On January 4, 2023, Kane Biotech announced that it had signed a distribution agreement with Salud Pharma S.A. for its coactiv+™ Antimicrobial Wound Gel wound care and DermaKB™ scalp care products.

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

Conference Call

Kane Biotech management will host a conference call on Tuesday, March 26, 2024 at 4:30 p.m. 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 Q4 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 www.kanebiotech.com in the Investor 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 (67 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".

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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

Consolidated Statements of Comprehensive Loss	Three months ended December 31,		Twelve months ended December 31,	
	2023	2022	2023	2022
Total revenue, continuing operations	\$ 39,770	\$ 23,372	\$ 148,980	\$ 156,733
Gross profit, continuing operations	34,300	35,164	109,470	112,029
Operating expenses, current operations				
General and administration	872,899	484,739	2,412,956	2,533,613
Research	419,736	189,926	1,053,900	1,036,021
Total operating expenses, continuing operations	1,292,635	674,665	3,466,856	3,569,634
Loss prior to other expenses, continuing operations	(1,258,335)	(639,501)	(3,357,386)	(3,457,605)
Net other expenses, continuing operations	264,090	293,848	1,204,959	564,033
Loss and comprehensive loss for the period, continuing operations	\$ (1,522,425)	\$ (933,349)	\$ (4,562,345)	\$ (4,021,638)
Income (loss) and comprehensive income (loss)				

from discontinued operations	\$ (89,469)	\$ 95,199	\$ (707,708)	\$ 197,638
Net loss and comprehensive loss	\$ (1,611,894)	\$ (838,150)	\$ (5,270,053)	\$ (3,824,000)
Net loss and comprehensive loss attributable to shareholders	\$ (1,641,701)	\$ (806,431)	\$ (5,034,103)	\$ (3,889,892)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
Weighted average shares outstanding - basic and diluted	131,844,567	124,830,202	127,119,957	120,702,074

Consolidated Statements of Financial Position	December 31, 2023	December 31 2022
Cash and cash equivalents	\$ 749,248	\$ 1,104,901
Other current assets	502,164	1,991,844
Assets held-for-sale - current	2,471,694	-
Non-current assets	1,799,008	2,523,090
Assets held-for-sale - non-current	158,805	-
Total assets	\$ 5,680,919	\$ 5,619,835
Current liabilities	\$ 10,273,267	\$ 6,341,562
Liabilities held-for-sale - current	621,133	-
Non-current liabilities	2,366,593	3,415,984
Liabilities held-for-sale - non-current	829,318	-
Shareholders' deficit	(8,409,392)	(4,137,711)
Total liabilities and shareholders' equity	\$ 5,680,919	\$ 5,619,835



Source: Kane Biotech Inc.