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Kane Biotech Engages Research Capital to Conduct Strategic Review of STEM Animal Health

WINNIPEG, Manitoba, Aug. 02, 2023 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE OTCQB:KNBIF) (the "**Company**", "**Kane**" or "**Kane Biotech**") announced today that it has engaged Research Capital Corporation as Kane's exclusive financial advisor (the "**Advisor**") to conduct a strategic review process for its STEM Animal Health business division ("**STEM**"). 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. There can be no assurance that the process will result in any transaction.

STEM formed in partnership with Animalcare Group plc (AIM:ANCR, **Animalcare**) is dedicated to targeting biofilm-related ailments. STEM's pet oral care products, developed using Kane's coactiv+™ technology, inhibit tartar formation and kill bacteria embedded in preformed dental plaque. In 2020, Animalcare acquired its 33% equity interest in STEM, while making a commitment to invest \$5M in the business. The remaining 67% of STEM is owned by Kane Biotech.

STEM's Veterinary Health Care Council ("**VOHC**") approved pet oral care technology is commercialized directly by STEM under the bluestem™ brand and is licensed in the veterinary space to Dechra Veterinary Products LLC (LON:DPH, "**Dechra**") in the Americas and to Animalcare outside of the Americas. STEM also recently announced a licensing and distribution agreement with Skout's Honor Pet Supply Company ("**Skout's Honor**") for the North American pet retail channel.

STEM product and services revenues grew by 31% in 2022 vs. 2021 while royalty revenues grew by 76% in 2022 vs 2021 and both revenue streams continue to be on a strong growth trajectory in 2023. With a global oral care market valued at \$5.2 billion, the joint venture allows STEM Animal Health to reach beyond North America and deliver products to companion animals in the global market.

"Over the last three years, in collaboration with Animalcare, we've created significant value by achieving the VOHC Seal of Acceptance, growing product sales and expanding the number of licensing agreements. The aim of this strategic review and subsequent actions are to create a more focused, agile group with a core focus on providing human wound care and dermatology solutions capable of delivering sustainable returns and enhancing shareholder value," said Marc Edwards, President, and Chief Executive Officer.

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

Ray Dupuis
Chief Financial Officer
Kane Biotech Inc
rdupuis@kanebiotech.com

Nicole Sendey
Investor Relations/PR
Kane Biotech Inc
nsendey@kanebiotech.com

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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.



Source: Kane Biotech Inc.