

## **Kane Biotech Announces Second Quarter 2018 Financial Results**

**WINNIPEG, Manitoba - (GlobeNewswire – August 21, 2018)** – Kane Biotech Inc. (TSX-V:KNE, OTCQB:KNBIF) (the “Corporation” or “Kane Biotech”) announces its Second Quarter 2018 Financial Results.

Kane Biotech Inc. is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms.

Key Highlights of Kane Biotech include the following:

- Royalty-based revenue model focused on large markets for biofilm prevention and dispersion solutions that are implicated in 80% of animal and human bacterial infections
- Strong patent portfolio of anti-biofilm technologies with 75 patents and patents pending
- First commercial licensing and distribution agreement signed (2017)
- Several anti-biofilm applications in development for large market opportunities

Targeted company milestones for 2018 include the following:

- Uplist to OTCQB Venture Market (January 2018)
- Retain investor relations counsel (February 2018)
- File lawsuit against Nestlé to defend Kane Biotech’s intellectual property (February 2018)
- Existing license expansion for companion animal veterinary market in terms of geography and product applications
- Launch DispersinB<sup>®</sup> based products with Dechra
- Execute new technology license and distribution agreements
- Initiate clinical trials for technologies treating human chronic inflammatory skin disorders

### **Second Quarter 2018 Financial Highlights:**

Note: Financial results in the first quarter of 2017 included a one-time license payment of \$500,000 USD which significantly affects the comparison of the first six months of 2018 versus 2017 for revenue, gross margin and loss.

Total Revenues:

- For the quarter ended June 30, 2018 were \$95,810, a decrease of 10% compared to \$106,006 for the quarter ended June 30, 2017.
- For the six months ended June 30, 2018 were \$188,703, a decrease of 79% compared to \$890,906 for the six months ended June 30, 2017.

License and Royalty Revenues:

- For the quarter ended June 30, 2018 were \$9,218, an increase of 175% compared to \$3,355 for the quarter ended June 30, 2017.
- For the six months ended June 30, 2018 were \$22,314, a decrease of 97% compared to \$674,080 for the six months ended June 30, 2017.

Product and Services Revenues:

- For the quarter ended June 30, 2018 were \$86,592, a decrease of 16% compared to \$102,651 for the three months ended June 30, 2017.
- For the six months ended June 30, 2018 were \$166,389, a decrease of 23% compared to \$216,826 for the six months ended June 30, 2017.

Gross Profit % (of Product Sales):

- For the quarter ended June 30, 2018 was 72%, an increase of 7% compared to 67% for the quarter ended June 30, 2017.
- For the six months ended June 30, 2018 was 62%, a decrease of 8% compared to 68% for the six months ended June 30, 2017.

Total Operating Expenses:

- For the quarter ended June 30, 2018 were \$771,716, a decrease of 4% compared to \$803,989 for the quarter ended June 30, 2017.
- For the six months ended June 30, 2018 were \$1,714,606, a decrease of 3% compared to \$1,763,125 for the six months ended June 30, 2017.

Loss:

- For the quarter ended June 30, 2018 was (\$701,714), a decrease of 11% compared to (\$790,549) for the quarter ended June 30, 2017.
- For the six months ended June 30, 2018 was (\$1,591,511), an increase of 55% compared to (\$1,028,243) for the six months ended June 30, 2017.

## Select Income Statement Information:

Kane Biotech Inc. (TSX:V:KNE/OTCQB:KNBIF)	Q2, 2018	Q2, 2017	% Change	Q1 & Q2, 2018	Q1 & Q2, 2017	% Change
Total Revenue	\$95,810	\$106,006	-10%	\$188,703	\$890,906	-79%
License and Royalty Revenue*	\$9,218	\$3,355	175%	\$22,314	\$674,080	-97%
Product and Services Revenue**	\$86,592	\$102,651	-16%	\$166,389	\$216,826	-23%
Gross Profit \$ (Product and Services)	\$62,438	\$69,219	-10%	\$103,169	\$146,509	-30%
Gross Profit % (Product and Services)	72%	67%	7%	62%	68%	-8%
Total Operating Expenses	\$771,716	\$803,989	-4%	\$1,714,606	\$1,763,125	-3%
General and Administration	\$648,360	\$680,043	-5%	\$1,357,655	\$1,430,428	-5%
Research	\$123,356	\$123,946	0%	\$356,951	\$332,697	7%
Loss for the Period	(\$701,714)	(\$790,549)	-11%	(\$1,591,511)	(\$1,028,243)	55%
Loss per Share (Post Consolidation)	(\$0.009)	(\$0.017)	-49%	(\$0.020)	(\$0.023)	-12%

\* License and Royalty Revenue in Q1, 2017 included a \$500,000 USD initial license payment from Dechra.

\*\* Product and Services Revenue in Q1 & Q2, 2018 included only a small amount of international StrixNB sales as this technology was licensed to Dechra for the North American veterinary channel in Q1, 2017.

## Select Cash Flow Information:

Kane Biotech Inc. (TSX:V:KNE/OTCQB:KNBIF)	Q2, 2018	Q2, 2017	% Change	Q1 & Q2, 2018	Q1 & Q2, 2017	% Change
Cash, end of period	\$342,156	\$258,259	32%	\$342,156	\$258,259	32%
Cash, beginning of period	\$1,244,828	\$579,553	115%	\$1,975,723	\$739,568	167%
Operating activities	(\$870,710)	(\$669,107)	30%	(\$1,583,327)	(\$729,851)	117%
Financing activities	0	\$400,000	-	0	400,000	-
Investing activities	(\$31,962)	(\$52,187)	-39%	(\$50,240)	(\$151,458)	-67%

Detailed financial information about Kane Biotech can be found in its June 30, 2018 Financial Statements and Management Discussion and Analysis on SEDAR and on the Corporation's website. All amounts referenced herein are in Canadian dollars.

The Corporation's Second Quarter 2018 Earnings Conference Call and Business Update is scheduled on Wednesday, August 22, 2018 at 4:30pm E.T. to discuss its financial results for the second quarter 2018, in conjunction with the filing of its Financial Statements for the second quarter ended June 30, 2018.

Mark Ahrens-Townsend, President and Chief Executive Officer, and Ray Dupuis, Chief Financial Officer of Kane Biotech will host the call and provide an update on recent developments. Management will be answering questions live immediately following the earnings announcement part of the call.

To participate in the call, please dial +1 877-407-0312 (toll-free) in the U.S. and Canada. The conference ID number is 13682672.



**Event:** Kane Biotech Q2 2018 Earnings & Business Update Conference  
Call  
**Date:** Wednesday, August 22, 2018  
**Time:** 4:30pm E.T.  
**U.S. & Canada Dial-in:** 877-403-0312 (toll free in Canada and the U.S.)  
**Conference ID:** 13682672  
**Webcast Link:** <https://webcasts.eqs.com/kanebiotech20180822>

A live audio webcast of the conference call will also be available on the investor relations page of Kane Biotech's corporate website at [www.kanebiotech.com](http://www.kanebiotech.com). In addition, the recorded conference call can be replayed and will be available for 90 days following the call on Kane Biotech's website.

**For more information, please visit [www.kanebiotech.com](http://www.kanebiotech.com) or contact:**

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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 Corporation'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 Corporation 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 Corporation with applicable securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com). The Corporation cautions that the foregoing list of factors that may affect future results is not exhaustive.*

*These risks and uncertainties should be considered carefully undue reliance should not be placed on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Corporation cannot provide assurance that actual results will be consistent with these forward-looking statements. The Corporation undertakes no obligation to update or revise any forward-looking statement.*