

May 21, 2020



Kane Biotech Announces First Quarter 2020 Financial Results

WINNIPEG, Manitoba, May 21, 2020 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE) (the "Company" or "Kane Biotech"), a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms, today announced its first quarter 2020 financial results.

Recent Corporate Highlights:

- On February 20, 2020, the Kane Biotech appointed renowned Canadian veterinarian, Dr. Jean Gauvin, as Chief Veterinary Officer.
- On February 24, 2020, the Company closed a non-brokered private placement offering, issuing a total of 24,999,999 Units for aggregate gross proceeds of \$3.5 million.
- On February 25, 2020, Kane Biotech signed its first U.S. distribution agreement with King Wholesale Inc.
- On February 26, 2020, the Company launched its silkstem™ anti-itch shampoo at the Global Pet Expo.
- On May 12, 2020, the Company announced positive results from a consumer product test evaluating the efficacy of its shampoo on dermatitis and dandruff. The shampoo consists of coactiv+™ and contains ingredients approved as safe for human use.
- On May 19, 2020, Kane Biotech announced that, effective May 19, 2020, shares of the Company have been reapproved for and will recommence trading under the ticker symbol "KNBIF" on the OTCQB Venture Market, operated by OTC Markets Group.

"This quarter, we completed the initial launch of our silkstem™ anti-itch pet shampoo, as well as received positive feedback from a consumer product test evaluating our anti-biofilm human shampoo, such that we are now planning to launch these products in the second and third quarters of this year, respectively," said Marc Edwards, President and Chief Executive Officer of Kane Biotech. "In our Human Health business, we continue to evaluate a number of regulatory pathways for DispersinB®, with the goal of identifying a pathway that is most attractive for Kane Biotech, as well as for future potential partners."

First Quarter 2020 Financial Highlights

Total revenues for the first quarter ended March 31, 2020 were \$456,139, with \$64,680 from license and royalty revenues and \$391,459 from product and services revenues. Total

revenues decreased 27% compared to \$621,256 for the same period in 2019. The decrease in first quarter 2020 revenues is primarily due to a 31% decline in product and service revenues, as the Company delivered its largest purchase order for bluestem™ products in its history to a large North American pet retailer in the first quarter of 2019. This was partially offset by a \$13,919, or 41% increase in royalty payments from Dechra Veterinary Products, as it continues to roll out its expanded Vetrudent™ product line to its North American veterinarian customer base.

Gross profit for the first quarter of 2020 was \$179,416, a decrease of \$31,432 compared to \$210,848 for the quarter ended March 31, 2019. The decrease in gross profit is primarily related to lower product and services revenues.

Total operating expenses for the quarter ended March 31, 2020 were \$1,624,152, an increase of 96% compared to \$830,123 for the same period in 2019. The increase is primarily attributable to increases in staff and other compensation-related expenses, higher investor relations-related expenses and higher contract research costs related to the Company's DispersinB® human wound care program.

Loss for the first quarter of 2020 was (\$1,363,836), an increase of 107% compared to (\$657,393) for the quarter ended March 31, 2019.

Detailed financial information about Kane Biotech can be found in its March 31, 2020 Financial Statements and Management Discussion and Analysis on SEDAR and on the Company's website.

Conference Call Details

Kane Biotech is pleased to invite all interested parties to participate in a conference call today, May 21, 2020, at 4:30pm E.T. during which time the results will be discussed.

Live Call: 1-877-268-9044 (Canada and the United States)
1-706-679-2995 (International)

Replay: 1-404-537-3406
Conference ID: 4697848

A live and archived 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.

About Kane Biotech Inc.

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 (51 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™, silkstem™, coactiv+™ and Kane® are trademarks of Kane Biotech Inc. The Company is listed on the TSX Venture Exchange under the symbol "KNE."

For more information, please visit www.kanebiotech.com, or contact:

Marc Edwards
Chief Executive Officer
Kane Biotech Inc.
+1 (514) 910-6991
medwards@kanebiotech.com

Ray Dupuis
Chief Financial Officer
Kane Biotech Inc.
+1 (204) 298-2200
rdupuis@kanebiotech.com

Stephen Kilmer
Investor Relations
+1 (646) 274-3580
skilmer@kanebiotech.com

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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.

COVID-19 Pandemic

The outbreak of COVID-19, the disease caused by the novel SARS-CoV-2 strain of coronavirus, was declared a global pandemic by the World Health Organization on March 11, 2020 and has resulted in a widespread health crisis that has affected economies and financial markets around the world, resulting in an economic downturn. The effects of this pandemic on the Company may include decreased customer demand, interruptions to supply chains, manufacturing activities and research and development programs and increased government regulations or interventions. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments nor the impact of these developments on the financial results and condition of the Company in future periods.

KANE BIOTECH INC.
Selected Financial Results

Statement of Comprehensive Loss

	Three Months Ended March 31,	
	2020	2019
Total Revenue	\$ 456,139	\$ 621,256
Gross Profit	179,416	210,848
Operating expenses		
General and administration	1,018,745	595,685
Research	605,407	234,438
Total operating expenses	1,624,152	830,123
Loss and comprehensive loss for the period	\$ (1,363,836)	\$ (657,393)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding		
- basic and diluted	104,411,111	80,113,536

Statement of Financial Position

	March 31,	December 31,
	2020	2019
Cash and cash equivalents	\$ 426,334	\$ 834,128
Other current assets	1,250,426	1,075,297
Non-current assets	860,467	846,267
Total Assets	\$ 2,537,227	\$ 2,755,692
Current liabilities	\$ 1,248,945	\$ 1,341,653
Non-current liabilities	698,095	577,232
Shareholder' equity	590,187	836,807
Total liabilities and shareholder's equity	\$ 2,537,227	\$ 2,755,692



Source: Kane Biotech Inc.