

March 25, 2019



## Kane Biotech Announces Fourth Quarter and Full Year 2018 Financial Results

WINNIPEG, Manitoba, March 25, 2019 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE), (the "Corporation" or "Kane Biotech"), a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms, today announces its Fourth Quarter and Full Year 2018 Financial Results.

### Key Highlights of Kane Biotech include the following:

- Announced the appointment of Marc Edwards as President and CEO as of September 10, 2018.
- Announced new manufacturing partner for its bluestem™ product line, which reduced manufacturing-related fixed costs by more than \$200,000 (CAD) per year.
- Announced the formation of a Scientific Advisory Board, chaired by Board of Director Rivka Gluck, comprising of world-leading experts in human health and industrial biotech and includes Gordon Guay, PH.D. and Robert Huizinga, PH.D.
- Appointed Gordon Guay, Ph.D. to Chief Scientific Officer of the Company.
- Experienced significant year-over-year growth in online North American sales of its bluestem™ brand of oral care products on Amazon
- Announced launch dates for four new bluestem™ products; powder water additive, dental wipe, small and medium sized dental chews and medium and large sized rawhide chews in early 2019.
- Announced its new human health strategy focusing efforts on the development of a wound care hydrogel containing Kane's patented enzyme DispersinB® and that it had renewed its exclusive worldwide license agreement with Rutgers University.
- Secured largest single purchase order in the history of the company for \$440,000 (CAD) of bluestem™ products to one of the largest pet retail operations in North America.
- Signed a non-exclusive Distribution Agreement with a major Chinese distributor and secured its first order valued at \$25,000 (USD).

"We are excited to end 2018 with the largest single purchase order in the history of the company which was fulfilled in January 2019 and begin 2019 by formalizing our first agreement with a Chinese distributor," stated Marc Edwards, Chief Executive Officer of Kane Biotech. "In addition, our online sales of bluestem™ have grown at record pace, primarily driven by our strong distribution partnership with Amazon. We look forward to building on this momentum in the coming year and capitalizing on further sales growth with our differentiated product line."

### 2018 Financial Highlights:

#### Total Revenues:

- For the quarter ended December 31, 2018 were \$157,158 an increase of 56% compared to \$100,437 for the quarter ended December 31, 2017.
- For the full year ended December 31, 2018 were \$506,273 an increase of 20% compared to \$420,471 for the full year ended December 31, 2017.

#### License and Royalty Revenues:

- For the quarter ended December 31, 2018 were \$29,124, an increase of 10% compared to \$26,439 for the quarter ended December 31, 2017.
- For the full year ended December 31, 2018 were \$111,333, an increase of 52% compared to \$73,400 for the full year ended December 31, 2017.

#### Product and Services Revenues:

- For the quarter ended December 31, 2018 were \$128,034, an increase of 73% compared to \$73,998 for the quarter ended December 31, 2017.
- For the full year ended December 31, 2018 were \$394,940 an increase of 14% compared to \$347,071 for the full year ended December 31, 2017.

#### Gross Profit:

- For the quarter ended December 31, 2018 was \$70,768, an increase of \$99,491 compared to \$(28,723) for the quarter ended December 31, 2017.
- For the full year ended December 31, 2018 was \$115,471, an increase of \$178,850 compared to \$(63,379) for the full year ended December 31, 2017.

#### Total Operating Expenses:

- For the quarter ended December 31, 2018 were \$783,550, a decrease of 7% compared to \$842,949 for the quarter ended December 31, 2017.
- For the full year ended December 31, 2018 were \$3,294,303, an increase of 1% compared to \$3,246,511 for the full year ended December 31, 2017.

#### Loss:

- For the quarter ended December 31, 2018 was (\$622,497), a decrease of 29% compared to (\$871,918) for the quarter ended December 31, 2017.
- For the full year ended December 31, 2018 was (\$3,260,999), a decrease of 4% compared to (\$3,401,006) for the full year ended December 31, 2017.

**Select Income Statement Information:**

Kane Biotech Inc. (TSX:V:KNE)	Q4 2018	Q4 2017	% Change	2018	2017	% Change
Total Revenue	\$157,158	\$100,437	56%	\$506,273	\$420,471	20%
License and Royalty Revenue <sup>1</sup>	\$29,124	\$26,439	10%	\$111,333	\$73,400	52%
Product and Services Revenue <sup>2</sup>	\$128,034	\$73,998	73%	\$394,940	\$347,071	14%
Gross Profit \$ <sup>3</sup>	\$70,768	(\$28,723)	-	\$115,471	(\$63,279)	-
Total Operating Expenses	\$783,550	\$842,949	-7%	\$3,294,303	\$3,246,511	1%
General and Administration <sup>3</sup>	\$403,945	\$544,466	-26%	\$2,371,777	\$2,395,933	-1%
Research	\$379,605	\$298,483	27%	\$922,526	\$850,578	8%
Loss for the Period	(\$622,497)	(\$871,918)	-29%	(\$3,260,999)	(\$3,401,006)	-4%
Loss per Share (Post Consolidation)	(\$0.008)	(\$0.011)	-29%	(\$0.041)	(\$0.055)	-27%

<sup>1</sup> In accordance with the adoption of IFRS 15 *Revenue from Contracts with Customers* which went in to effect January 1, 2018, the upfront payment of \$500,000 USD received from Dechra upon signing the License Agreement in March 2017 has been restated as deferred license revenue on the Statement of Financial Position retroactive to March 2017 and is now being recognized over the 10-year life of the agreement.

<sup>2</sup> Product and Services Revenue in Q1 - Q3, 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.

<sup>3</sup> Certain expenses previously recorded as general and administrative expenses in 2017 and 2018 have been reclassified as cost of sales.

**Selected Cash Flow Information**

Kane Biotech Inc. (TSX:V:KNE)	Q4 2018	Q4 2017	% Change	2018	2017	% Change
Cash, end of period	\$75,425	\$1,975,723	-96%	\$75,425	\$1,975,723	-96%
Cash, beginning of period	\$121,529	\$2,527,306	-95%	\$1,975,723	\$739,568	167%
Operating activities	(\$603,845)	(\$420,790)	44%	(\$2,853,997)	(\$2,015,756)	42%
Financing activities	\$600,000	(\$64,485)	-	\$1,100,000	\$3,481,547	-68%
Investing activities	(\$42,259)	(\$66,308)	-36%	(\$146,301)	(\$229,636)	-36%

Detailed financial information about Kane Biotech can be found in its December 31, 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 Fourth Quarter 2018 Earnings Conference Call and Business Update is scheduled on Tuesday, March 26, 2019 at 4:00pm E.T. to discuss its financial results for the fourth quarter 2018, in conjunction with the filing of its Financial Statements for the fourth quarter ended December 30, 2018.

Marc Edwards, Chief Executive Officer and Ray Dupuis, Chief Financial Officer of Kane Biotech, will host the call and provide an update on the Company's business strategy including product developments, licensing and business development and other initiatives in progress. There will be an opportunity for participants dialed-in via conference call to ask questions to management in a Q&A session taking place following his prepared remarks. To participate in the call, please dial 1-877-268-9044 (toll-free) in the U.S. and Canada. The conference ID number for both the call and webcast is 6958649.

**Event:** Kane Biotech Investor Update  
**Date:** Tuesday, March 26, 2019  
**Time:** 4:00pm (Eastern Time)  
**Participant Dial-in:** 1-877-268-9044 (toll free)  
**Conference ID:** 6958649  
**Webcast Link:** <https://edge.media-server.com/m6/p/yfay2q7s>

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](http://www.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 Corporation has a portfolio of biotechnologies, intellectual property (66 patents and patents pending, trade secrets and trademarks) and products developed by the Corporation's own biofilm research expertise and acquired from leading research institutions. StrixNB(TM), DispersinB(R), Aledex(R), bluestem(TM), AloSera(TM), coactiv+(TM) and Kane(R) are trademarks of Kane Biotech Inc. The Corporation is listed on the TSX Venture Exchange under the symbol "KNE".

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 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](http://www.sedar.com). The Company cautions that the foregoing list of factors that may affect future results is not exhaustive.*



Source: Kane Biotech Inc.