

November 26, 2020



## Kane Biotech Announces Third Quarter 2020 Financial Results

WINNIPEG, Manitoba, Nov. 26, 2020 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (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 their third quarter 2020 financial results.

### Recent Corporate Highlights:

- Q3 2020 revenues were 26% higher than Q3 2019 with a notable increase of 48% from product sales in the current quarter despite the impact of the COVID-19 pandemic.
- On September 28, 2020, Kane Biotech Inc. announced that it has entered into an agreement with UK-based veterinary products company, Animalcare Group PLC under which the parties formed STEM Animal Health Inc., a company dedicated to treating biofilm-related ailments in animals. Animalcare is to invest \$5 million consisting of \$3 million to acquire a one-third equity stake in STEM and \$2 million for the rights to commercialize products in the global veterinary markets outside of Americas.
- On October 13, 2020, the Company announced that Kevin Cole will assume the role of President and CEO of STEM Animal Health Inc. In this new role Kevin will focus on building STEM into a globally recognized name in the biofilm-targeting technology with an emphasis on developing sales channel and penetrating the growing pet care sector, utilizing STEM's product line.
- On October 28, 2020, the Company announced the launch of a larger consumer product test to further prove the efficacy of the Company's shampoo on dermatitis and dandruff began on October 14, 2020. This large-scale, multi-product test will focus on US consumers and has a similar design to the consumer trial that was launched earlier this year in Canada.
- On November 5, 2020, the Company announced that it had entered into a one year credit agreement with Pivot Financial Inc. for a non-revolving term loan in the aggregate amount of \$1,480,000. The credit facility will be used by Kane Biotech for: (i) funding research and development relating to eligible government reimbursable expenditures; (ii) expenses related to STEM Animal Health Inc; and (iii) general working capital purposes.

"We are pleased with our progress during the quarter and continue to focus on execution and commercialization of our product portfolio. The STEM Animal Health transaction

demonstrates the potential global growth of our animal care products and allows Kane Biotech to become a truly global company, giving us access to new markets and revenue. We continue trials in the US and Canada for our human products and the provisional results look very positive and will allow us to grow that segment going forward with a view to returning shareholder value,” stated Marc Edwards President and Chief Executive Officer of Kane Biotech.

### Third Quarter 2020 Financial Highlights

- Revenue from product sales in the three months ended September 30, 2020 was \$286,934, an increase of 48% compared to \$194,483 in the three months ended September 30, 2019. This is due to higher online sales and a larger customer base in the current period.
- Gross profit for the third quarter of 2020 was \$129,156, an increase of 11% compared to \$116,322 for the quarter ended September 30, 2019. The increase in gross profit is primarily related to higher product revenues.
- Total operating expenses for the quarter ended September 30, 2020 were \$1,247,140, an increase of 37% compared to \$912,058 for the same period in 2019. The increase in expenses is mostly related to legal costs associated with the Animalcare agreement which was finalized during this period.
- Loss from operations and finance costs for the third quarter of 2020 was (\$1,030,948) an increase of 25% compared to (\$821,554) for the quarter ended September 30, 2019.

Detailed financial information about Kane Biotech can be found in its September 30, 2020 Financial Statements and Management Discussion and Analysis on SEDAR and the Company’s website.

### Conference Call Details

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Monday November 30, 2020 at 4.30pm ET during which time the results will be discussed.

**Webcast Link:** <https://edge.media-server.com/mmc/p/ukgs8mo2>

#### Participant Dial In:

Participant Toll-Free Dial-In Number: (877) 268-9044

Participant International Dial-In Number: (706) 679-2995

Password: 3572374

*\* International dial-ins available at the reservation confirmation attached*

#### Telco Replay (7 Days valid after the live call)

Toll Free Encore: 855 859-2056

Toll Encore: 404 537-3406

Password: 3572374

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. [www.kanebiotech.com](http://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 (52 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+™, coactive+®, 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, 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.*

## **COVID-19 Pandemic**

*Since December 31, 2019, the COVID-19 outbreak of the novel strain of coronavirus, SARS-CoV-2, 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 Income (Loss)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Total Revenue</b>	<b>\$ 360,603</b>	<b>\$ 286,838</b>	<b>\$ 1,084,236</b>	<b>\$ 1,129,385</b>
<b>Gross Profit</b>	<b>129,156</b>	<b>116,322</b>	<b>424,143</b>	<b>409,678</b>
<b>Operating expenses</b>				
General and administration	869,309	672,239	2,518,869	1,943,701
Research	377,831	239,819	1,063,871	834,462
<b>Total operating expenses</b>	<b>1,247,140</b>	<b>912,058</b>	<b>3,582,740</b>	<b>2,778,163</b>
<b>Loss from operations and finance costs</b>	<b>\$ (1,030,948)</b>	<b>\$ (821,554)</b>	<b>\$ (2,900,181)</b>	<b>\$ (2,472,084)</b>
<b>Income (loss) and comprehensive income (loss) for the period</b>	<b>\$ (1,030,948)</b>	<b>\$ (821,554)</b>	<b>\$ (2,900,181)</b>	<b>\$ 196,516</b>
<b>Basic and diluted income (loss) per share for the period</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ -</b>
<b>Weighted average shares outstanding - basic</b>	<b>108,613,535</b>	<b>82,966,797</b>	<b>107,191,993</b>	<b>81,075,075</b>
<b>Weighted average shares outstanding - diluted</b>	<b>108,613,536</b>	<b>82,966,797</b>	<b>107,191,993</b>	<b>81,195,329</b>
Statement of Financial Position	September 30,	December 31,		
	2020	2019		
<b>Cash and cash equivalents</b>	<b>\$ 1,272,305</b>	<b>\$ 834,128</b>		
<b>Other current assets</b>	<b>1,436,023</b>	<b>1,075,297</b>		
<b>Non-current assets</b>	<b>2,178,334</b>	<b>846,267</b>		
<b>Total Assets</b>	<b>\$ 4,886,662</b>	<b>\$ 2,755,692</b>		
<b>Current liabilities</b>	<b>\$ 1,850,309</b>	<b>\$ 1,341,653</b>		
<b>Non-current liabilities</b>	<b>1,062,576</b>	<b>577,232</b>		
<b>Shareholders' equity</b>	<b>1,973,777</b>	<b>836,807</b>		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 4,886,662</b>	<b>\$ 2,755,692</b>		

Source: Kane Biotech Inc.



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