

May 27, 2021



# Kane Biotech Announces First Quarter 2021 Financial Results

WINNIPEG, Manitoba, May 27, 2021 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech"), today announced first quarter 2021 financial results.

## First Quarter Financial Highlights

- Revenue from product sales in the three months ended March 31, 2021 was \$254,448, a decrease of 4% compared to \$263,850 in the three months ended March 31, 2020. This decrease is due mainly to the permanent COVID-related store shutdowns across the US at one of the Company's major pet retail customers. Partially offsetting this, the Company grew its product sales revenue by approximately 27% from other pet retail customers in both Canada and the United States.
- Revenue from product and services sales grew by 58% in the three months ended March 31, 2021 compared to the three months ended December 31, 2020 due mainly to growth in pet retail channel demand and increased product availability as well as increased demand for contract manufacturing services from Dechra.
- Gross profit for the first quarter of 2021 was \$165,876, a decrease of 7% compared to \$179,416 for the quarter ended March 31, 2020.
- Total Operating expenses for the three months ended March 31, 2021 were \$1,149,611, a decrease of 29% compared to \$1,624,152 for the quarter ended March 31, 2020.
- Loss for the first quarter of 2021 was (\$1,010,892) a decrease of 26% compared to (\$1,363,836) for the quarter ended March 31, 2020.

Detailed financial information about Kane Biotech can be found in its March 31, 2021 Financial Statements and Management Discussion and Analysis on SEDAR and the Company's website.

"I'm pleased with our team's ongoing commitment to successfully execute to plan in the first quarter," commented Kane Biotech's Chief Executive Officer, Marc Edwards. "Exciting new growth opportunities lie ahead for our STEM animal health JV and for the expansion of our partnerships in North America and overseas. Our direct-to-consumer products, or OTC, will broaden our DermaKB™ hair product lines and introduce new applications to address the same biofilm problems present in other conditions such as acne or minor cuts and scrapes. Our wound care business is focused on attacking or separating biofilm to facilitate treatment

– we are actively discussing potential partnerships with several companies, from the smaller aggressive young companies, to established multinationals. We expect to conclude negotiations with our preferred partner in the coming quarters.”

### **Recent Corporate Developments:**

- On April 29, 2021, Kane Biotech announced that it had published strong positive results from a recent consumer trial of its DermaKB™ products. An average of 82% of participants saw, an improvement in their symptoms using both the Detoxifier and the Shampoo, with an average 33% reduction in the severity of symptoms after using only a three oz. sample of either product.
- On April 13, 2021, Kane Biotech announced that Dr. Allan Mandelzys has been engaged as an advisor to Kane Biotech’s Board of Directors and will be nominated for Board directorship at the Company’s upcoming Annual and Special Meeting of Shareholders to be held on May 26, 2021. Dr. Mandelzys was subsequently elected as a director at the May 26, 2021 AGM.
- On March 10, 2021 Kane Biotech announced that preliminary analysis of data from efficacy trials for STEM’s pet oral care water additive have met the primary endpoint. As previously disclosed, two milestone payments to STEM from STEM’s licensing partners are dependent on positive clinical efficacy data and certification from an industry leading body.
- On February 24, 2021 the Company announced current Board member Mark Nawacki will take over as Chairman of the Board, and Philip Renaud will assume the role of Vice Chair.
- On April 16, 2021, the Company received a milestone payment of \$125,000 USD from Dechra related to the successful production of a pilot batch of product manufactured in South America.
- The Company has recently received proceeds of \$756,000 related to the exercises of 4.2 million warrants that had an exercise price of \$0.18.

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Thursday, May 27, 2021 at 4.30pm ET during which time the results will be discussed.

### **Conference Call details:**

**Webcast Link:** <https://edge.media-server.com/mmc/p/hasxid48>

### **Participant Dial In:**

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

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

Conference ID: 9992154

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

Toll Free Encore: 855 859-2056  
Toll Encore: 404 537-3406  
Conference ID: 9992154

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 (54 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 Loss	Three months ended March 31	
	2021	2020
<b>Total Revenue</b>	\$ 376,039	\$ 456,139
<b>Gross Profit</b>	165,876	179,416
<b>Operating expenses</b>		
General and administration	826,266	1,018,745
Research	320,345	605,407
<b>Total operating expenses</b>	<b>1,146,611</b>	<b>1,624,152</b>
<b>Loss from operations</b>	\$ (983,735)	\$ (1,444,736)
<b>Loss and comprehensive loss for the period</b>	\$ (1,010,892)	\$ (1,363,836)
<b>Loss and comprehensive loss for the period attributable to shareholders</b>	\$ 908,467	\$ (1,363,836)
<b>Basic and diluted loss per share for the period</b>	\$ (0.01)	\$ (0.01)
<b>Weighted average shares outstanding - basic and diluted</b>	<b>108,624,524</b>	<b>104,411,411</b>

<b>Statement of Financial Position</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Cash and cash equivalents</b>	<b>\$ 632,780</b>	<b>\$ 1,007,923</b>
<b>Other current assets</b>	<b>1,507,157</b>	<b>1,730,687</b>
<b>Non-current assets</b>	<b>2,321,960</b>	<b>2,297,009</b>
<b>Total Assets</b>	<b>\$ 4,461,897</b>	<b>\$ 5,035,619</b>
<b>Current liabilities</b>	<b>\$ 3,098,688</b>	<b>\$ 2,924,174</b>
<b>Non-current liabilities</b>	<b>1,052,044</b>	<b>1,036,709</b>
<b>Shareholders' equity</b>	<b>311,165</b>	<b>1,074,736</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 4,461,897</b>	<b>\$ 5,035,619</b>

Source: Kane Biotech Inc.



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