

March 25, 2021



Kane Biotech Announces Fourth Quarter and Full Year 2020 Financial Results

WINNIPEG, Manitoba, March 25, 2021 (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 its fourth quarter and full year 2020 financial results.

2020 Corporate Highlights:

Wound Care and Surgical

- On June 18, 2020, the Company was awarded approximately US\$2.7 million in non-dilutive funding from the U.S. Department of Defense's ("DoD") Medical Technology Enterprise Consortium Research Project Award ("MTEC"). The award was for the continued clinical development of Kane's DispersinB[®] technology to treat biofilm-mediated antimicrobial resistance in non-healing chronic wounds.

Animal Health

- On October 13, 2020, the Company announced that Kevin Cole will assume the role of President and CEO of STEM Animal Health ("STEM"). In this new role, Kevin will focus on building STEM into a globally recognized name in pet oral health with an emphasis on developing sales channels and penetrating the growing pet care sector utilizing STEM's evolving product line.
- On September 28, 2020, the Company announced that it had entered into an agreement with UK-based veterinary products company, Animalcare Group PLC ("Animalcare") under which the parties formed STEM, a company dedicated to treating biofilm-related ailments in animals. Animalcare is to invest \$5 million in STEM 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 the Americas.

OTC Products

- On December 10, 2020, the Company launched its DermaKB[™] shampoo, shampoo bar and scalp detoxifier as the first products in its new skin care line aimed at treating symptoms associated with atopic dermatitis and dandruff. The products are currently being sold direct to consumers. The product line was tested with over 4,500 people having participated in a clinical study. Study results proved to be very compelling.

Financing

- 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.

“During 2020, despite significant challenges brought forward by the COVID-19 global pandemic, we laid the foundation for significant potential growth in three markets where we believe Kane Biotech can win starting with the \$2.7M USD grant from the US Department of Defense which provided a strong endorsement of our technology. Secondly, the transaction with Animalcare, which led to the creation of STEM, has provided the resources and leadership to deliver significant potential growth for this business unit. Finally, building on two very compelling consumer efficacy tests, we launched a range of over-the-counter skin care products which added another revenue stream to the company,” stated Marc Edwards, President and Chief Executive Officer of Kane Biotech.

2020 Financial Highlights

- License and royalty revenue for the year ended December 31, 2020 was \$212,413, an increase of 8% compared to \$196,529 for the year ended December 31, 2019. The increase is due to upfront licensing revenue recognized from the Animalcare transaction. Current year license and royalty revenue includes only \$12,500 related to the \$500,000 initial licensing payment from Animalcare as this payment is being realized as revenue over ten years.
- Revenue from goods and services for the year ended December 31, 2020 was \$1,129,161, a decrease of 25% compared to \$1,496,995 for the year ended December 31, 2019. This decrease is due mainly to retail and supply chain disruptions brought about by the COVID-19 pandemic.
- Gross profit for the year ended December 31, 2020 was \$526,859, a decrease of 14% compared to \$609,912 for the year ended December 31, 2019.
- Total Operating expenses for the year ended December 31, 2020 were \$4,751,232, an increase of 13% compared to \$4,200,108 for the year ended December 31, 2019.
- Loss from operations and finance costs for the year ended December 31, 2020 was (\$3,845,976) an increase of 6% compared to (\$3,626,778) for the year ended December 31, 2019.

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

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Thursday, March 25, 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/yfh268bh>

Participant Dial In:

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

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

Conference ID: 9794399

** 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

Conference ID: 9794399

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

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 (53 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+™, coactiv+®, 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, or contact:

Marc Edwards

Chief Executive Officer

Kane Biotech Inc

medwards@kanebiotech.com

+1 (514) 910-6991

Ray Dupuis

Chief Financial Officer

Kane Biotech Inc

rdupuis@kanebiotech.com

+1 (204) 298-2200

Graham Farrell

Investor Relations

Harbor Access LLC

Graham.Farrell@HarborAccessllc.com

+1 (416) 842 9003

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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

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 December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Total Revenue	\$ 257,338	\$ 564,139	\$ 1,341,574	\$ 1,693,524
Gross Profit	102,716	200,234	526,859	609,912
Operating expenses				
General and administration	906,236	715,026	3,425,105	2,658,727
Research	262,256	706,919	1,326,127	1,541,381
Total operating expenses	1,168,492	1,421,945	4,751,232	4,200,108
Loss from operations and finance costs	\$ (945,795)	\$ (1,156,694)	\$ (3,845,976)	\$ (3,628,778)
Loss and comprehensive loss for the period	\$ (945,795)	\$ (1,156,694)	\$ (3,845,976)	\$ (960,178)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.01)
Weighted average shares outstanding - basic and diluted	108,613,535	86,145,449	107,549,321	82,303,996
Statement of Financial Position	December 31, 2020	December 31, 2019		
Cash and cash equivalents	\$ 1,007,923	\$ 834,128		
Other current assets	1,840,687	1,075,297		
Non-current assets	2,187,009	846,267		
Total Assets	\$ 5,035,619	\$ 2,755,692		
Current liabilities	\$ 2,924,174	\$ 1,341,653		
Non-current liabilities	1,036,709	577,232		
Shareholders' equity	1,074,736	836,807		
Total liabilities and shareholders' equity	\$ 5,035,619	\$ 2,755,692		

Source: Kane Biotech Inc.



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