

May 17, 2018



# Kane Biotech Announces First Quarter 2018 Financial Results, Granting of Options and Investor Relations Improvements

WINNIPEG, Manitoba, May 17, 2018 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX-V:KNE) (OTCQB:KNBIF) (the "Corporation" or "Kane Biotech") announces its First Quarter 2018 Financial Results, granting of options and investor relations improvements to its website.

Kane Biotech Inc. is a biotechnology company engaged in the research, development and commercialization of technologies and products that prevent and remove microbial biofilms.

Key Highlights of Kane Biotech include the following:

- Royalty-based revenue model specializing on large markets for biofilm prevention and dispersion solutions that are implicated in 80% of animal and human bacterial infections
- Strong patent portfolio of anti-biofilm technologies with 75 patents and patents pending
- First commercial licensing and distribution agreement signed (2017)
- Several anti-biofilm applications in development for large market opportunities

Targeted company milestones for 2018 include the following:

- Uplist to OTCQB Venture Market (January 2018)
- Retain investor relations counsel (February 2018)
- File lawsuit against Nestlé to defend Kane Biotech's intellectual property (February 2018)
- Existing license expansion for companion animal veterinary market in terms of geography and product applications
- Complete additional trials and achieve International standard of canine oral care efficacy
- Launch DispersinB<sup>®</sup> based products with Dechra
- Execute new technology license and distribution agreements
- Initiate clinical trials for technologies treating human chronic inflammatory skin disorders

## First Quarter 2018 Financial Highlights:

### Total Revenue:

- For the quarter ended March 31, 2018 were \$93,210, a decrease of 88% compared to \$784,900 for the quarter ended March 31, 2017.

### License and Royalty Revenue:

- For the quarter ended March 31, 2018 were \$13,097, a decrease of 98% compared to \$670,725 for the quarter ended March 31, 2017.
  - Note: License and Royalty Revenue in Q1, 2017 included a \$500,000 USD initial license payment from Dechra.

### Product and Services Revenue:

- For the quarter ended March 31, 2018 were \$80,113, a decrease of 30% compared to \$114,175 for the three months ended March 31, 2017.
  - Note: Product and Service Revenues in Q1 2018 no longer included StrixNB in North America as this technology was licensed to Dechra for the North American veterinary channel. StrixNB revenue in Q1 2017 was \$46,274.

### Gross Profit % (of Product Sales):

- For the quarter ended March 31, 2018 was 51%, a decrease of 25% compared to 68% for the quarter ended March 31, 2017.

### Total Operating Expenses:

- For the quarter ended March 31, 2018 were \$942,890, a decrease of 2% compared to \$959,135 for the quarter ended March 31, 2017.

### Loss:

- For the quarter ended March 31, 2018 was (\$889,796), an increase of 274% compared to (\$237,692) for the quarter ended March 31, 2017.

## Select Income Statement Information:

Kane Biotech Inc. TSX-V:KNE / OTCQB:KNBIF	Q1 2018		
	Q1 2018	Q1 2017	vs Q1 2017
Total Revenue	\$ 93,210	\$ 784,900	-88 %
License and Royalty Revenue*	\$ 13,097	\$ 670,725	-98 %
Product and Services Revenue**	\$ 80,113	\$ 114,175	-30 %
Gross Profit \$ (Product and Services)	\$ 40,729	\$ 77,290	-47 %
Gross Profit % (Product and Services)	51 %	68 %	-25 %
Total Operating Expenses	\$ 942,890	\$ 959,135	-2 %
General and Administration	\$ 709,295	\$ 750,384	-5 %
Research	\$ 233,595	\$ 208,751	12 %

<b>Loss for the Period</b>	<b>\$ (889,796 )</b>	<b>\$ (237,692 )</b>	<b>274 %</b>
<b>Loss per Share (Post Consolidation)</b>	<b>\$ (0.011 )</b>	<b>\$ (0.005 )</b>	<b>120 %</b>

\* License and Royalty Revenue in Q1, 2017 included a \$500,000 USD initial license payment from Dechra.

\*\* Product and Services Revenue in Q1, 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.

### Select Cash Flow Information:

<b>Kane Biotech Inc. TSX-V:KNE / OTCQB:KNBIF</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Q1 2017 vs Q1 2016</b>
<b>Cash, end of period</b>	<b>\$ 1,244,828</b>	<b>\$ 579,553</b>	<b>115 %</b>
<b>Cash, beginning of period</b>	<b>\$ 1,975,723</b>	<b>\$ 739,568</b>	<b>167 %</b>
<b>Operating activities</b>	<b>\$ (712,617 )</b>	<b>\$ (72,621 )</b>	<b>881 %</b>
<b>Financing activities</b>	<b>0</b>	<b>\$ (11,877 )</b>	<b>-</b>
<b>Investing activities</b>	<b>\$ (18,278 )</b>	<b>\$ (99,271 )</b>	<b>-82 %</b>

Detailed financial information about Kane Biotech can be found in its March 31, 2018 Financial Statements and Management Discussion and Analysis on SEDAR and on the Company's website. All amounts referenced herein are in Canadian dollars.

The Company's First Quarter 2018 Earnings Conference Call and Business Update is scheduled on Friday, May 18, 2018 at 8:30am E.T. to discuss its financial results for the first quarter 2018, in conjunction with the filing of its Financial Statements for the first quarter ended March 31, 2018.

Mark Ahrens-Townsend, President and Chief Executive Officer, and Ray Dupuis, Chief Financial Officer of Kane, will host the call and provide an update on recent developments and clinical progress. Management will be answering questions live immediately following the earnings announcement part of the call.

To participate in the call, please dial +1 877-268-9044 (toll-free) in the U.S. and Canada. The conference ID number is 9749257.

**Event:** Kane Biotech Q1 2018 Earnings & Business Update Conference Call

**Date:** Friday, May 18, 2018

**Time:** 8:30am E.T.

**U.S. & Canada Dial-in:** 877-268-9044 (toll free in Canada and the U.S.)

**Conference ID:** 9749257

**Webcast Link:** <https://edge.media-server.com/m6/p/qwnb3dc7>

A live audio webcast of the conference call will also be available on the investor relations page of Kane's corporate website at [www.kanebiotech.com](http://www.kanebiotech.com). In addition, the recorded conference call can be replayed and will be available for 90 days following the call on

Kane's website.

### **Granting of Options:**

Kane Biotech has granted an aggregate of 1,325,000 stock options at an exercise price of \$0.20 per common share to directors, management and employees of the Corporation. The options pursuant to the Corporation's stock option plan are subject to TSX Venture Exchange acceptance. In accordance with securities regulatory requirements, any shares issued pursuant to the exercise of such options will be subject to resale restriction for a period of four months from the date of the grant.

### **Investor Relations Website Enhancements:**

Several enhancements have been made to the Kane Biotech website, especially in the "Investor" tab to provide shareholders, potential investors and analysts all of the relevant information about Kane Biotech in one place.

**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.

These risks and uncertainties should be considered carefully undue reliance should not be placed on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot provide assurance that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement.



Source: Kane Biotech Inc.