

Kane Biotech Announces Third Quarter 2019 Financial Results

WINNIPEG, Manitoba, Nov. 14, 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 Third Quarter 2019 Financial Results.

Key Highlights include the following:

- Released inaugural business update video featuring presentations from several key members of the Kane team. To view the full video, please [click here](#).
- Announced \$3.8M in non-dilutive government funding from Western Economic Diversification Canada, the total amount the company applied for, in the form of interest-free repayable contributions to be paid back over five years starting in April 2023.
- Announced an expansion of Kane's Exclusive License and Distribution Agreement with Dechra Veterinary Products to include South America. The agreement now covers both North and South America, and Kane anticipates further expansion to new territories in the coming quarters.
- Awarded a non-repayable contribution of up to CAD \$340,680 from the National Research Council of Canada Industrial Research Assistance program (NRC IRAP). The contribution covers the period from October 7, 2019 to May 31, 2021.
- Retained GR Consulting to develop and implement the out-licensing strategy for Kane's DispersinB® wound care Hydrogel for both the United States and European markets.
- Successfully shipped first order to Mondou, a leader in the distribution of products, services, and accessories for the health and well-being of pets in Quebec.

"We've had a very exciting 2019 so far and our third quarter really set the stage for some significant growth," stated Marc Edwards, CEO of Kane Biotech. "We've successfully launched our animal health products across several new markets and now have a presence in North America, South America, and Asia. We've also made significant progress in regard to our human health portfolio and are targeting to have our first product to market in 2020. As we began the year, we made a number of bold commitments to our shareholders and I'm pleased to say that I'm more confident than ever that we will achieve all these commitments and surpass most. The fourth quarter of 2019 and all four quarters of 2020 will see a number of major inflection points for the company."

Third Quarter 2019 Financial Highlights

Total Revenues:

- For the quarter ended September 30, 2019 were \$286,838, an increase of 127% compared to \$126,559 for the quarter ended September 30, 2018.
- For the nine months ended September 30, 2019 were \$1,129,385, an increase of 240% compared to \$332,031 for the nine months ended September 30, 2018.

License and Royalty Revenues:

- For the quarter ended September 30, 2019 were \$51,477, an increase 95% of compared to \$26,358 for the quarter ended September 30, 2018.
- For the nine months ended September 30, 2019 were \$147,116, an increase of 125% compared to \$65,441 for the nine months ended September 30, 2018.

Product and Services Revenues:

- For the quarter ended September 30, 2019 were \$235,361, an increase of 135% compared to \$100,201 for the quarter ended September 30, 2018.
- For the nine months ended September 30, 2019 were \$982,269, an increase of 268% compared to \$266,590

for the nine months ended September 30, 2018.

Gross Profit on Product and Services Revenues:

- For the quarter ended September 30, 2019 were \$64,845 compared to \$4,662 for the quarter ended September 30, 2018.
- For the nine months ended September 30, 2019 were \$262,562 compared to \$(37,504) for the nine months ended September 30, 2018.

Total Operating Expenses:

- For the quarter ended September 30, 2019 were \$912,058, a decrease of 3% compared to \$941,442 for the quarter ended September 30, 2018.
- For the nine months ended September 30, 2019 were \$2,778,163, an increase of 11% compared to \$2,510,753 for the nine months ended September 30, 2018.

Income (loss):

- For the quarter ended September 30, 2019 the loss was (\$821,554), compared to a loss of (\$979,920) for the quarter ended September 30, 2018.
- For the nine months ended September 30, 2019 income was \$196,516 compared to a loss of \$(2,554,661) for the nine months ended September 30, 2018.

Selected Income Statement Information

Kane Biotech Inc. (TSX:V:KNE)	Q3, 2019	Q3, 2018	% Change	Sep YTD, 2019	Sep YTD, 2018	% Change
Total Revenue	\$286,838	\$126,559	127 %	\$1,129,385	\$332,031	240 %
License and Royalty Revenue*	\$51,477	\$26,358	95 %	\$147,116	\$65,441	125 %
Product and Services Revenue**	\$235,361	\$100,201	135 %	\$982,269	\$266,590	268 %
Gross Profit \$ (Product and Services)	\$64,845	\$4,622	-	\$262,562	(\$37,504)	-
Total Operating Expenses	\$912,058	\$941,442	-3 %	\$2,778,163	\$2,510,753	11 %
General and Administration	\$672,239	\$755,473	-11 %	\$1,943,701	\$1,967,833	-1 %
Research	\$239,819	\$185,969	29 %	\$834,462	\$542,921	54 %
Income (loss) for the Period	(\$821,554)	(\$979,920)	-16 %	\$196,516	(\$2,554,661)	-
Income (loss) per Share	(\$0.010)	(\$0.012)	-19 %	\$0.002	(\$0.032)	-

1 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.

2 Certain expenses previously recorded as general and administrative expenses in 2018 have been reclassified as cost of sales.

Selected Cash Flow Information

Kane Biotech Inc. (TSX:V:KNE)	Q3, 2019	Q3, 2018	% Change	Sep YTD, 2019	Sep YTD, 2018	% Change
Cash, end of period	\$341,330	\$121,529	181 %	\$341,330	\$121,529	181 %
Cash, beginning of period	\$1,329,270	\$342,156	288 %	\$75,425	\$1,975,723	-96 %
Operating activities	(\$935,598)	(\$666,825)	40 %	\$96,290	(\$2,250,152)	-
Financing activities	(\$24,759)	\$500,000	-	\$225,241	\$500,000	-
Investing activities	(\$27,583)	(\$53,802)	-49 %	(\$55,626)	(\$104,042)	-47 %

Detailed financial information about Kane Biotech can be found in its September 30, 2019 Financial Statements and Management Discussion and Analysis on SEDAR and on the Corporation's website. All amounts referenced herein are in Canadian dollars.

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 (56 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".

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Source: Kane Biotech Inc.