



Kane Biotech Announces Third Quarter 2021 Financial Results

WINNIPEG, Manitoba, Nov. 16, 2021 (GLOBE NEWSWIRE) -- Kane Biotech Inc. (TSX- V:KNE; OTCQB:KNBIF) (the "Company" or "Kane Biotech"), today announced their third quarter 2021 financial results.

Third Quarter Financial Highlights

- Revenue from product sales in the three months ended September 30, 2021 was \$438,016, an increase of 53% compared to \$286,934 in the three months ended September 30, 2020. This increase is due mainly to sales attributable to a new major pet retail customer and the financial reporting reclassification in the current period amongst revenue, cost of sales and general and administration expenses retroactive to the beginning of 2021.
- In the three months ended September 30, 2021 the company recognized license revenue associated with license and milestone payments received from Animalcare and Dechra in 2021. License revenue increased by 114% from the comparative period.
- Gross profit for the third quarter of 2021 was \$131,665, an increase of 2% compared to \$129,156 for the quarter ended September 30, 2020.
- Total Operating expenses for the three months ended September 30, 2021 were \$1,721,305, an increase of 38% compared to \$1,247,140 for the quarter ended September 30, 2020.
- Loss for the third quarter of 2021 was (\$1,582,959) an increase of 53% compared to (\$1,030,948) for the quarter ended September 30, 2020.
- Cash at September 30, 2021 was \$1,292,623 compared to \$1,007,923 at December 31, 2020.

Detailed financial information about Kane Biotech can be found in its September 30, 2021 Financial Statements and Management Discussion and Analysis on SEDAR and the Company's website.

"As we close out fiscal 2021, I am optimistic about the momentum and the opportunities in each of our three strategic pillars for fiscal 2022," said Marc Edwards, President & CEO. "In animal health, we are poised to receive a highly strategic veterinarian certification. In derma or OTC, our very large and compelling consumer trial has attracted attention from potential licensing partners. And finally, we are making significant progress towards a strategic partnership with a global wound care leader."

Recent Corporate Developments:

On September 2, 2021, Kane Biotech announced that it had entered into an amended and restated credit agreement with Pivot Financial Inc. ("Pivot") dated August 31, 2021 (the "Amended Credit Facility"). The Amended Credit Facility amends and restates the existing credit agreement with Pivot dated November 5, 2020, increasing the credit facility to \$2.5 million from \$1.48 million. The Amended Credit Facility will continue to 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.

On August 31, 2021, the Company announced that STEM had shipped its first order of bluestem™ products to PetSmart® Canada, Canada largest specialty pet retailer of services and solutions for the lifetime needs of pets. Bluestem™ oral care products will be distributed to all 150 stores and will be available via PetSmart®'s online store.

On July 29, 2021, the Company announced that it had received two Decisions to Grant from the European Patent Office for patents covering its best-in-class coactiv+™ technology. The allowed claims cover composition of matter for the company's proprietary formulations for use in treating wounds and skin infections and in personal care formulations.

On July 22, 2021, Kane Biotech announced plans to expand its wound care and surgical portfolio with an antimicrobial hydrogel based on its best-in-class coactiv+™ technology.

On July 13, 2021, the Company announced that it has successfully prepared its first batch of DispersinB® wound care hydrogel, intended for use in pre-clinical studies which will begin Q3 2021 as well as the formation of a new manufacturing partnership with Dow Development Laboratories, LLC ("DDL") to scale up the process and, ultimately, manufacture materials under Good Manufacturing Practices (GMP) for a first-in-human proof of concept trial.

Conference Call details:

Kane Biotech is pleased to invite all interested parties to participate in a conference call on Tuesday November 16, 2021 at 4.30pm ET during which time the results will be discussed.

Webcast <https://edge.media-server.com/mmc/p/ubu6dk8i>

Participant Dial In:

Participant Toll-Free Dial-In
Number: (877) 268-9044
Participant International Dial-In
Number: (706) 679-2995
Conference ID: 6379645

Audio Replay (7 Days valid after the live call)

Toll Free: (855) 859-2056
International: (404) 537-3406
Conference ID: 6379645

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 (51 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, or contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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

	Three months ended September 30,	Nine months ended September 30,
Statement of Comprehensive Loss		

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total Revenue	\$ 541,302	\$ 360,603	\$ 1,196,082	\$ 1,084,236
Gross Profit	131,665	129,156	381,126	424,143
Operating expenses				
General and administration	1,405,664	869,309	3,124,022	2,518,869
Research	315,641	377,831	837,291	1,063,871
Total operating expenses	1,721,305	1,247,140	3,961,313	3,582,740
Loss from operations	<u>\$ (1,589,640)</u>	<u>\$ (1,117,984)</u>	<u>\$ (3,580,187)</u>	<u>\$ (3,158,597)</u>
Loss and comprehensive loss for the period	<u>\$ (1,582,959)</u>	<u>\$ (1,030,948)</u>	<u>\$ (3,592,739)</u>	<u>\$ (2,900,181)</u>
Loss and comprehensive loss for the period attributable to shareholders	<u>\$ (1,522,796)</u>	<u>\$ (1,030,948)</u>	<u>\$ (3,335,748)</u>	<u>\$ (2,900,181)</u>
Basic and diluted loss per share for the period	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>
Weighted average shares outstanding - basic and diluted	<u>112,101,447</u>	<u>108,613,535</u>	<u>111,857,331</u>	<u>106,473,412</u>
Statement of Financial Position	September 30, 2021	December 31, 2020		
Cash and cash equivalents	\$ 1,292,623	\$ 1,007,923		
Other current assets	2,078,416	1,730,687		
Non-current assets	<u>3,169,173</u>	<u>2,297,009</u>		
Total Assets	<u>\$ 6,540,212</u>	<u>\$ 5,035,619</u>		
Current liabilities	\$ 4,661,601	\$ 2,924,174		
Non-current liabilities	2,331,417	1,036,709		
Shareholders' equity	<u>(452,806)</u>	<u>1,074,736</u>		

Total liabilities and shareholders' equity

\$ 6,540,212

\$ 5,035,619

Source: Kane Biotech Inc.