



# Investor Presentation

Nasdaq: SBOT

[www.StellarBiotech.com](http://www.StellarBiotech.com)

[www.KLHsite.org](http://www.KLHsite.org)

# Safe Harbor

**This presentation may contain forward-looking statements** within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "may," "will," "would," "could," "should," "might," "potential," or "continue" and variations or similar expressions. Readers should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance. There can be no assurance that forward-looking statements will prove to be accurate, as all such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or future events to differ materially from the forward-looking statements. Such risks include, but may not be limited to: general economic and business conditions; technology changes; competition; changes in strategy or development plans; availability of funds and resources; governmental regulations and the ability or failure to comply with governmental regulations; changes in trade policy and international law; the timing of the Company's or its partners' anticipated results, including in connection with clinical trials; the ability to meet the goals of the Company's joint ventures and strategic partnerships; and other factors referenced in the Company's filings with securities regulators. For a discussion of further risks and uncertainties related to Stellar's business, please refer to the Company's public company reports filed with the B.C. Securities Commission and the U.S. Securities and Exchange Commission. All forward-looking statements are made as of the date hereof and are subject to change. Except as required by law, the Company assumes no obligation to update such statements. This presentation does not constitute an offer or solicitation of an offer for sale of any securities in any jurisdiction, including the United States.

Note: All financial and stock price information is presented in U.S. dollars.

# Powering and Improving Immunotherapy™

The leader in sustainable manufacture of **Keyhole Limpet Hemocyanin (KLH)**, a molecule widely used in immunotherapy development.

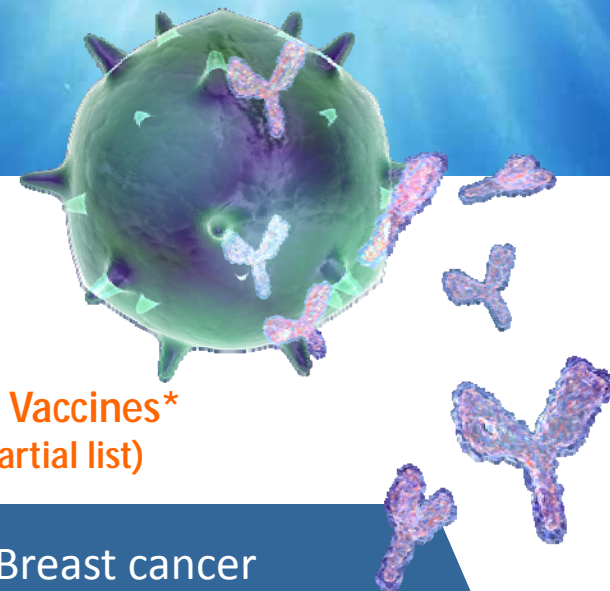
- **Unique facility** for production and manufacturing of KLH protein
- **Selling products** to multiple clinical stage customers
- **Expanding capacity** to meet long-term demand in immunotherapy



Nasdaq:	SBOT
Market Cap:	~\$21M
Established:	1999
Headquarters:	Port Hueneme, California

# IMMUNOTHERAPY

Harnessing the Body's Own  
Immune System To Disease



## Monoclonal Antibodies (FDA approvals)

Rituxin®  
Herceptin®  
Erbix®  
Avastin®  
Vectibix®  
Arzerra®  
Yervoy®

## Checkpoint Inhibitors (FDA approvals)

Yervoy®  
Keytruda®  
Opdivo®

## KLH-Conjugated Vaccines\* (in clinical trials, partial list)

OBI Pharma – Breast cancer  
Neovacs – Lupus  
OBI Pharma – Ovarian cancer  
Araclon – Alzheimer's  
Axon – Alzheimer's  
MabVax – Sarcoma  
MSK – Neuroblastoma  
Roswell Park – Glioblastoma  
NCI – Sarcoma, Neuroblastoma  
AFFiRis – Multiple System Atrophy  
AFFiRis – Hypercholesterolemia  
MSK – Lung Cancer, Ovarian Cancer  
Fred Hutchinson – Multiple Myeloma

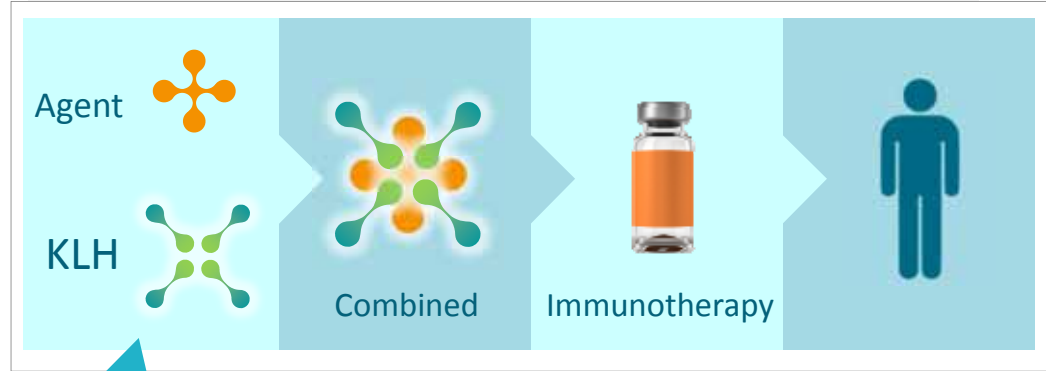
\* Not a comprehensive list; does not include all approvals nor all immunotherapy approaches in development. Not limited to Stellar KLH™

Sources: clinicaltrials.gov, cancer.org, Cancer Research Institute, company websites and public disclosures.

# Keyhole Limpet Hemocyanin (KLH)

- Important, immune-stimulating molecule
- Rapid rise in immunotherapy is driving KLH demand
- 40+ years safe use in clinical immunology

**KLH is a key ingredient (carrier) in many active immunotherapies in clinical development**

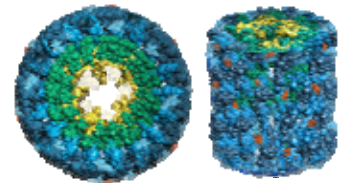


**KLH also used in TDAR immunotoxicology**  
(KLH TDAR users include: Amgen, Pfizer, Roche, Novartis, BMS, J&J, Biogen, NIAID, GSK, Novo Nordisk, Genentech)



Only source for KLH is a live marine mollusk...

**Giant Keyhole Limpet**

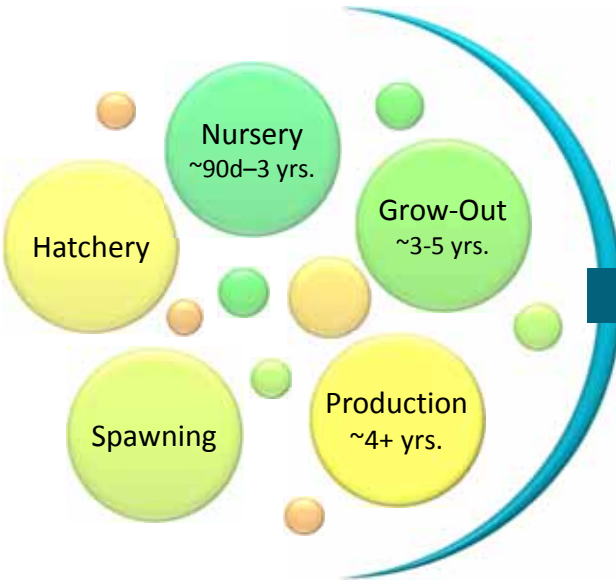


KLH Molecule

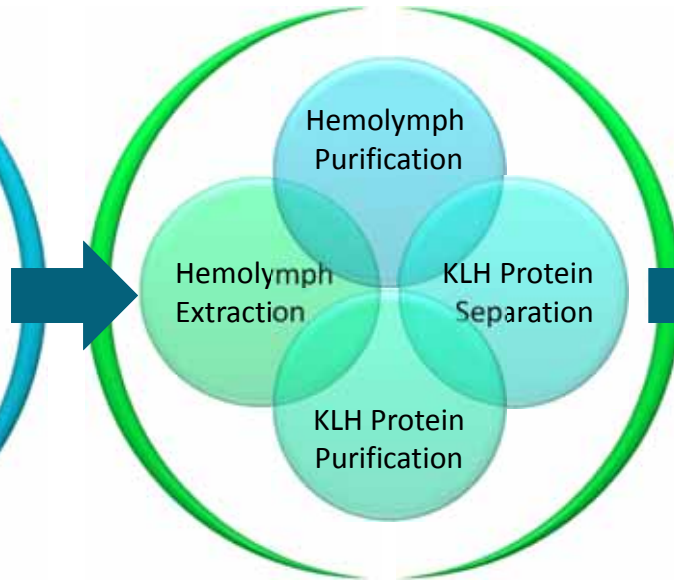
# Stellar's Proprietary Methods & Infrastructure

## Scalable, Fully Traceable, Medical Grade KLH

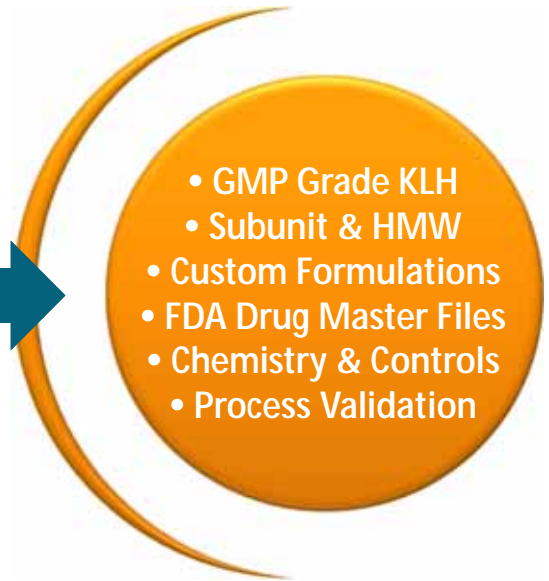
### Aquaculture Technology



### KLH Manufacturing



### Products, Services, Support



# Key Customer Pipelines

Immunotherapy Program		Indications	Pre-Clinical	Phase 1	Phase 2	Phase III
<b>Amaran Biotech</b>	Adagloxad Simolenin (OBI Pharma)	Metastatic Breast Cancer	Taiwan			
<b>Amaran Biotech</b>	Adagloxad Simolenin (OBI Pharma)	Metastatic Breast Cancer	U.S. & Asia			2016: U.S. Phase II completed
<b>Amaran Biotech</b>	Adagloxad Simolenin (OBI Pharma)	Ovarian Cancer	Taiwan			
<b>Neovacs</b>	IFN $\alpha$ -Kinoid Immunotherapy	SLE (Lupus)	U.S., Europe, Latin America, Asia			2017: Global Phase IIb recruiting
<b>Neovacs</b>	IFN $\alpha$ -Kinoid Immunotherapy	Dermatomyositis	Initiated Phase IIb			
<b>Neovacs</b>	IFN $\alpha$ -Kinoid Immunotherapy	Type 1 Diabetes	2017: Initiate proof of concept 2018: Initiate clinical studies			
<b>Araclon (Grifols)</b>	Beta Amyloid-targeting Immunotherapy	Alzheimer's	2017: Phase II completion			
	Multiple programs*	Alzheimer's, cholesterolemia, addiction, other				

\* Proprietary research or evaluation programs utilizing Stellar KLH™ in therapeutic vaccine development.  
Sources: www.clinicaltrials.gov, company websites and public disclosures.

# Stellar's Production Capacity Strategy

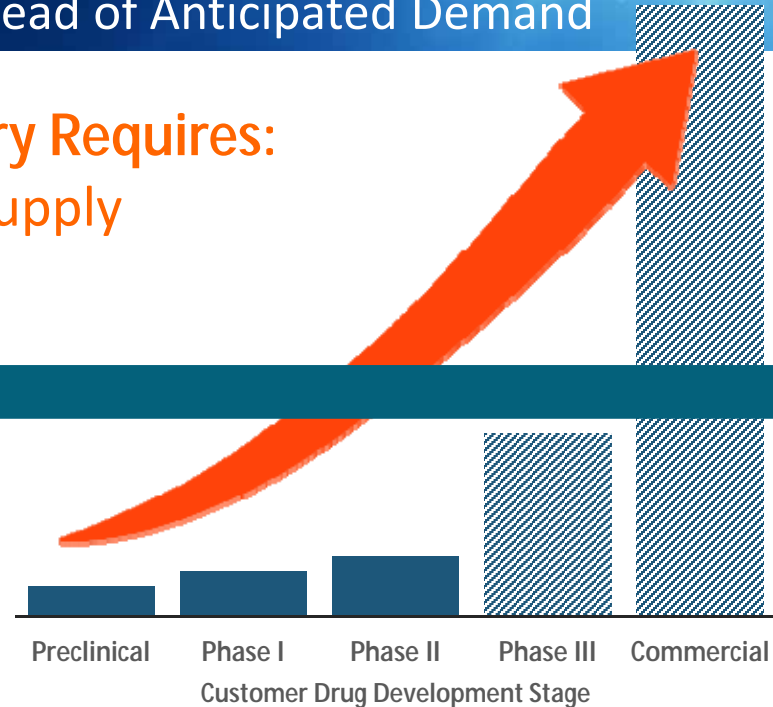
Staged Infrastructure Expansion Ahead of Anticipated Demand

## Pharmaceutical Industry Requires:

- Long-term scalable supply
- GMP grade KLH

## KLH Supply is Constrained:

- Natural source
- Long production cycle
- Barriers to entry



KLH Production Capacity Assuming Multiple Drug Advancements (Illustrative)<sup>1</sup>

## Stellar Biotechnologies' Opportunity

- We have available capacity to meet customers' clinical trial needs (~1,500g/year<sup>2</sup>)
- Staged infrastructure expansion underway, preparing for increased KLH demand driven by multiple immunotherapy pipelines
- Projected production capacity of 20,000g/year (5-7 years)<sup>2,3</sup>

<sup>1</sup> For illustrative purposes only. The advancement and commercial success of third-party products utilizing Stellar KLH is dependent upon many factors. Quantities required for clinical trials are highly variable and depend on, among other considerations, the nature of the trial, the clinical indication, the number of patients enrolled, dosing regimens and vaccine manufacturing processes.

<sup>2</sup>KLH Intermediate

<sup>3</sup>Given sufficient funding.



# Strategic Geographic Expansion

## Collaboration with Ostiones Guerrero SA de CV (Mexico)

- Access to additional marine habitat for limpets
- Exclusive rights to produce KLH from new site
- Operational benefits of secondary site
- Environmental protection of valuable marine resource
- 24-36 mos. site studies & design collaboration in progress

**Stellar**  
BIOTECHNOLOGIES  
Port Hueneme, CA, USA

*Only One Habitat  
Worldwide*

  
Ostiones Guerrero SA de CV  
San Quintin, Baja, MX



# Expanding Growth Opportunities

## Conjugate Vaccine Manufacturing Platform

### *Neostell™ Growth Initiative*

- **French JV to manufacture & sell KLH-conjugate immunotherapies**
  - Stellar Participates as 30% Owner
- **Stellar also sells KLH to JV for:**
  - Production scale-up of Neovacs' IFN $\alpha$ -Kinoid for lupus
  - TNF-Kinoid for Crohn's disease and other Neovacs Kinoids
- **Manufacturing platform could support potential third-party customers**



**Stellar**  
BIOTECHNOLOGIES

# Cash Position: Historical Overview and Future Outlook

- **Strong Balance Sheet**

- No Long-Term Debt

- **Revenue**

- Products on the market
- Selling to clinical-stage companies

- **Current Resources**

- Capacity to meet anticipated KLH demand for 1 to 2 years.
- Staged capital expenditures for California and Mexico expansion.

Selected Financials As of December 31, 2016	
Cash <sup>1</sup>	\$9.9M
Total Assets	\$11.5M
Working Capital	\$10.0M
Debt	\$0.0M
Fiscal Year 2016	
Revenues	\$1.3M
Expenses	\$6.2M
Capex	\$0.4M

Stellar Financial Filings

<http://ir.stellarbiotechnologies.com/all-sec-filings>

<sup>1</sup> Cash, Cash Equivalents and Short Term Investments.

# Capitalization Table

As of December 31, 2016

Description	Weighted Average Exercise Price	Shares
Common Shares		10,136,258
Options Outstanding <sup>1</sup>	\$4.89	571,204
Unissued Performance Shares <sup>2</sup>		370,370
Warrants	\$4.50	1,265,626
<b>Fully Diluted Shares</b>		<b>12,343,458</b>

<sup>1</sup> 2013 Fixed Share Option Plan.

<sup>2</sup> Shares reserved for future issuance to Mr. Oakes and Dr. Morse under the 2010 Performance Share Plan.

# Experienced Management Team

Pharmaceutical Development, Biomarine and Life Sciences

	<b>Frank R. Oakes</b> President & CEO	<ul style="list-style-type: none"><li>• 40+ years experience in biotechnology and aquaculture</li><li>• KLH manufacturing expert</li><li>• Former CEO of largest abalone producer in U.S.</li></ul>
	<b>Kathi Niffenegger, CPA</b> Chief Financial Officer	<ul style="list-style-type: none"><li>• 30+ years in accounting &amp; financing, including pharmaceutical companies</li><li>• Previously partner at Glenn Burdette and CFO at Martin Aviation.</li></ul>
	<b>Gregory T. Baxter, PhD</b> Executive VP, Corporate Development	<ul style="list-style-type: none"><li>• 25+ years of science leadership.</li><li>• Former Stellar board member</li><li>• Sr. Scientist for CCS Assoc.</li><li>• NSF Program Director</li><li>• Founder of Hurel Corp. &amp; Aegen.</li></ul>
	<b>Gary Koppenjan</b> Sr. Director, Investor Relations & Communications	<ul style="list-style-type: none"><li>• 20+ years of experience in corporate communications, marketing and investor relations in the life sciences.</li></ul>

# Multiple Upcoming Strategic Objectives

- ☑ **Strengthen balance sheet & increase visibility in capital markets**
  - ☑ Uplisting to Nasdaq
  - ☑ Institutional capital raise completed July 2016
- ☑ **Neostell growth initiative**
  - ☑ Completed formation of joint venture with Neovacs S.A.
- ☑ **Access to additional marine habitat for source animal**
  - ☑ Ostiones collaboration in Mexico
  - ☑ Site suitability studies in progress
- ☐ **Infrastructure expansion underway**
  - ☐ California and Mexico
- ☐ **Innovations and new product development**
  - ☐ Improvements in manufacturing, protein analysis, assays
  - ☐ Potential R&D collaborations
- ☐ **KLH supply agreements and collaborations**
  - ☐ Multiple new opportunities in progress
  - ☐ Advancement of current customers' clinical programs

# Summary: Positioning to Lead in KLH Supply

## Market

- KLH molecule is essential in rapidly-evolving immunotherapy sector

## Competitive Strengths

- Only facility sustainably producing KLH marine source
- Proprietary KLH production technology

## Opportunities

- Stellar KLH™ now in multiple, clinical-stage immunotherapies
- Capacity expansion underway
- Joint venture to produce conjugated vaccines

# Stellar

BIOTECHNOLOGIES

*Powering and Improving Immunotherapy*

**Frank R. Oakes**

President & Chief Executive Officer

**Gary Koppenjan**

Sr. Director, Investor Relations & Comm.

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