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Stellar Biotechnologies Congratulates Partner's Decision to Extend Drug Development for Diabetes

- Company reiterates plans to increase production capacity for its KLH product.

LOS ANGELES, Feb. 6, 2017 /PRNewswire/ -- [Stellar Biotechnologies, Inc.](#) (Nasdaq: SBOT), a leading manufacturer of a key protein utilized in multiple immunotherapy development pipelines targeting cancers, Alzheimer's and lupus, among other diseases, today issued a statement congratulating Neovacs S.A. for its decision to extend the development of its lupus drug for Type 1 diabetes.

Neovacs, a collaboration partner utilizing Stellar's KLH protein as a carrier molecule for its Kinoid treatment, announced in a [press release](#) that it would begin preclinical proof-of-concept studies in diabetes this year, with the objective of entering clinical studies in the first half of 2018. Type 1 diabetes is an autoimmune disease, which affects 25 million people worldwide, according to the World Health Organization. Lupus affects approximately 5 million people globally.

"We extend our congratulations to Neovacs on this promising news and the continuing advancement of their Kinoid technology," said Stellar President and CEO Frank Oakes. "The large patient populations of lupus, and now diabetes, underscore the need for us to prepare Stellar to be in a position to provide significantly larger supplies of our pharmaceutical-grade KLH products."

To this end, Stellar has ongoing initiatives to expand its infrastructure and production capacity to manufacture multi-kilogram quantities of its Stellar KLH products. In addition, last year, Stellar and Neovacs announced formation of a joint venture, Neostell S.A.S., for manufacturing immunotherapy products for Neovacs and potentially other third-party customers utilizing KLH-based therapeutic vaccines. Therapeutic vaccines represent a new class of treatments, known as active immunotherapies, which are designed to stimulate a patient's own immune system to generate an immune response to target and attack an existing disease or condition.

About Stellar Biotechnologies

Based north of Los Angeles at the Port of Hueneme, [Stellar Biotechnologies, Inc.](#) (Nasdaq: SBOT) is the leader in sustainable manufacture of [Keyhole Limpet Hemocyanin \(KLH\)](#), an important immune-stimulating protein used in wide-ranging therapeutic and diagnostic markets. KLH is both an active pharmaceutical ingredient (API) in many new

immunotherapies (targeting cancer, immune disorders, Alzheimer's and inflammatory diseases) as well as a finished product for measuring immune status. Stellar is unique in its proprietary methods, facilities, and KLH technology. The company is committed to meeting the growing demand for commercial-scale supplies of GMP grade KLH, ensuring environmentally sound KLH production, and developing KLH-based active immunotherapies. Stellar KLH is a trademark of Stellar Biotechnologies.

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This press release 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 unduly rely 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 which 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; anticipated requirements for operating capital; governmental regulations and the ability or failure to comply with governmental regulations; changes in trade policy and international law; the timing of Stellar's or its partners' anticipated results, including in connection with clinical trials; the ability to meet the goals of Stellar's joint ventures and strategic partnerships; and other factors referenced in Stellar's filings with securities regulators. For a discussion of further risks and uncertainties related to the Stellar's business, please refer to Stellar's public company reports filed with the U.S. Securities and Exchange Commission and the British Columbia Securities Commission. All forward-looking statements are made as of the date hereof and are subject to change. Except as required by law, Stellar assumes no obligation to update such statements. This press release does not constitute an offer or solicitation of an offer for sale of any securities in any jurisdiction, including the United States.



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