

kneat.com, inc.

Terms and Conditions of Public Offering of Securities

September 23, 2024

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the Provinces of Canada, except Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. Copies of the preliminary short form prospectus may be obtained from Cormark Securities Inc. (office (416) 362-7485; email: ecm@cormark.com).

There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

(All amounts shown in C\$)

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| Issuer: | kneat.com, inc. (the “ Company ”). |
| Offering: | Treasury offering of 7,368,500 common shares (the “ Securities ”) of the Company. |
| Offering Price: | \$4.75 per Security. |
| Size of Offering: | \$35,000,375 (\$40,000,225 including the full exercise of the Over-Allotment Option (as defined below)). |
| Over-Allotment Option: | The Underwriters shall have the option (the “ Over-Allotment Option ”) to purchase up to an additional 1,052,600 of the Securities sold pursuant to the Offering from treasury on the same terms of the Offering at any time up to 30 days following Closing (as hereinafter defined), solely for market stabilization purposes and to cover over-allotments, if any. |
| Use of Proceeds: | The Company intends to use the net proceeds of the offering for strategic initiatives in the areas of product development, partnerships and go to market, to strengthen its balance sheet and to provide options in relation to debt management. |
| Underwriting Basis: | “Bought deal” with conventional bought deal termination provisions to be included in a definitive underwriting agreement. |
| Offering Basis: | The Securities/ will be offered (i) by way of a short form prospectus to be filed in each of the provinces of Canada, except Quebec, pursuant to National Instrument 44-101 – <i>Short Form Prospectus Distributions</i> ; (ii) in the United States on a private placement basis pursuant to an exemption from the registration requirements of the <i>United States Securities Act of 1933</i> , as amended, and applicable state securities laws; and (iii) in jurisdictions outside of Canada and the United States, as agreed to between the Company and Cormark Securities Inc., in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction and the Company will not be subject to any continuous disclosure requirements in such jurisdiction. |

Commission: Cash commission equal to 5.0% of the gross proceeds of the Offering (including the Over-Allotment Option).

Eligibility: The Security will be eligible for Canadian FHSAs, RRSPs, RRIFs, DPSPs, RESPs and TFSAs.

Standstill Period: The Company agrees not to issue any common shares or securities convertible into common shares for a period of 90 days from the closing of the Offering without the prior written consent of Cormark except in conjunction with: (i) the issuance of common shares in connection with the exercise of any currently outstanding options of the Company, (ii) the issuance of options to acquire common shares pursuant to the Company's stock option plan, and the issuance of common shares in connection with the exercise of any such options, (iii) the issuance of awards pursuant to the Company's incentive award plan; (iv) the issuance of common shares pursuant to the dividend reinvestment plan of the Company, and (v) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been disclosed to the Underwriters (as hereinafter defined).

Lock-Up Period: Senior management, directors of the board and the Principal Securityholders of the Company shall agree, in a lock-up agreement to be executed concurrently with the closing of the Offering that, for a period of 90 days following the closing of the Offering, it will not, directly or indirectly, offer, sell, dispose of or otherwise monetize the economic value of any securities in the Company beneficially owned by such shareholder, without the prior written consent of Cormark, subject to the certain exceptions.

Listing: The Company will use its best efforts to ensure that the Securities will continue to be listed on the Exchange at the time of the Closing Date (as defined hereinafter), which listing shall be a condition of closing.

Lead Underwriter: Cormark Securities Inc.

Closing Date: October 10, 2024, or such other date as the Underwriters and the Company may agree.