



ASX Release

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ASX Code:

ZLD

Ordinary Shares:

669,127,649

Options:

48,000,000

6,000,000 (\$0.04 - 6/2/2020 -
subject to vesting conditions)
2,000,000 (\$0.04 - 6/2/2020)
40,000,000 (\$0.03125 - 17/11/2021)

New Licence Agreement Increases Flexibility To Expand Clinical Trial Programme

- **New Caziwell Licence Agreement replaces existing agreement**
- **Zelda maintains exclusive access to patient data, formulations and protocols for use in its current research activities**
- **Positive impact on cashflow, with an immediate \$200,000 saving**
- **Permanent reduction in future royalty and sub-licence fees**
- **Significantly increases flexibility to expand clinical trial programme**

Zelda Therapeutics Ltd (ASX: ZLD, "Zelda" or the Company) announced today the execution of a new licence agreement with Caziwell Inc, including Aunt Zelda's Inc (**Caziwell Licence Agreement** or the "**Agreement**"). This new Agreement provides significant immediate and long-term financial benefits for the Company and replaces the existing agreement previously disclosed to the market.

The original licence agreement was put in place to provide Zelda Therapeutics with exclusive access to patient data concerning the medicinal properties of cannabis formulations and protocols, for the Company's use in pre-clinical and human clinical trials and related activities. A review of this agreement was undertaken in line with the Company's policy for continuous improvement and delivering value for shareholders, resulting in a restructure of the agreement terms.

The new Caziwell Licence Agreement maintains Zelda's exclusive access to patient data, formulations and protocols for use in the Company's current pre-clinical research activities in cancer and clinical research activities in sleep disorder and dermatology conditions. The Agreement also significantly increases the Company's flexibility to pursue other clinical stage opportunities. Furthermore, the Agreement provides for a significant permanent reduction in future royalties payable being 5% of net sales (reduced from 10%) and 10% of any sub-licence fees (reduced from 25%).

A one-off fee payment of \$300,000 will be made resulting in the elimination of future milestone payments for sleep and dermatology-related clinical trials and allowing Zelda to in-license third party programmes with no further financial obligations to Caziwell. This significantly increases the Company's ability to take advantage of an ever-expanding portfolio of opportunities and removes the financial burden to Zelda. These changes result in an immediate short term saving to Zelda of \$200,000 over the course of 2017, given the Company would have had an obligation to pay two clinical trial milestone fees for its proposed sleep disorder and dermatology clinical trials.

The new Caziwell Licence Agreement will assist Zelda Therapeutics to achieve its research focus while creating more value by reducing financial obligations and providing an avenue for the Company to seek new growth opportunities.

Executive Chairman Harry Karellis stated:

“The restructuring of the Caziwell Licence Agreement provides a meaningful positive impact to Zelda shareholders by reducing future financial obligations it would have incurred through executing its clinical trials strategy. With these amendments in place, Zelda moves closer to industry standards for agreements of this nature. We have a full pipeline of opportunities ahead of us and reducing future expenses helps extend our financial capacity to progress these projects. We have a very exciting year ahead.”

Director Mara Gordon stated:

“As a Founder of both Aunt Zelda and Zelda Therapeutics I am very pleased with this outcome, which is mutually beneficial for both companies, but most importantly it will help accelerate the much needed, valuable research that the industry requires, to clinically prove the benefits of medical cannabis.”

Tim Slate
Company Secretary

About Zelda Therapeutics (www.zeldatherapeutics.com)

Zelda Therapeutics (“Zelda”) is an Australian-based bio-pharmaceutical company that has secured exclusive, global access to an extensive set of human data related to medicinal cannabis based formulations and treatment protocols. This human data has been generated over several years by a California-based group (*Aunt Zelda’s*) that has a very high profile within the USA and a growing international profile based upon its deep knowledge of the scientific rationale for certain cannabis-based formulations and protocols to treat a variety of medical conditions.

Zelda has embarked on a programme of human clinical trials initially in sleep disorder (insomnia) and eczema indications.

In addition, Zelda is building a pre-clinical research portfolio targeting cancer. It has partnered with the world’s leading cancer cannabis researchers at Complutense University Madrid in Spain to conduct certain pre-clinical work testing cannabis-based formulations known to have an effect in humans in order to generate data packs in a form expected by regulators and the pharmaceutical industry. A similar programme is in place with the Australian Telethon Kids Institute targeting paediatric brain cancer and Curtin University targeting pancreatic cancer.