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Artelo Biosciences And The NEOMED Institute Enter Into An Exclusive Global Option And License Agreement

Artelo to advance NEOMED's NEO1940 novel, peripherally restricted, CB1/CB2 agonist, clinic-ready drug candidate for the treatment of patients suffering from cancer and anorexia/weight loss associated with cancer

LA JOLLA, Calif. and MONTREAL, Jan. 30, 2018 /PRNewswire/ --[Artelo Biosciences, Inc.](#) (OTCBB: ARTL) and the [NEOMED Institute](#) announced today that they have entered into an exclusive global option and license agreement for NEO1940 whereby the two companies will collaborate to advance NEO1940 as an anti-cancer therapeutic as well as a treatment for cancer patients suffering from anorexia/weight loss.



Under the terms of the agreement, Artelo has obtained a 12-month option period to evaluate the anti-cancer potential of NEOMED's proprietary therapeutic compound, NEO1940, with the right to exercise an exclusive worldwide license to develop and commercialize NEO1940 as a therapeutic for cancer patients as well as a multi-modal supportive care treatment for cancer patients suffering from anorexia/weight loss. NEOMED in return has been issued 120,000 shares of Artelo common stock and will be eligible to receive quarterly payments up to a total of \$200,000. Upon exercise of the license NEOMED will receive from Artelo additional shares, milestone payments up to a total of \$202 million and commercial royalties on future sales.

"This agreement with NEOMED presents us with a great opportunity to augment our growing pipeline with a promising asset," stated Gregory Gorgas, Chief Executive Officer of Artelo. "We believe that NEO1940 is a good strategic fit with Artelo's portfolio and focus. CB1 and CB2 agonists are already utilized in supportive care for cancer patients and there is an increasing body of scientific evidence suggesting that this mechanism offers the promise of direct anti-tumor effects, which could provide additional survival benefits in some patients. We are excited to be able to evaluate the program's potential and expect to initiate pre-

clinical research immediately."

"Our collaboration with Artelo is another great example of the NEOMED Institute delivering on its mission to advance great Canadian scientific discoveries to successful commercialization," commented Donald Olds, President and CEO of NEOMED. "Artelo is an ideal partner for NEO1940 with a very strong scientific, commercial and business team having all of the necessary experience in cancer and cannabinoid-related therapies to successfully advance NEO1940 for the benefit of patients."

The NEO1940 program, is a clinic ready, potent, peripherally restricted CB1/CB2 synthetic agonist, originally developed as a novel analgesic for the treatment of pain. More than 200 subjects have been exposed to NEO1940 in five Phase I studies and a statistically significant and dose proportional increase in body weight was observed. In consultation with regulatory authorities, NEO1940 was subsequently repurposed and advanced as a multi-modal supportive care therapy for cancer patients suffering from anorexia/weight loss.

About Artelo Biosciences, Inc.

[Artelo Biosciences, Inc. \(OTCBB: ARTL\)](#) is a San Diego-based biopharmaceutical company dedicated to the development and commercialization of proprietary endocannabinoid-modulating therapeutics. Artelo is rapidly advancing a portfolio of broadly applicable product candidates designed to address significant unmet needs in multiple diseases and conditions, including cancer, pain, and inflammation. Led by proven biopharmaceutical executives engaging highly respected researchers and technology experts, the company applies leading edge scientific, regulatory, and commercial discipline to develop high-impact therapies. More information is available at www.artelobio.com

About NEOMED Institute

The NEOMED Institute is a successful and innovative Canadian not-for-profit R&D organization with a single mission: to enable and accelerate the commercialization of Canadian life science discoveries. To accomplish this mission, NEOMED Institute operates two complementary and integrated divisions:

NEOMED Therapeutics in-licenses great scientific discoveries from Canadian academic centers and research institutes and then funds and develops these programs to stages that are attractive for partnering or stand-alone financing. All proceeds from successful out-licensing and exits are re-invested in new pipeline projects.

NEOMED Innovation Center operates a world-class life sciences ecosystem in Montreal, Quebec, that was created as an enabling environment for biotechnology and contract research organizations to establish, grow and prosper. Today the NEOMED Innovation Centre hosts 30 life sciences companies employing over 350 people who work in our two state-of-the-art R&D centres. Our tenants benefit from NEOMED's shared services model (analytical chemistry/in vivo pharmacology, etc.) and an entrepreneurial culture enabled by collaboration and scientific innovation.

The NEOMED Institute is funded by our pharmaceutical partners, the Ministère de l'Économie, de la Science et de l'Innovation du Québec, and the Networks of Centres of

Excellence (NCE) of Canada as well as the revenue generated from the out-licensing/sale of our pipeline projects and the operation of our facilities. For more information, please visit www.neomed.ca

Forward Looking Statements:

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and Private Securities Litigation Reform Act, as amended, including those relating to the Company's product development, clinical and regulatory timelines, market opportunity, competitive position, possible or assumed future results of operations, business strategies, potential growth opportunities and other statement that are predictive in nature. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's current beliefs and assumptions.

These statements may be identified by the use of forward-looking expressions, including, but not limited to, "expect," "anticipate," "intend," "plan," "believe," "estimate," "potential," "predict," "project," "should," "would" and similar expressions and the negatives of those terms. These statements relate to future events or our financial performance and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include those set forth in the Company's filings with the Securities and Exchange Commission. Prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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