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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): July 31, 2020**

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**ZOSANO PHARMA CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-36570**  
(Commission  
File Number)

**45-4488360**  
(I.R.S. Employer  
Identification No.)

**34790 Ardentech Court**  
**Fremont, CA 94555**  
(Address of principal executive offices) (Zip Code)

**(510) 745-1200**  
(Registrant's telephone number, include area code)

**Not applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Exchange Act:**

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.0001 par value	ZSAN	The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01. Entry into a Material Definitive Agreement.**

On July 31, 2020, Zosano Pharma Corporation (the “Company”) entered into an amendment (the “Amendment”) to that certain Business Understanding Agreement, dated September 13, 2018, with CSP Technologies, Inc. (“CSP”) (the “Original Agreement,” and together with the Amendment, the “Amended Agreement”), which became a material agreement to the Company upon the execution of the Amendment.

Pursuant to the Amended Agreement, CSP agreed to provide services related to the manufacture and assembly of a component (the “Product”) of Qtrypta™ (M207) (“Qtrypta”). Under the Amended Agreement, the parties expressed their mutual intent to enter into a commercial supply agreement (“Supply Agreement”) addressing certain of the terms set forth in the Amended Agreement. The Amended Agreement provides that if the Company ceases to purchase the Product from CSP and a Supply Agreement is not entered into, then the Company may be required to pay CSP up to \$2.5 million; however, no such payment will be required in the event of CSP’s material breach. The Company may be required to pay CSP an additional payment of up to \$4.6 million if the Company ceases to purchase the Product from CSP and a Supply Agreement is not entered into, except that no such payment will be required in the event of CSP’s material breach or if the U.S. Food and Drug Administration does not approve Qtrypta.

The foregoing description of the Amended Agreement is not complete and is qualified in its entirety by reference to the text of the Original Agreement and the Amendment, copies of which are filed herewith as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

**Forward-Looking Statements**

This report contains forward-looking statements. All statements other than statements of historical facts contained herein are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding our intention to enter into a Supply Agreement with CSP. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors that may cause the Company’s actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the Company’s business in general, see the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. The Company does not plan to publicly update or revise any forward-looking statements contained in this report, whether as a result of any new information, future events, changed circumstances or otherwise.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

Exhibit No.	Description
10.1*	<a href="#">Business Understanding Agreement, dated September 13, 2018, by and between the Company and CSP Technologies, Inc.</a>
10.2*	<a href="#">Amendment No. 1 to Business Understanding Agreement, dated July 31, 2020, by and between the Company and CSP Technologies, Inc.</a>

\* Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10) of Regulation S-K. A copy of the omitted portions will be furnished supplementally to the Securities and Exchange Commission upon request.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 6, 2020

**ZOSANO PHARMA CORPORATION**

By: /s/ Christine Matthews

Christine Matthews

Chief Financial Officer

[\*\*\*] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.



September 13, 2018

## **BUSINESS UNDERSTANDING AGREEMENT**

CSP Technologies, Inc. (“CSP”), and Zosano Pharma Corp. (“Zosano”) agree to enter into this Business Understanding Agreement with respect to the following:

**Scope:** [\*\*\*] and [\*\*\*] of the [\*\*\*] (collectively, the “Product”).

### **Overview:**

- CSP is a supplier of injection-molded components and assemblies.
- CSP performs design and development services to create opportunities to manufacture products on a commercial basis. Manufacturing is CSP’s primary business and CSP expects to manufacture the Product [\*\*\*] for commercialization.
- Zosano is a clinical-stage biopharmaceutical company focused on providing systemic administration of therapeutics to patients using its proprietary Adhesive Dermally-Applied Microarray (“ADAM”) technology. Zosano is focused on developing products where rapid administration of established molecules with known safety and efficacy profiles provides an increased benefit to patients, for markets where patients remain underserved by existing therapies.

### **Project:**

- CSP shall work with Zosano in a strictly confidential manner to [\*\*\*] in order to ramp up production and produce [\*\*\*] batches of the Product.
- Budgetary cost assumptions for Tech Transfer are outlined in Annex 1.
- CSP shall work with Zosano to build and qualify [\*\*\*] including [\*\*\*].
- CSP shall work with Zosano to qualify all utilities required for the operation of [\*\*\*] and [\*\*\*].
- CSP shall work with Zosano to establish Master Batch Records and Standard Operating Procedures for producing the Product.

[\*\*\*] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.



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- [\*\*\*] is responsible for providing, all validation protocols and test methods relating to the forming and cleaning processes required to produce the Product. [\*\*\*] will author IQ and OQ documentation for the [\*\*\*], and [\*\*\*] will execute these protocols with [\*\*\*]'s assistance. CSP and Zosano will jointly develop [\*\*\*] for the [\*\*\*] for [\*\*\*] to execute. [\*\*\*] will transfer to [\*\*\*] validation protocols and test methods relating to incoming materials required to produce the Product, and [\*\*\*] will transfer to [\*\*\*] finished Product testing protocols. [\*\*\*] will conduct release testing on incoming materials and finished Product accordingly.
- [\*\*\*] shall work with [\*\*\*] to establish a quality system that must comply with [\*\*\*].
- Zosano and CSP will organize a team comprising of appropriate members from each company. This team will agree to a plan for the Project, which will include a Project schedule and a description of the Project deliverables.
- [\*\*\*] will fund the infrastructure required to support the Project as outlined in [Annex 1](#).
- Upon Tech Transfer, CSP will supply Product, which shall include the [\*\*\*] of the Product, using agreed upon specifications, for [\*\*\*] and [\*\*\*] batches as per the unit pricing outlined in [Annex 1](#).
- To the extent Zosano owns any intellectual property relating to the Product or the processes required to produce the Product, Zosano will grant CSP a royalty free license to produce the Product on behalf of Zosano or its customers.

**Supply Agreement:** It is the intention of CSP and Zosano that the parties will negotiate and execute a Supply Agreement for commercial supply of the Product. The Supply Agreement will address the following points:

- The parties will enter into a Supply Agreement with terms addressing supply and delivery, warranties, indemnity, liability, and termination. Such terms shall be in accordance with industry standards.
- CSP will be the [\*\*\*] manufacturer of the Product. The Supply Agreement will set forth the rights and remedies of the parties in the event that CSP is unable to provide the quality and quantity of Product required by the Supply Agreement for an indefinite period of time and, as a result, [\*\*\*].
- CSP will supply Product to support commercial volumes [\*\*\*] as per the unit pricing outlined in [Annex 1](#).

[\*\*\*] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.



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- To the extent Zosano owns any intellectual property relating to the Product or the processes required to produce the Product, Zosano will grant CSP a royalty free license to produce the Product on behalf of Zosano or its customers.
- [\*\*\*] will pay for the equipment outlined in Annex 2 required to produce and perform quality tests on the Product. [\*\*\*] will also pay for any additional equipment as mutually agreed to by the parties that may be necessary to produce and perform the quality tests.
- [\*\*\*] shall own the equipment and will be responsible for the cost of maintenance activities that are beyond typical preventative maintenance activities. At the conclusion of the Tech Transfer Phase, CSP and Zosano will work together to develop a budget for these activities.
- Zosano will be responsible for compliance with all regulatory requirements relating to the Project and the Product, however, CSP will maintain its facilities and equipment therein, in compliance with local and federal regulations.
- [\*\*\*] will be responsible for any services and/or materials supplied by third party suppliers, which are required for CSP to supply Product.
- The initial term of the Supply Agreement shall commence on the date of commercial manufacturing and shall be for a duration equal to the period of time required for CSP to produce, and Zosano to purchase, 25 million units of Product. Upon expiration of the initial term of the Supply Agreement, the Agreement shall automatically renew for successive terms of [\*\*\*], unless either party provides the other party with a notice of non-renewal at least [\*\*\*] prior to the end of the current term.
- If Zosano, or a third party that acquires Zosano, wishes to terminate the Supply Agreement prior to the expiration of the initial term, such party will pay CSP a termination fee equal to \$500,000 for every 5 million units of Product short of the minimum purchase quantity of 25 million units of Product. For example, if such party wishes to terminate the Supply Agreement after CSP has supplied only 10 million units of Product, then such party will pay CSP a termination fee in the amount of \$1,500,000.

#### **Annex 1**

- The pricing set forth in Annex 1 is effective for [\*\*\*] from the date of the last signature to this Business Understanding Agreement. Thereafter, the pricing may be subject to increase due to inflation. The pricing will be adjusted based on the immediately preceding [\*\*\*] period in the [\*\*\*].

[\*\*\*] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.



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This Business Understanding Agreement is signed below on the dates set forth below by an authorized representative for CSP and Zosano:

**CSP Technologies, Inc.**

**Zosano Pharma Corp.**

By: /s/ John Belfance

By: /s/ John Walker

Date: 09/28/2017

Date: 9/27/18

**ANNEX 1**

Omitted pursuant to Regulation S-K, Item 601(a)(5).



Your product, actively protected

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**ANNEX 2**

Omitted pursuant to Regulation S-K, Item 601(a)(5).

[\*\*\*] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

July 31, 2020

### **AMENDMENT NO. 1 TO BUSINESS UNDERSTANDING AGREEMENT**

CSP Technologies, Inc. (“CSP”), and Zosano Pharma Corp. (“Zosano”) agree to enter into this Amendment No. 1 to Business Understanding Agreement (this “Amendment”), amending the Business Understanding Agreement (the “BUA”) dated September 13, 2018 between CSP and Zosano. Except as otherwise defined herein, all capitalized terms used herein are used as defined in the BUA.

**Introduction:** Since the date of the BUA, the parties have been working toward a goal of ramping up production of the Product to reach commercial operation. During that time the anticipated services to be provided by CSP and other aspects of the Project and the transactions contemplated by the BUA have evolved, and to reflect those changes, the parties have agreed to adjust the pricing contemplated by Annex 1 to the BUA.

**Agreement:** In recognition of the changes referred to above and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. The Unit Pricing for Commercial Production of the Product as set forth in Annex 1 to the BUA is hereby amended by, in each case, increasing the Unit Pricing set forth in said Annex 1 by the related Price Adjuster amount set forth in Exhibit I hereto, for the specified volume of production in each of the first [\*\*\*] years of Commercial Production of the Product. In order to determine the Price Adjuster for each year, no later than the [\*\*\*], Zosano will provide CSP an estimate of Product quantity to be purchased during the coming year. Throughout the year, that estimate will be used to invoice the applicable Price Adjuster amount. No later than [\*\*\*] after the end of the year, the parties will true up the Price Adjuster to reflect the actual volume of Product purchased.
2. Pursuant to the BUA, the initial Unit Pricing set forth in Annex 1 is effective for [\*\*\*] years from the date of the BUA, and pricing is to be adjusted based on changes in the Consumer Price Index. To the extent the Unit Pricing is adjusted pursuant to the BUA, this Amendment does not impact any such changes, but the Price Adjuster specified by Exhibit I hereto will be added to the Unit Pricing as so adjusted.
3. Also pursuant to the BUA, if Zosano wishes to terminate the Supply Agreement (or ceases to purchase Product from CSP if the parties do not enter into a Supply Agreement) for any reason other than due to CSP’s material breach prior to the time that CSP has produced, and Zosano has purchased, a minimum of 25 million units of Product, Zosano is required to pay to CSP certain amounts as set forth in the BUA. No such payments will be owed if Zosano terminates the Supply Agreement in connection with CSP’s material breach. In addition to the amounts specified in the BUA, if (a) Zosano [\*\*\*] ceases to purchase Product from CSP if the parties do not enter into a Supply Agreement) for any reason other than (i) CSP’s material breach, or (ii) because Zosano does not obtain FDA approval of the Product, or (b) [\*\*\*], or (c) [\*\*\*], in each case, [\*\*\*], Zosano will pay to CSP an amount equal to the difference between \$4,600,000 and the amount paid prior to such termination. No such payments will be owed if Zosano terminates the Supply Agreement in connection with CSP’s material breach.

[\*\*\*] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

4. Except as otherwise set forth herein, the BUA and all terms set forth therein shall remain in full force and effect.

In witness whereof, the undersigned have executed this Amendment as of the date set forth above.

**CSP Technologies, Inc.**

By: /s/ John Belfance

Date: 07/27/2020

**Zosano Pharma Corp.**

By: /s/ Steven Lo

Date: 31 July 2020

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**EXHIBIT I**

Omitted pursuant to Regulation S-K, Item 601(a)(5).