

March 2021 Quarterly Update

21 April 2021

Key highlights:

- Zelira delivered record cash receipts of A\$225k over the March 2021 quarter, driven by growth in SprinjeneCBD sales and licensing payments
- Zelira appointed to the Board of Directors of the National Cannabis Roundtable (NCR) in Washington DC, USA
- Management restructure underpins the Company's next growth phase

Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF), a global leader in the development of clinically validated cannabinoid medicines, is pleased to provide this operational update alongside its Appendix 4C for the three months ended 31 March 2021 (Q3 FY21).

Zelira Therapeutics Managing Director, Dr Oludare Odumosu commented:

"The March quarter performance is the strongest quarterly cash receipts reported for Zelira Therapeutics since its inception and clearly demonstrates the start of the Company's revenue ramp up. Our long-term focus to develop a portfolio of clinically validated and scientifically formulated cannabinoid medicine and consumer products is starting to bear fruit as commercialisation ramps up. We are well placed to build on the March quarter's momentum and accelerate our progress in 2021 as we launch new products and expand into new geographies."

Record cash receipts of A\$225k over the March 2021 quarter, driven by growth in SprinjeneCBD sales and licensing payments

Zelira generated record quarterly cash receipts (product sales and licensing payments) of A\$225,000 in Q3 FY21, up 249% on H1 FY21. Growth was driven largely by the successful December 2020 launch of the SprinjeneCBD oral care product in the USA. With a suite of new products planned for launch over the next two quarters, Zelira Therapeutics is well placed to generate further growth in revenue via diversified income streams.

Zelira appointed to the Board of Directors of the National Cannabis Roundtable (NCR) in Washington DC, USA

In February 2021, Zelira was pleased to be appointed to NCR's Board of Directors (<https://nationalcannabisroundtable.org/>). Zelira will be represented on the NCR Board by its Managing Director Dr Oludare Odumosu, The NCR is a non-partisan advocacy group focusing on federal cannabis reform in the United States.

As part of its reform agenda, NCR is seeking to balance respect for state-legal cannabis programs with common-sense federal regulation in the US, in order to realise the full potential of the legal cannabis industry for patients, consumers and as a driver of the American economy. The Honorary Co-Chairs of NCR are John Boehner, the former Speaker of The United States Congress, and Kathleen Sebelius, who is the former Governor of Kansas and former US Secretary of Health and Human Services in President Obama's cabinet.

Kim Rivers, CEO of Trulieve and Second Vice Chair of NCR's Board of Directors said: "We are excited to have Zelira join our growing Roundtable. Their focus on research and health is ground-breaking and will help us showcase the breadth and potential of the cannabis industry as we seek to further reform and grow the legal cannabis industry in the US."

Dr. Odumosu said: "The manner that the federal government handles reform will have fundamental impacts on the people we serve. Zelira is committed to bringing break-through therapeutics to market and we need to have a regulatory framework in place that will allow research to expand and grow on a Federal/National level. The National Cannabis Roundtable is the peak industry body tasked with advancing 21st century cannabis policy in the US, and we're delighted to be able to be an integral part of industry development through our inclusion on NCR's Board."

NCR First Vice Chair Chanda Macias said: "I have worked extensively with Dr Odumosu and his colleagues at Zelira Therapeutics. I am thrilled that he will be joining us at the table in Washington. His biopharmaceutical expertise will be invaluable as my colleagues and I work to expand access to clinically proven cannabis medicines for patients around the country while also addressing important issues of reform at the federal level.

Management restructure underpins the Company's next growth phase

In February 2021, Zelira announced management changes designed to strengthen the Company's focus on global markets, and in particular the US. Zelira is unique in the world with ability to conduct world-class trials in Australia and a credible and meaningful footprint in the world's biggest cannabis market - the USA.

Australian operations remain a core and important part of the Company with world class clinical trials to continue to be conducted in Australia and managed by Australian-based employees. Other global markets with large populations, capacity to pay and legal at a national level are also a core focus and include markets such as Germany and the United Kingdom.

Zelira has multiple growth paths available across pharmaceutical-grade THC-containing products - which are highly regulated - as well as a growing portfolio of consumer brands focused on the medical benefits of CBD.

Operational Activities

The Q3 FY21 performance reflects Zelira's focus on commercialisation, with the strongest cash receipts generated since the Company's inception. Q3 FY21 growth in cash receipts was driven largely by the successful December 2020 launch of the SprinjeneCBD oral care product in the USA. Zelira's commercialisation program is expected to lead to the launch of a suite of new cannabinoid-based products over the next two quarters.

Financial Snapshot

The Company's net cashflow used in operations for the quarter was \$2.3 million. The Company's operational expenses mainly comprised of product manufacturing and operating costs (\$0.4 million), research and development (\$0.3 million), staff costs (\$0.8 million) and administrative and corporate costs (\$0.8 million).

Cash receipts included \$0.2 million mainly generated from sales of SprinjeneCBD Toothpaste and licence payments.

Listing Rule 4.7C.3

In item 6 of the attached Appendix 4C, payments to related parties of approximately \$285,000 comprising of Director Services of \$267,000 and Non-Director Services – corporate advisory services of \$12,000 and storage services of \$6,000 were paid during the quarter.

The Company closed the quarter with a cash position of \$6.5 million.

Forward Looking Activities

Zelira's commercialisation plans are focused on generating revenues from the multiple products it has launched into the Australian and USA markets, and continuing to launch new product lines. Zelira will also progress additional licensing discussions for HOPE™ and Zenivol™ in the USA and look to conclude ongoing negotiations to expand distribution of these products into other global markets including Germany and the UK.

Zelira remains focused on its clinical activities to develop and evaluate the efficacy, safety and tolerability of its proprietary formulations and products.

This announcement has been approved and authorised for release by the board of Zelira Therapeutics Limited.

- ENDS -

For further information please contact:

Company

Dr Oludare Odumosu
Managing Director & CEO
+1 909 855 0675
oodumosu@zeliratx.com

Investors

Market Eye Pty Ltd
ABN 54 137 305 527
Melbourne | Sydney
T: +61 3 9591 8900
F: +61 3 9591 8999
W: www.marketeye.com.au

About Zelira Therapeutics (www.zeliratx.com)

Australia

Level 26
140 St Georges Terrace
Perth WA 6000
AUSTRALIA
Tel: +61 8 6558 0886
Fax: +61 8 6316 3337
E: enquiries@zeliratx.com
W: www.zeliratx.com
ACN 103 782 378

USA

5110 Campus Drive
Suite 150
Plymouth Meeting, PA
19462
UNITED STATES OF AMERICA
Tel: +1 484-630-0650

Zelira Therapeutics Ltd is a leading global therapeutic medical cannabis company with access to the world's largest and fastest growing cannabis markets. Zelira owns a portfolio of proprietary revenue generating products and a pipeline of candidates undergoing clinical development that are positioned to enter global markets. The Company is focused on developing branded cannabinoid-based medicines for the treatment of a variety of medical conditions in its Rx business, including insomnia, autism and chronic non-cancer pain.

The Company has two proprietary formulations under the HOPE™ brand that are generating revenues in Australia, Pennsylvania and have been licensed in Louisiana and Washington D.C. with other states in the US expected to follow. Zelira is also generating revenue in Australia from its proprietary and patented Zenivol™ - a leading cannabinoid-based medicine for treatment of chronic insomnia. Zenivol™ has successfully completed the world's first Phase 1b clinical trial for chronic insomnia where it was found to be a safe and effective treatment. In 2020, Zelira partnered with SprinJene®Natural to develop and commercialise natural and organic oral care products under the SprinjeneCBD brand, as part of Zelira's OTC business. The SprinjeneCBD toothpaste product is the first of several scientifically formulated, hemp-derived, oral care products containing cannabinoids and based on the propriety and patented technology of Blackseed oil and Zinc.

The Company conducts its work in partnership with world-leading researchers and organizations including Curtin University in Perth, Western Australia; the Telethon Kids Institute in Perth; the University of Western Australia, in Perth; St. Vincent's Hospital in Melbourne, Australia; and the Children's Hospital of Philadelphia (CHOP) in the United State.