





22 May 2023

Zelira secures additional US\$3.25 million investment in HOPE® SPV.



KEY HIGHLIGHTS

-  Additional US\$3.25 million of funding into the HOPE® Special Purpose Vehicle (SPV), increasing total amount raised to US\$11.85 million
-  Zelira will continue to raise up to an additional US\$22 million to complete the funding of HOPE® 1 US FDA trials in autism for a total of approximately US\$35 million

Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF), a global leader in the development and commercialisation of clinically validated cannabinoid based medicines, is delighted to announce it has executed additional binding term sheets to provide a further US\$3.25 million of funding to support FDA clinical trials for Zelira's proprietary and patented protected HOPE® 1 product (**Term Sheet**), via the SPV, further to the announcement made on 15 February 2023.

The additional funds of US\$3.25 million, to be provided by the Forman Family Foundation, founded by Michael Forman and Jennifer Rice (US\$3 million) and Mr. Malik Majeed (US\$0.25 million), combined with the initial cornerstone funding by Cantheon Capital LLC (**Cantheon**), who will provide up to US\$8.6 million, brings the total funds secured to US\$11.85 million representing approximately 34% of the total \$35 million to be raised for the SVP.

With this additional investment, Zelira will commence the start of the HOPE® clinical trials once the definitive agreements for this transaction are completed and executed.

Summary of the Term Sheets

The Term Sheets are consistent with the Cantheon Terms Sheet announced on 15 February 2023 and gives the parties the right to subscribe for the respective elected amount in convertible notes in the SPV subject to terms and conditions set out in the Annexure.



Zelira Therapeutics Chairman, Osagie Imasogie, said:

“We are pleased that these two strategic investors have joined our efforts to progress our HOPE® opportunity. Our shared vision is to complete formal clinical trials and gain FDA regulatory approval to launch an approved HOPE® 1 into a multibillion-dollar market, paving the way for transformative healthcare solutions. This partnership marks an exciting chapter for Zelira as we continue to lead the way in advancing cannabinoid medicines and making a positive impact on patients’ lives. We are grateful for the collective support and look forward to achieving ground-breaking milestones together.”



Zelira Therapeutics Managing Director, Dr Oludare Odumosu commented:

“We are delighted to announce the addition of the Forman Family Foundation and Mr. Malik Majeed as co-partners in funding the HOPE® SPV, alongside our lead investors, Cantheon Capital. Their decision to join forces with Zelira is a testament to their confidence in our innovative Launch, Learn and Develop strategy for validating cannabinoid medicines. Their strategic investment will further propel our efforts to revolutionise the field of cannabinoid medicines and bring much needed relief to patients worldwide. With this additional funding, we are excited to start our formal HOPE® 1 trial process, working with our CRO and trusted partner, INGENū.”

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



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Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF) Zelira is a leading global biopharmaceutical company in the research, development and commercialisation of clinically validated cannabinoid-based medicines. Zelira owns a portfolio of proprietary revenue generating products and a pipeline of candidates undergoing clinical development positioned to enter global markets. The Company is focused on developing and clinically validating branded cannabinoid-based medicines in its prescription [Rx] business for the treatment of a variety of medical conditions including insomnia, autism and chronic non-cancer pain as well as offering over the counter [OTC] products.

Zelira's Rx business generates revenue from two proprietary medications, HOPE® and ZENIVOL®. The Company has two proprietary formulations under the HOPE® brand that are generating revenue in Australia, Washington, D.C., Pennsylvania and Louisiana.

Zelira is also generating revenue in Australia from its proprietary and patented ZENIVOL® – the world's first clinically validated cannabinoid drug for treatment of chronic insomnia. Zelira will also be expanding commercialisation of ZENIVOL® into Germany via its German commercialisation partner Adjupharm GmbH following recent approval from German regulatory authority BfArM.

Zelira's OTC products in the oral and dermatology health care sectors are also generating revenue. Zelira, in partnership with SprinJeneCBD, launched a full line of oral care products, currently generating revenue in the US. The SprinJeneCBD toothpaste product is the first of several scientifically formulated, hemp-derived, oral care products containing cannabinoids, blackseed oil and zinc utilising proprietary and patented technology. Zelira also launched in 2021 the RAF FIVE™ brand, which consists of five OTC acne treatment products using a proprietary formulation incorporating cannabidiol (CBD).

Zelira has developed Enhanced Distillate Capture and Dissolution Matrix (EDCDM) technology under the brand name Zyraydi™, that solves the problem of non-uniformity and separation of cannabinoid from powder bed, opening new ways to develop pharmaceutical grade solid oral dosage forms such as capsules and tablets. Zelira will be assessing opportunities for commercialisation of this technology.

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

For further information, please visit: zeliratx.com



ANNEXURE 1

Terms of Convertible Notes

Issuer:	Zelira-HOPE® 1, LLC - Special Purpose Vehicle
Securities:	Convertible note (the “Convertible Note”) convertible into common stock at the purchaser’s election.
Note Amount:	\$3,250,000 (Phase 1/2: \$1,888,000 / Phase 3: \$1,362,000)
Note Interest Rate:	10.0% paid in cash annually in arrears
Note Term:	12 months each
Origination Fee:	2%
Note security:	The Notes will be secured by a first ranking security over the assets of the SPV.
Conditions of draw down	<p>The drawdown of funds under the Convertible Notes will be conditional upon:</p> <ul style="list-style-type: none"> • Execution of definitive documentation; • Commencement of the HOPE clinical trial
Use of funds:	Zelira agrees to perform HOPE Phase 1/2 (\$17,690,400) & Phase 3 (\$14,067,200) clinical trials, exclusively with iNGENū CRO, commencing within 90 days. At closing, Zelira will provide Forman Family Office and Malik Majeed with a written guaranteed agreement.
Convertibility Option:	At the Purchasers’ election during the term of the Convertible Note, the Purchasers may convert a portion or all their Convertible Note into a cumulative maximum of 4.02% of shares of the SPV’s common stock (the “Conversion”).
Conversion Terms:	The Convertible Note conversion price (the “Conversion Price”) will be undertaken with no discount to the value in the SPV. Zelira holds 55% of the SPV and the cash investors with a cumulative investment of \$34,557,600 shall hold 45% of the SPV.
Closings:	Within 30 days of executing the term sheet unless otherwise agreed
Prepayment:	At the Company’s election with 30-days’ notice subject to a 3.0% prepayment penalty if completed within the first six months from the closing.

