



20 September 2021

## Zelira expands into Germany via exclusive distribution agreement

ZELIRA EXPANDS INTO GERMANY VIA EXCLUSIVE DISTRIBUTION AGREEMENT WITH IM CANNABIS' GERMAN SUBSIDIARY ADJUPHARM FOR ZENIVOL®

### Key Highlights

-  Zelira expands into Germany, one of the world's largest and fastest growing markets, and Europe's largest, for cannabinoid-based medicines
-  German market entry is a significant milestone for Zelira in line with the Company's global commercialisation strategy to grow its Pharmaceutical (Rx) portfolio
-  Exclusive distribution agreement with Adjupharm GmbH to market Zenivol® in Germany, with a first right to negotiate other European markets, and minimum order quantities totalling over A\$4 million (with A\$98k in Year 1)<sup>1</sup> for Germany over the 5-year term of the distribution agreement
-  This is the first distribution agreement for one of Zelira's Rx products outside of the US and Australia
-  Adjupharm, the German-based subsidiary of IM Cannabis Corp., will be filing for formal German government reimbursement for its sales of Zenivol®. If received, this will be the first time a Zelira Pharmaceutical Rx product will receive formal government reimbursement
-  This agreement is further validation of the pharmaceutical quality of Zelira's Australian production capabilities, and the safety and efficacy of Zelira's clinically validated cannabinoid-based medicines



Philadelphia, PA – September 20, 2021: **Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF)**, a global leader in the development of clinically validated cannabinoid-based medicines is pleased to announce that it is entering one of the world’s largest and fastest growing markets for cannabinoid-based medicines – Germany – via a 5-year exclusive distribution agreement with IM Cannabis Corp.’s (“IMC”) (CSE:IMCC)(NASDAQ:IMCC) German-based subsidiary Adjupharm, a EU GMP-certified medical cannabis distributor. IMC is a multi-country operator (“MCO”) in the medical and adult-use recreational cannabis sector with operations in Canada, Israel and Germany.

This distribution agreement expands the availability of Zenivol®, Zelira’s clinically validated cannabinoid-based insomnia medication, beyond Australia and into Germany. This market is set to be one of the largest for global cannabinoid-based medicines. In the first half of 2020, over €75 million worth of medical cannabis products were sold in Germany to an estimated patient population of around 120,000.<sup>2</sup>

Adjupharm will be filing for formal German government reimbursement for its sales of Zenivol®. If received, this will be the first time a Zelira Pharmaceutical Rx product will receive formal government reimbursement.

This distribution agreement, the first outside of the US and Australia for Zelira’s growing Pharmaceutical (Rx) products, follows the June 2021 publication of The University of Western Australia research team’s results from its double-blind, placebo controlled, cross-over trial of Zelira’s ZTL-101 (Zenivol®) in chronic insomnia patients in the peer-reviewed journal SLEEP®. SLEEP® is the official publication of the Sleep Research Society, and the benchmark international journal for all sleep-related conditions.



**Zelira Therapeutics Managing Director, Dr. Oludare Odumosu commented:**

“Today is a landmark day for Zelira, with the expansion into Germany being a key growth milestone for our company. We are delighted to be partnering with Adjupharm, given their reputation for delivering high-quality products to pharmacies and pharmaceutical wholesalers in Germany and the broader European region.”

“This is the first distribution agreement for one of Zelira’s Rx products outside of the US and Australia, and further validates the pharmaceutical quality of our Australian production capabilities, and the safety and efficacy of our clinically validated cannabinoid-based medicines.”



**Adjupharm GmbH Chief Executive Officer, Richard Balla said:**

“Adjupharm has more than 30 years of experience in the production, packaging, storage and logistics of pharmaceuticals and dietary supplements. Since 2018, we have been focusing on medical cannabis and delivering high quality products to pharmacies and pharmaceutical wholesalers in Germany and across Europe.”

“We see tremendous opportunity for Zelira’s clinically validated cannabinoid-based insomnia medication, Zenivol®. The positive results published in SLEEP® from the University of Western Australia’s clinical trial will underpin patient and pharmacy interest in the product as we distribute it through pharmacies and pharmacy wholesalers in Germany.”



**Key terms of the distribution agreement include:**

- Commencement date of 17 September 2021, and a term of 5 years
- Supply of finished dosages of Zenivol® from Australia to Germany
- Adjupharm will co-brand and exclusively market Zenivol® in Germany
- To retain exclusivity, Adjupharm is required to purchase annual minimum quantities of Zenivol® totalling over A\$4 million (with A\$98k in Year 1)<sup>1</sup> for Germany over the 5-year term of the distribution agreement
- Adjupharm will have the first right of negotiation to market Zenivol® in other European countries during the term of the agreement
- As is usual in such agreements, the distribution agreement can be terminated when one party fails to perform by either party giving 30 days written notice.

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

**Reference: 1.** Approx. €2.51 million minimum order value over the 5-year term, with €61,250 in the first year; converted at current EUR/AUD exchange rate. **2.** Germany: Cannabis & CBD Consumer Report 2020 - Prohibition Partners.



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### About Zelira [www.zeliratx.com](http://www.zeliratx.com)



Zelira Therapeutics Ltd is a leading global biopharmaceutical company manufacturing and marketing cannabinoid-based medicines. Zelira owns a portfolio of proprietary revenue generating products and a pipeline of candidates undergoing clinical development that are positioned to access the world's largest and fastest growing markets.



The Company is focused on developing and clinically validating 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 as well as offering over the counter (OTC) products.

The Company has two proprietary formulations under the HOPE™ brand that are generating revenues in Australia, Louisiana and Washington D.C. with other States in the US expected to follow.

Zelira is also generating revenue in Australia and Germany from its proprietary and patented Zenivol® - a leading cannabinoid-based medicine for treatment of chronic insomnia. Zenivol® has successfully completed the world's first cannabinoid-based efficacy trial for chronic insomnia where it was found to be a safe and effective treatment. This clinical trial was published in the prestigious peer-reviewed journal SLEEP®.

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 proprietary and patented technology of Blackseed oil and Zinc.

The Company has worked in partnership with world-leading researchers and organisations, which since inception include 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 States.



About IM Cannabis [www.imcannabis.com](http://www.imcannabis.com)



IM Cannabis (NASDAQ: IMCC, CSE: IMCC) is a leading international cannabis company providing premium products to medical patients and adult-use recreational consumers. IM Cannabis is the only cannabis company with operations in Israel, Germany and Canada, the three largest federally legal markets. Leveraging its unique global perspective and supply chain, commitment to responsible growth and financial prudence and ability to operate within the strictest regulatory environments, the Company has quickly become one of the leading cultivators and distributors of high-quality cannabis globally.

In Israel, IM Cannabis operates through Focus Medical Herbs Ltd., where it cultivates, imports and distributes cannabis to medical patients, leveraging years of proprietary data and patient insights. The Company also operates medical cannabis retail pharmacies, online platforms, distribution centers and logistical hubs in Israel that enable cannabis' safe delivery and quality control throughout the entire value chain. In Germany, IM Cannabis operates through Adjupharm, where it also distributes cannabis to medical patients. In Canada, the Company cultivates and processes cannabis for the adult-use market at its Ontario and Nova Scotia facilities under the WAGNERS and Highland Grow brands.

About Adjupharm GmbH [www.adjupharm.de](http://www.adjupharm.de)



Adjupharm GmbH has more than 30 years of experience as a service provider for the pharmaceutical industry. Since then, the range of products and services has expanded enormously to focus on contract manufacturing for importers of pharmaceuticals in the EU. Adjupharm's range of services include the production and marketing of pharmaceutical dietary supplements.

In 2018, Adjupharm began pioneering work in the cannabis sector in Germany and has all the relevant licenses for the contract manufacturing of medical cannabis. Adjupharm uses its experience in the manufacture of medical cannabis to deliver high quality products to pharmacies and pharmaceutical wholesalers. Adjupharm has been a subsidiary of International Medical Cannabis (IMC) since 2019 [www.imcannabis.de](http://www.imcannabis.de). It combines the best of Israel and Germany: a spirit of innovation, many years of know-how in the cannabis industry, state-of-the-art technologies, security and reliability in deliveries, knowledge of the German market and knowledge of the needs of patients.

