1 July 2024

Chairman's Loan

USD$1,400,000 UNSECURED LOAN IN PLACE

Key Highlights

- Chairman, Mr Osagie Imasogie will provide a USD$1,400,000 unsecured loan note to the Company on attractive terms.
- Funds received will be used to support the advancement of the HOPE SPV clinical trial, general working capital purposes.
- Subject to shareholder approval, the loan note will become convertible into shares at USD$0.40 – over a 100% premium to previous close.

Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF), a global leader in the development of clinically validated cannabis medicines, advises that Mr Osagie Imasogie has executed a USD$1,400,000 working capital loan note ("Loan Note") on attractive terms. The Loan Note is considered by the Board (excluding Mr Imasogie) to be on terms favourable to the Company particularly considering current market and economic conditions. Funds received will be used to support the advancement of the HOPE SPV clinical trial, general working capital purposes.

Subject to shareholder approval to be sought at the upcoming 2024 Annual General Meeting, the Loan Note will become a Convertible Loan Note with a USD$0.40 conversion price. This represents an over 100% premium to the closing price on 28 June 2024. In the event that the Shareholders do not approve the conversion, Zelira shall pay a loan termination fee of 10%, at the same time that the Loan Note is repaid.

Further terms of the Loan Note are annexed to this Announcement.

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

For further information please contact

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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 noncancer pain as well as offering over the counter [OTC] products.

Zelira has established a special purpose vehicle (SPV) to conduct FDA Phase 1, Phase 2 and Phase 3 clinical trials for Zelira's proprietary and patent protected HOPE® 1. Zelira has contributed to the SPV its HOPE® 1 product, IP and real-world data for 55% equity ownership of the SPV. Cash investors will contribute a total of circa US$35 million to fund the SPV and US FDA trials for HOPE® 1 in exchange for a cumulative equity interest of 45% of the SPV. Zelira will manage the SPV as part of its business platform. The SPV has appointed iNGENū CRO Pty Ltd (iNGENū) as its Contract Research Organisation (CRO) to lead the clinical validation and regulatory registration of the study product with the US FDA through the submission of an Investigative New Drug (IND) application.

In May 2023, Zelira completed an IRB approved strategically designed multi-arm, head-to-head study targeting diabetic nerve pain. The clinical trial included a comprehensive comparison against the widely recognised and highly successful multi-billion dollar revenue generating drug Lyrica® (Pregabalin). With the findings underscoring the exceptional efficacy of our treatments in managing pain, with ZLT-L-007 demonstrating the most substantial reduction in pain severity, particularly at the 60-day and 90-day follow-up periods. 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.

Zelira's Rx business generates revenue from its proprietary medication, HOPE. The Company has two proprietary formulations under the HOPE® brand that are generating revenue in Australia, Washington, D.C., Pennsylvania and Louisiana. Zelira will also be expanding commercialisation of ZENIVOL® – the world's first clinically validated cannabinoid drug for treatment of chronic insomnia 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. Zelira also launched in 2021 the RAF FIVE™ brand, which consists of five OTC acne treatment products using a proprietary formulation incorporating cannabidiol (CBD).

For further information, please visit: **zeliratx.com**

Loan Note Terms

Lender	Mr Osagie Imasogie
Borrower	Zelira Therapeutics Limited
Loan Amount	USD$1,400,000 in a single advance
Interest payments	20% per annum paid monthly in cash
Commencement Date	28 June 2024
Maturity	28 June 2026
Repayment	Repaid in cash at maturity
Security	The Loan Note will be unsecured
Arm's Length Terms	The Directors (other than Mr Osagie Imasogie) confirm that in their opinion, the terms of the Loan Note are as favourable to the Company, if not more favourable than would be reasonable in the circumstances if the Company and Mr Imasogie were dealing at arm's length.
Shareholder approval	The Company does not consider shareholder approval to be required under the Loan Note, however subject to shareholder approval to be sought at the 2024 AGM (and on terms to be finalised between the Company and Mr Imasogie), the Company will seek shareholder approval under ASX Listing Rule 10.11 and for all other purposes for the Loan Note, in full or in part, become a Convertible Loan Note which will include the capability for the Lender to elect that Loan Note to be repaid by issue of fully paid ordinary shares in the Company at a conversion price of USD$0.40 per share.
Use of Funds	Funds received will be used to support the advancement of the HOPE SPV clinical trial, general working capital purposes.