ASX ANNOUNCEMENT

28 April 2025

Zelira Therapeutics Announces Full Conversion of $USD3.25M Convertible Notes, including accrued interest, into Equity in HOPE® 1 SPV

FULL CONVERSION OF $USD3.25M CONVERTIBLE NOTES

Key Highlights

- $USD3.25 million in Convertible Notes fully converted into equity.
- Funding supported key clinical and regulatory development of HOPE® 1, targeting Autism Spectrum Disorder (ASD).
- Conversion aligns investor interests, removes debt obligations, and strengthens SPV capital structure.
- HOPE® 1 SPV well positioned for next-phase institutional capital raise.

Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF), a global leader in cannabinoid-based biopharmaceuticals, is pleased to announce the successful and full conversion of previously issued Convertible Notes into equity within the Zelira-Hope 1 Special Purpose Vehicle (SPV). This marks a pivotal milestone in the capitalisation of the SPV, with the complete $USD3.25 million now fully converted into equity, aligning investor interests with long-term commercial outcomes. In a further demonstration of confidence in the long-term value of the HOPE clinical trial strategy and design, the Convertible Noteholders elected to convert accrued interest totaling $USD326,876 into equity within the SPV.

Background: Establishment and Structure of the HOPE® 1 SPV

Zelira created the HOPE® 1 SPV (Zelira-Hope 1 LLC) in 2023 to finance clinical trials and commercialisation of HOPE® 1 in the U.S. Zelira contributed intellectual property and real-world data in exchange for a minimum 55% equity stake. Cash investors are entitled up to a 45% equity interest for up to $USD35 million in total funding. The SPV is supported by iNGENū CRO, a cannabinoid-specialised contract research organization.

By housing HOPE® 1 within a dedicated SPV, Zelira executed in a capital-efficient and focused manner a structure that allows investors direct exposure to a potentially high-value asset, while insulating risk and streamlining development.

Progress of HOPE SPV clinical trial program

In Q2 2024, Zelira successfully completed a Pre-IND meeting with the U.S. FDA, which provided clarity on our development pathway. The agency confirmed that the initial target indication—Phelan-McDermid Syndrome (PMS) with comorbidity with Autism, is appropriate for study under our proposed design. The FDA also agreed that PMS, a genetically defined and rare subset of Autism Spectrum Disorder —qualifies as a rare disease. This positions Zelira to seek Orphan Drug Designation, with its associated benefits including 7 years data exclusivity and regulatory incentives. The FDA further endorsed Zelira's IND-enabling plans, giving a clear runway to file an IND and initiate the first-in-human clinical trial.

Next Steps

Zelira is progressing through a series of high-impact catalysts that are expected to drive continued momentum and visibility. In the near term, Zelira is focused on:

- IND submission for HOPE® 1 to the FDA, aligned with the guidance provided during our Pre-IND meeting
- Initiation of Phase 1 clinical trial, marking the first-ever formal dosing of HOPE® 1 in patients with Phelan-McDermid Syndrome under the FDA process
- Filing for Orphan Drug Designation, leveraging our rare disease indication to unlock regulatory and commercial incentives

zelira® THERAPEUTICS

History of Funding & Convertible Note Structure

On 17 August 2023, Zelira announced it had raised $USD3.25 million via the issue of Convertible Notes to The 2011 Forman Investment Trust ($USD3,000,000) and Mr. Malik Majeed ($USD250,000). These funds were deployed in tranches based on developmental milestones including FDA engagement, data maturation, and manufacturing scalability. On 28 April 2025, both investors executed a Note Conversion Agreement to convert the principal and accrued interest into equity. Under the terms
of the Convertible Note, interest was payable in cash annually in arrears, however in a demonstration of confidence in the long-term value of the HOPE clinical trial strategy and design, the Convertible Noteholders elected to convert accrued interest totaling $USD326,876 into equity within the SPV

The details of the conversion are as follows (in $USD):

Holder	Principal Amount	Accrued Interest	Conversion Shares
The 2011 Forman Investment Trust	$3,000,000	$288,520	42,281
Mr. Malik Majeed	$250,000	$38,356	3,707
Total	$3,250,000	$326,876	45,988

The two investors now hold equity governed by the Zelira-Hope 1 LLC Operating Agreement. This simplifies the SPV's financial structure, removes debt, and positions the entity for future institutional capital raises.

Comment from CEO, Dr Oludare Odumosu said

This conversion represents a strong endorsement of our vision, our science, and the transformative potential of HOPE® 1. Our investors recognise what we have always believed: that HOPE® 1 stands to revolutionise the treatment landscape for individuals living with autism, including rare and underserved forms, starting with Phelan-McDermid Syndrome. With recent regulatory clarity from the FDA, this milestone significantly strengthens our capital structure. It aligns long-term stakeholder interests, and reinforces market confidence in Zelira's leadership in cannabinoid-based drug development. We are incredibly grateful to our investors show of confidence in HOPE® 1 and our strategy. We are energised by the path forward, and more committed than ever to delivering real solutions for autism patients, families and physicians/healthcare professionals who treat autism, while ensuring value for our shareholders.

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

For further information please contact

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

Investors
Rebecca Culbertson
Executive Director, Automic Group
+61 400 955 295
rebecca.culbertson@automicgroup.com.au

Australia
Level 3, 101 St Georges Terrace
Perth WA 6000, AUSTRALIA
+61 8 6558 0886
Fax: +61 8 6316 3337
enquiries@zeliratx.com
www.zeliratx.com
ACN 103 782 378

USA
5110 Campus Drive, Suite 150
Plymouth Meeting, PA 19462
United States Of America
+1 484 630 0650

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**