ZELIRA THERAPEUTICS LTD

ABN 27 103 782 378

APPENDIX 4E Preliminary Final Report
FOR THE YEAR ENDED 30 JUNE 2024

The following information is given to ASX under listing rule 4.3A.

1. Reporting period

Current Period	**12 months ended 30 June 2024**
Prior Period	**12 months ended 30 June 2023**

2. Results for announcement to the market

				% Change		
Consolidated Group	**Item**		**AUD $**			**AUD $**
Revenue – excluding interest received	**2.1**	down	206,169	68%	to	94,952
Loss after tax attributable to members	**2.2**	up	30,995,897	556%	to	(36,568,904)
Net loss attributable to members	**2.3**	up	30,995,897	556%	to	(36,568,904)
Dividend	**2.4**	N/A				

Overview

The principal activities of Zelira Therapeutics Limited and its controlled entities ("Group") during the financial year includes the following:
Refer to attached Directors Report

Significant Changes in the State of Affairs
Refer to attached Directors Report

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income
Refer to attached financial statements.

4. Consolidated Statement of Financial Position
Refer to attached financial statements.

5. Consolidated Statement of Cashflow
Refer to attached financial statements.

6. Dividends Paid or Recommended
The Directors have not recommended or paid a dividend**.**

7. Details of any Dividend or distribution reinvestment plans
The Company does not have any distribution reinvestment plans.

8. Statement of movements in Retained Earnings
Refer to attached financial statements.

9. Net tangible assets per security

	30 June 2024	30 June 2023
Number of securities	11,347,155	11,347,155
Net tangible assets per security in cents	(0.42)	0.019

10. Control gained over entities

The Company did not gain control over any entities during the period.

11. Details of associates and joint venture entities

The Company does not have any associates or joint venture entities.

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Refer to attached financial statements.

13. Foreign entities disclosures

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

14. Additional information

Loss per Share on continuing operations	**30 June 2024**	**30 June 2024**
Basic (loss) earnings per share in cents	(322.27)	(55.35)
Diluted (loss) earnings per share in cents	(322.27)	(55.35)

After Balance Date Events

Refer to attached financial statements.

15. Compliance Statement

This report should be read in conjunction with the audited Zelira Therapuetics Limitd financial report for the year ended 30 June 2024 and is lodged with the ASX under listing rule 4.3A.

Signed in accordance with a resolution of the Board of Directors of Zelira Therapeutics Limited:

Dr. Oludare Odumosu
Managing Director
Dated this 28th day of August 2024

2024 ANNUAL REPORT

Zelira Therapeutics Limited

ABN 27 103 782 378

Contents

HIGHLIGHTS

A pivotal year for Zelira

2023

17 Aug 23
First close of HOPE®-SPV funding US$3.25 million commitment, enabling the initiation of HOPE® clinical trial

17 Aug 23
Receipt of US$1,069,000 first tranche of funding

31 Oct 23
Zelira makes positive progress with the development work to change Zenivol® format to a capsule formulation powered by Zyraydi™ technology

31 Oct 23
Zelira vetting for a potential manufacturer for Zenivol® capsule

2024

8 Jan 24
Zelira's HOPE® SPV receives US$819,000 second tranche of funding

15 Apr 24
Zelira receives $919,000 R&D Tax Incentive Scheme refund

29 Apr 24
Zelira submits Meeting Request Letter for pre-IND meeting to the FDA

23 May 24
Zelira's HOPE® SPV receives US$681,000 third tranche of funding
Total funds received by the HOPE® SPV to date of US$2,569,000

11 Jul 24
Zelira advances HOPE® Program with positive pre-IND meeting with the FDA

16 Jul 24
Zelira secures leading patents for HOPE® 1 and HOPE® 2 formulations targeting Autism Spectrum Disorder

22 Aug 24
Zelira receives positive feedback from Pre-IND Meeting with FDA, Advancing HOPE® Autism Program

Zelira Therapeutics Snapshot

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 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 SVP and US FDA trials for HOPE® 1 in exchange for a cumulative equity interest of 45% of the SVP. Zelira will manage the SVP 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 and 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).

Zelira Therapeutics is a global leader in the research, development and commercialisation of clinically validated cannabinoid-based medicines.

It offers investors exposure to a rapidly emerging global industry at a very attractive valuation with significant value drivers over the next 6-9 months.

World class science and clinical validation

Leading portfolio of Rx, OTC, Platform technology and pre clinical assets supported by world class science and clinical trial and real world data

Multiple revenue streams

Multiple shots on goal strategy delivering revenue from Rx, OTC and platform technology assets and clinical trial consultation.

Future revenue from pipeline assets and geographical expansion.

Platform technologies

Proprietary matrix technology solves the problem of converting cannabinoid distillate into dry powder capsules and tablets - a form of medicine most familiar to prescribers and patients world wide

Fast tracking commercialisation

Disruptive 'Launch, Learn, & Develop' model facilitates rapid commercialisation.

Patent portfolio

Major pillar of strategy to secure global patents across asset portfolios with 54 granted patents across 21 countries. We also have 104 pending patent applications across 17 countries.

Expanding global presence

Presence in USA, Australia, Germany, United Kingdom, New Zealand

Business development

Actively seeking global partners to distribute and/or license assets across the globe

Market driven, indication specific

Working with patient populations to design unique formulations for specific conditions.

Zelira's multiple shots on goal strategy is delivering multiple current revenue streams and lays a firm foundation for exponential future growth from current and pipeline assets

Current Revenue Streams

Platform technology

- Zyraydi (EDCDM)

Rx

- Insomnia
- Autism

OTC

- Dermatology
- Oral care
- Neuropathies

Clinical trial consultancy

- Pain

Future Revenue Streams

Rx

- Diabetic nerve pain
- Insomnia - tablets/capsules
- Autism - tablet/ capsules

Preclinical assets

- Diabetes
- Dementia
- Cancer - various

Business Development

- Licensing and distribution across all assets

Launch, Learn & Develop Strategy in action - HOPE Case Study

Launch

Unique formulation developed with Autism community
Launched in the USA and Australia

Learn

US Real World Data study - Patient Reported Outcomes
Longitudinal real world data trial
CHOP Natural History
Clinician and patient feedback
Prescribing data
Market Research

Develop

SPV created to fund informed clinical trials
Informed FDA registration pathway
New product dosage form (capsules) in response to prescriber and patient feedback

Chairman's letter

Dear Shareholders,

On behalf of the Zelira Therapeutics Board, I am delighted to present our 2024 Annual Report. The 2024 financial year has been one of significant progress and strategic advancements, and I am pleased to share with you the milestones your Company has achieved.

The key highlight was the progress Zelira made with our SPV funding to advance formal FDA clinical trials for our proprietary and patent protected HOPE® 1 product.

During the financial year, we received the first, second and third tranche of funding under the SPV, bringing the total funds received to US$2.569 million out of the total of US$3.25 million raised, to date. This funding has enabled us to progress HOPE® 1 to the third and final stage of our Launch, Learn & Develop strategy for validation and commercialisation of our drugs. We enter the final 'Develop' stage, i.e. formal FDA clinical trials, with a high level of confidence given the real-world data we have collated to date and that informed our formal clinical trial design and endpoints.

We continue to manage the SPV as a component of our business platform and we expect to have subsequent rounds of closings from our continued fund-raising efforts to support the HOPE® 1 formal FDA clinical program.

Subsequent to year end, we held a successful pre-IND meeting with the FDA, a significant milestone on our clinical development pathway. Zelira is now poised to progress the HOPE® 1 program toward Investigational New Drug (IND) submission.

Zelira is also making significant strides in advancing the development of Zenivol® into a highly anticipated capsule formulation, harnessing our proprietary Zyraydi™ technology. This effort is on track for competition by late 2024 or early 2025. Furthermore, we are continuing to explore potential manufacturing partnerships for both HOPE® and Zenivol®, ensuring readiness to meeting market demand with our high quality and efficient pharmaceutical products.

As we look to the future, we embark on the upcoming financial year with great anticipation for what lies ahead. We are poised to advance our cannabinoid-based medications with strong confidence, building on this year's successes. Our cannabinoid therapies have demonstrated, in real world studies and in the market place, their efficacy and safety as compelling alternatives for treating a variety of medical conditions that significantly impact the lives of patients.

The progress we have achieved this year would not have been possible without the dedication and support of my fellow Board members, Zelira's senior management team, and all our employees. I want to take this opportunity to express my gratitude to my fellow directors for their invaluable support and guidance over the past 12 months.

I would particularly like to thank our Managing Director and CEO, Dr. Oludare Odumosu, for his strong leadership, positioning the company for sustained growth. I also extend my thanks to our shareholders for their unwavering support of Zelira. I am confident that the upcoming year will be both exciting and rewarding, and I look forward to keeping you updated on our progress.

Yours sincerely,

Osagie Imasogie
Chairman

Global Managing Director & CEO's letter

Dear Shareholders,

Zelira Therapeutics Limited continued to make positive advancements over the 2024 financial year, delivering progress on our 'multiple shots on goal' strategy and growth ambitions. Of note was the advancement made with our clinical validation efforts which remain integral to our growth plans.

Reflecting on the past 12 months, there have been a number of key operational updates and highlights as follows:

- We received three tranche payments for the HOPE® 1 SPV. In August 2023, US$1,069,000 million was received from the 2011 Forman Trust and Mr. Malik Majeed. Subsequently, the 2011 Forman Trust contributed $819,000, and $681,000 in January and May 2024, respectively. This brings the total funding under the SPV to US$2,569,000 out of the total US$3.25 million funding that we have raised to date.
- We completed the Target Product Profile (TPP) assessment for the formal FDA HOPE® 1 trial, a significant milestone as we prepare to initiate the HOPE® clinical program.
- Zelira also received a US$919,000 cash refund under the Australian Federal Government's R&D tax incentive scheme and these additional funds will support our ongoing efforts to advance clinical development programs and enhance operational capability.
- Following on from the substantial work completed in FY2023, Zenivol® is progressing as scheduled towards its transformation into a capsule formulation by late CY2024 or early CY2025, leveraging our Zyraydi™ technology. This is a significant development as it will align us with industry standards. Zelira is also actively exploring partnerships with potential manufacturers to consolidate our production chains for both HOPE® 1 and Zenivol®.

In July, Zelira held a successful pre-IND meeting with the FDA, with the FDA providing guidance on the study design, aiming to evaluate the safety and pharmacokinetics of the proposed doses of ZEL-HOP1, ensuring a robust framework for further clinical development.

Following the positive feedback and productive meeting, Zelira is poised to progress the HOPE® program toward Investigational New Drug (IND) submission, marking a significant step forward in the development of treatments for irritability associated with Autism Spectrum Disorder (ASD).

In addition, post the financial year end, Zelira secured patents, with broad claims, for HOPE® 1 and HOPE® 2 formulations targeting ASD. These patents were issued by the Australian Government's Commission of Patents and the US Patent and Trademark Office (USPTO).

Securing these pivotal patents strengthens our innovative efforts in treating ASD, fortifies our competitive edge in the central nervous system (CNS) therapeutic space and bolsters our ongoing drug development and clinical validation initiatives.

I am proud of the actions we have taken over the past 12 months and into FY25 to generate value for our business and shareholders which would not have been possible without the unwavering support of our key stakeholders.

We have built a solid foundation for future growth and remain focused on delivering clinically validated, safe, and effective medications to patients across our key target therapeutic areas.

I extend my thanks to our dedicated team, engaged customers, aligned distribution partners, committed research collaborators, and loyal shareholders for their support across FY2024.

I would also like to take this opportunity to sincerely thank our shareholders for their continued support over the past year and look forward to sharing news of our further progress over the next 12 months.

Yours sincerely,

Oludare Odumosu
Global Managing Director & CEO

Your directors present their report on Zelira Therapeutics Limited (**Zelira** or **the Company**) and the group comprising of the Company and its controlled entities (**the Group**) for the financial year ended 30 June 2024.

Directors

The names of the directors who held office during or since the end of the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated:

Osagie Imasogie	Chairman
Dr Oludare Odumosu	Managing Director
Tim Slate	Non-Executive Director
Greg Blake	Executive Director
Dr Donna Gentile O'Donnell	Non-Executive Director

Details on the background and qualifications of directors is contained elsewhere in this report.

Company Secretary

Tim Slate

Mr. Tim Slate was appointed as Company Secretary on 20 October 2016 and as a Non-Executive Director on 31 January 2022. Mr. Slate has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, is an Associate Member of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors. Mr. Slate provides accounting and secretarial advice to private and public companies. Mr Slate has over 15 years' experience in chartered accounting.

Principal Activities

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 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 SPC. 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 iNGENU CRO Pty Ltd (iNGENU) 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 in Investigative New (IND) application.

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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).

Results

A summary of the operating results for the year ended 30 June 2024 is as follows:

- Loss after tax was $36,739,759 representing a 486% increase on FY2023 ($6,268,732). The loss mainly reflects the impairment of goodwill of the Group as well as research and development, employee and administration costs.
- Net cash outflow from operating activities was $4,388,590 representing a 39% decrease on FY2023 ($7,249,078).

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2024.

		30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
EBITDA[1]	$	(35,521,758)	(5,646,981)	(11,824,975)	(8,074,824)	(6,740,368)
Net loss before tax	$	(36,739,759)	(6,268,732)	(12,413,518)	(8,549,079)	(7,015,045)
Net loss after tax	$	(36,739,759)	(6,268,732)	(12,413,518)	(8,549,079)	(7,015,045)
Share price at start of year[2]	cps	1.54	0.97	4.3	4.3	4.0
Share price at end of year[2]	cps	0.28	1.54	0.97	4.3	4.3
Basic loss per share (cents per share) [2]	cps	(322.27)	(55.35)	(154.35)	(0.73)	(0.83)
Diluted loss per share (cents per share) [2]	cps	(322.27)	(55.35)	(154.35)	(0.73)	(0.83)
Return on Capital	cps	(0.81)	(0.18)	(0.29)	(0.23)	(0.27)

Note 1: EBITDA is a non-IFRS measure which represents earnings before interest, tax, depreciation and amortisation.

Note 2: At a General Meeting held on 12 April 2022, shareholders approved that the issued capital of the Company be consolidated on the basis that every 175 shares be consolidated into one share. The record date for the consolidation was 19 April 2022.

		30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Net loss after tax	$	(36,739,759)	(6,268,732)	(12,413,518)	(8,549,079)	(7,015,045)
Interest	$	738,963	76,527	-	-	(374)
Depreciation and amortisation	$	479,038	545,224	588,543	474,255	275,051
EBITDA[1]	$	(35,521,758)	(5,646,981)	(11,824,975)	(8,074,824)	(6,740,368)

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Review of Operations

Zelira experienced solid progress in clinical validation and development throughout the 2024 financial year. The Company's Launch, Learn, and Develop Strategy continues to be instrumental in driving its success and growth ambitions.

Learn Events and Achievements:

1. HOPE® reaches 11 million dispensed doses in Pennsylvania with a clean safety record

Since the launch of HOPE® 1 and HOPE® 2 in Pennsylvania 5 years ago, over 11 million doses have been commercially dispensed through more than 200,000 individual purchases in Pennsylvania alone. No serious adverse events (SAE) have been recorded in any jurisdiction where HOPE® is available, providing a high degree of assurance in the safety of the drug for human consumption.

2. Insights from substantial empirical information leveraged for continuous development

Zelira is committed to continuous learning and improvement through insights gained from both clinical and real-world studies on its products. To date, the Company has executed and published two comprehensive studies which have provided crucial insights on drug dosage and regimen, side effects and the efficacy experienced by patients. Zelira has leveraged key learnings from these studies in the continued development of its product portfolio and as it proceeds towards IND submission and commercialisation of HOPE® 1 and HOPE® 2.

Develop Events and Achievements:

1. Progress toward IND submission

Zelira progressed the FDA meeting request documentation with its Contract Research Organisation, iNGENU CRO by submitting its Meeting Request Letter to the FDA for a pre-Investigational New Drug (IND) meeting in April.[1]

The purpose of the pre-IND meeting is to review and provide feedback on the design of preclinical studies for HOPE® 1, the design of the initial IND study, and product manufacturing and quality controls needed for Zelira to initiate human studies for the drug.

2. Continued development efforts to transition Zenivol® from an oil-based formulation to a capsule utilising Zyraydi™ technology

Zelira has continued the work to transition Zenivol® from an oil-based formulation to a Zyraydi™ powered capsule formulation, which is common in the wider pharmaceutical industry. This work remains on track to be completed late 2024 or early 2025. Zelira is also progressing discussions with potential manufacturing partners for Zenivol® and HOPE® 1.

Corporate

1. Progress with special purpose vehicle (SPV) funding for HOPE® 1 clinical trials

Zelira has progressed funding rounds under the SPV during the 2024 financial year, with the receipt of three tranches of funding, taking the total amount raised to US$2,569,000. Zelira aims to secure total gross proceeds of circa US$35 million via the SPV while retaining a 55% interest.

In August 2023, Zelira received the first tranche of US$1,069,000 from the 2011 Forman Trust and Mr. Malik Majeed. In January 2024, a further US$819,000 funding from the 2011 Forman Trust was received. In May 2024, a third tranche of US$681,000 was received from the 2011 Forman Trust, bringing the total SPV funding to date to US$2,569,000.

With the current SPV funding, Zelira completed the assessment of the Target Product Profile (TPP), which marks a crucial initial stage toward FDA approval. Zelira will continue efforts to raise funds via the HOPE SPV and expects further subsequent rounds of closings in FY25.

2. Zelira received A$919,000 R&D Tax Incentive Scheme Refund

In April 2024, Zelira received A$919,000 cash refund under the Australian Federal Government's R&D Tax Incentive Scheme. The Scheme is an Australian Government program under which companies receive cash refunds for 43.5% of eligible expenditure on research and development. The funds were designated for working capital to expedite Zelira's clinical and product development programs and support its business operations.

3. Hall Chadwick appointed as auditor

In January, Zelira appointed Hall Chadwick WA Audit Pty Ltd as its new auditor, following approval from the Australian Securities and Investments Commission.

Material Business Risks

(a) Risk of adverse publicity

The clinical trials being undertaken by Zelira involve the use of controlled substances and their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead

(1) Refer to After Balance Date Events for a subsequent update

to delays in approval of, and increased expenses for, its products. These pressures could also limit or restrict the introduction and marketing of its products. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable by the Company's products.

The nature of Zelira's business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, its reputation may be harmed.

(b) Risks associated with clinical trials

Clinical trials are expensive, time consuming and difficult to design and implement. Even if the results of the Company's clinical trials are favourable, the clinical trials for a number of the Company's product candidates are expected to continue for several years and may take significantly longer to complete. In addition, regulatory authorities, including state and local, may suspend, delay or terminate the clinical trials at any time, or suspend or terminate the registrations and quota allotments the Company requires in order to procure and handle controlled substances, for various reasons, including:

i. lack of effectiveness of any product candidate during clinical trials;
ii. discovery of serious or unexpected toxicities or side effects experienced by trial participants or other safety issues;
iii. slower than expected rates of subject recruitment and enrolment rates in clinical trials;
iv. difficulty in retaining subjects who have initiated a clinical trial but may withdraw at any time due to adverse side effects from the therapy, insufficient efficacy, fatigue with the clinical trial process or for any other reason;
v. delays or inability in manufacturing or obtaining sufficient quantities of materials for use in clinical trials due to regulatory and manufacturing constraints;
vi. inadequacy of or changes in the Company's manufacturing process or product formulation;
vii. delays in obtaining regulatory authorisation to commence a trial, including «clinical holds» or delays requiring suspension or termination of a trial by a regulatory agency before or after a trial is commenced;
viii. changes in applicable regulatory policies and regulations;
ix. delays or failure in reaching agreement on acceptable terms in clinical trial contracts or protocols with prospective clinical trial sites;
x. delay or failure to supply product for use in clinical trials which conforms to regulatory specification;
xi. unfavourable results from ongoing pre-clinical studies and clinical trials;
xii. failure of the Company's contract research organisations (CROs), or other third-party contractors to comply with all contractual requirements or to perform their services in a timely or acceptable manner;
xiii. failure by the Company, its employees, CROs or their employees to comply with all applicable regulatory requirements relating to the conduct of clinical trials or the handling, storage, security and recordkeeping for controlled substances;
xiv. scheduling conflicts with participating clinicians and clinical institutions; or
xv. failure to design appropriate clinical trial protocols; or regulatory concerns with cannabinoid products generally and the potential for abuse.

Any of the above could have a material adverse effect on the Company's business, results of operations and financial conditions.

In addition, even if the Company views the results of a clinical trial to be positive, the Food and Drug Administration or other regulatory authorities may disagree with the Company's interpretation of the data.

(c) Risk of adverse events or other safety risks

If any of Zelira's products, prior to or after any approval for commercial sale, cause serious or unexpected side effects, or are associated with other safety risks such as misuse, abuse or diversion, a number of potentially significant negative consequences could result, including:

i. regulatory authorities may interrupt, delay or halt clinical trials or sale of those products;
ii. regulatory authorities may withdraw their approval, or require more onerous labelling statements for any product that is approved;
iii. Zelira could be sued and held liable for harm caused to patients; or
iv. Zelira's reputation may suffer.

Zelira may voluntarily suspend or terminate its clinical trials or sale of products if at any time it believes that they present an unacceptable risk to participants or if preliminary data demonstrate that its products or product candidates are unlikely to receive regulatory approval or unlikely to be successfully commercialised.

(d) Loss of key relationships

The medicinal cannabis industry is undergoing rapid growth and substantial change, which has resulted in increasing consolidation and formation of strategic relationships. Zelira expects this consolidation and strategic partnering to continue. Acquisitions or other consolidating transactions could harm Zelira in a number of ways, including:

i. Zelira could lose strategic relationships if third parties with whom it has arrangements are acquired by or enter into relationships with a competitor (which could cause Zelira to lose access to distribution, content, technology and other resources);
ii. the relationship between Zelira and such third parties may deteriorate and cause an adverse effect on its business; and
iii. Zelira's current competitors could become stronger, or new competitors could form, from consolidation.

Any of these events could put Zelira at a competitive disadvantage, which could cause Zelira to lose research facilities or access to technology. Consolidation could also force Zelira to expend greater resources to meet new or additional competitive threats, which could also harm Zelira's results.

(e) Protection of proprietary technology

Zelira's success will depend, in part, on its ability to obtain patents, protect its trade secrets and operate without infringing on the proprietary rights of others. Zelira relies upon a combination of patents, trade secret protection (i.e., know how), and confidentiality agreements to protect the intellectual property.

If Zelira fails to adequately protect its intellectual property, it may face competition from companies who attempt to create a generic product to compete with its proposed products. Zelira may also face competition from companies who develop a substantially similar product to one of its products or proposed products.

Many companies have encountered significant problems in protecting and enforcing intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents and other intellectual property rights, particularly those relating to pharmaceuticals, which could make it difficult for Zelira to stop the infringement of its patents or marketing of competing products in violation of its proprietary rights generally. Proceedings to enforce intellectual property rights in foreign jurisdictions could result in substantial cost and divert Zelira's efforts and attention from other aspects of its business.

Patents

The strengths of patents in the pharmaceutical field involve complex legal and scientific questions and can be uncertain. Where appropriate, Zelira will seek patent protection for certain aspects of its products and technology.

Filing, prosecuting and defending patents throughout the world would be prohibitively expensive, so Zelira's policy is to patent commercially potential technology in jurisdictions with significant commercial opportunities. However, patent protection may not be available for some of the products or technology to be developed.

If Zelira must spend significant time and money protecting or enforcing its patents, designing around patents held by others or licensing, potentially for large fees, patents or other proprietary rights held by others, Zelira's business, results of operations and financial condition may be harmed. Zelira may not develop additional proprietary products that are patentable.

Furthermore, others may independently develop similar products, may duplicate Zelira's products, or may design around Zelira's patent rights. In addition, issued patents may be declared invalid.

Trade secrets

Trade secrets are difficult to protect. Zelira relies in part on confidentiality agreements with its employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect its trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information.

In addition, others may independently discover Zelira's trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of Zelira's proprietary rights. Failure to obtain or maintain trade secret protection, or failure to adequately protect Zelira's intellectual property, could enable competitors to develop generic products or use Zelira's proprietary information to develop other products that compete with Zelira's products or cause additional, material adverse effects upon Zelira's business, results of operations and financial condition.

Significant Changes in State of Affairs

Significant changes in the state of affairs of the Company during the financial year are detailed under Review of Operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

After Balance Date Events

US$1.4 million received under an unsecured Loan Note

In June 2024, Mr Osagie Imasogie executed a US$1,400,000 working capital loan note with the Company ("Loan Note").

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 US$0.40 conversion price. This represents a 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.

Funds, which were received on 4 July 2024, will be used to support the advancement of the HOPE® SPV clinical trial, general working capital purposes.

Leading patents secured for HOPE® 1 and HOPE® 2

In July 2024, Zelira secured patents for HOPE® 1 and HOPE® 2 formulations from the Australian Government Commission of Patents and the US Patent and Trademark Office (USPTO). Receiving these patents strengthens the Company's ongoing drug development and clinical validation initiatives and materially enhances the value of the company's broad IP portfolio.

Successful pre-IND meeting with the FDA

Zelira held a successful pre-IND meeting with the FDA in July 2024, marking a significant milestone in progressing toward IND submission.

The design of the IND-opening Phase 1 study in healthy volunteers was discussed during the meeting. The FDA also provided valuable guidance on the study design, aiming to evaluate the safety and pharmacokinetics of the proposed doses of ZEL-HOP1, ensuring a robust framework for further clinical development.

Other than disclosed above, there are no events of a material nature or transaction, that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

Future Developments

Zelira has built strong foundations which sets it up for significant advancements, focusing on broadening its cannabinoid-based medicine portfolio and advancing clinical trials. The Company is actively working through the HOPE SPV to secure additional funding for the HOPE® 1 clinical trials, aiming for US FDA clinical validation. Moreover, Zelira is gearing up to start manufacturing of Zenivol® in capsule formulation. These initiatives reflect Zelira's dedication to clinical validation and expanding its global market reach.

Meetings of Directors

The number of directors' meetings (including committees) held during the financial year and the number of meetings attended by each director are:

Directors' Meetings		
Director	Number Eligible to Attend	Meetings Attended
Osagie Imasogie	4	4
Dr Oludare Odumosu	4	4
Tim Slate	4	4
Greg Blake	4	4
Dr Donna Gentile O'Donnell	4	4

Information on Directors

Osagie Imasogie	
Appointed	2 December 2019
Qualifications	Post-graduate degrees from the University of Pennsylvania Law School and the London School of Economics. Trustee of the University of Pennsylvania, a member of the Executive Committee and former Chairman of the Budget & Finance Committee of the University. Chairman of the Board of the University of Pennsylvania Law School - Adjunct Professor of Law.
Experience	Mr Osagie Imasogie has over 30 years of experience in the fields of law, finance, business management, healthcare and the pharmaceutical industry. He is a co-founder and the Senior Managing Partner of PIPV Capital, a Private Equity Firm that is focused on the Life Sciences vertical. Prior to co-founding PIPV Capital, Osagie conceptualised and established GlaxoSmithKline Ventures and was its founding Vice President. Mr. Imasogie has held senior legal, commercial and R&D positions within pharmaceutical companies such as GSK, SmithKline, DuPont Merck and Endo, where he was the founding General Counsel and SVP for Corporate Development. Osagie has also been a Price Waterhouse Corporate Finance Partner as well as a practicing attorney with a leading US Law Firm.
Interest in Shares	428,883
Interest in Options	150,000
Interest in Performance Rights	335,093 Class B Performance Rights

Dr Oludare Odumosu	
Appointed	2 December 2019
Qualifications	PhD in Biochemistry and a Master's in Public Health-Epidemiology and Biostatistics from the Loma Linda University School of Medicine and School of Public Health in Loma Linda, California. BS in Biology from Calvin College in Grand Rapids, Michigan. World Bank Institute Certified public health professional.
Experience	With over 10 years in corporate pharmaceutical business development, strategy & operational leadership including alliance management, Dr. Odumosu brings a unique combination of experiences from several academic, public health and life science organisations. In his recent role as Ilera Healthcare's first Chief Operating Officer, Dr Odumosu led the design, implementation and management of Ilera's business operation's post license award in 2017 through successful, market entry, product commercialization to profitability in 2018. He was also responsible for oversight and management of day to day operation of Ilera's vertically integrated grow/processor, wholesale and dispensary. In the same capacity, He led the formulation of Ilera proprietary cannabinoid-based product. His transition to Chief Scientific Officer/EVP Pharmaceutical Division resulted in a series of product development partnerships and the successful creation of Ilera Therapeutics.
Interest in Shares	131,766
Interest in Options	200,000
Interest in Performance Rights	100,333 Class B Performance Rights

Tim Slate	
Appointed	31 January 2022
Qualifications	Bachelor of Commerce (University of Western Australia) Chartered Accountant Associate Member, Governance Institute of Australia Graduate, Australian Institute of Company Directors
Experience	Mr Tim Slate provides accounting and secretarial advice to private and public companies. Mr Slate has over 15 years' experience in chartered accounting.
Interest in Shares	7,881
Interest in Options	100,000
Interest in Performance Rights	-

Greg Blake	
Appointed	20 February 2023
Qualifications	Master of Business Administration (ThePower MBA - Global) ISPOR EU Health Economic Assessments and Evaluations Course Associate of Science – Salt Lake Community College, USA
Experience	Mr Blake has led the strategic development and commercialisation of a number of products across a range of therapeutic categories. Throughout his near 20 years working in healthcare Greg has built a solid foundation of knowledge across marketing and the entire commercial value chain. His work with Rhythm Biosciences as General Manager led the company through the establishment of the pre-launch critical pathway and commercialisation planning for both domestic and international markets. As Marketing Lead (Europe) with Mundipharma International, Greg successfully led 26 European countries through the pre-launch and launch phases for a novel pain medication. Greg has held leadership roles at large multinationals (J&J and CSL) and publicly-listed biotech start-ups.
Interest in Shares	-
Interest in Options	175,000
Interest in Performance Rights	-

Dr Donna Gentile O'Donnell	
Appointed	2 December 2019
Qualifications	University of Pennsylvania, Ph.D., Dissertation, "The Closure of Philadelphia General Hospital" Villanova University, MSN Gwynedd–Mercy College BSN, (minor in English literature) Community College of Rhode Island, ASN
Experience	Dr. O'Donnell served as Special Assistant to the President, Dr. Stephen K Klasko, and is Senior Vice President for Innovation Partnerships and Programs at Thomas Jefferson University. Donna has led a diverse and successful career in health care, life sciences and public service concentrated in the Greater Philadelphia area. Donna was formerly a principal with O'Donnell Associates, her clients included non-profit organisations, universities, and life science companies, including Cephalon Pharmaceuticals. She was previously the managing director of the Eastern Technology Council for nine years. There, she played a significant role in developing and creating BioAdvance, a state entity designed to grow the life sciences industry in Southeastern Pennsylvania, as well as many other key life science initiatives. She was a special limited partner in PA Early Stage Partners. As former president of Franklin Health Trust, Dr. O'Donnell was instrumental in leading the negotiations for the merger of $50 million of the foundation's assets into the Drexel University College of Medicine. She served as Deputy Health Commissioner for Policy and Planning in the City of Philadelphia in the mid-1990s under former Mayor Ed Rendell. During that time, she, wrote the only successful competitive federal health care grant in the Summer of Service program, to increase the rate of immunization for at-risk children, newborn to 2 years old and received the Clara Barton Humanitarian Award from the Southeastern Pennsylvania Chapter of the American Red Cross. In 2020, she was elected as a Fellow to the Philadelphia College of Physicians. In 2005, she was awarded Philadelphia Business Journal's Women of Distinction Award. In 2017, Gov. Tom Wolf appointed her to the Health Research Advisory Committee, which oversees the Commonwealth Universal Research Enhancement Program, or CURE. The CURE program, administered by the Pennsylvania Department of Health, advises on the distribution of 19 percent of the $11 billion tobacco settlement that goes to health and life-science-related research. In addition, Dr. O'Donnell served on the Women's Financial Services Network Advisory Board for PNC Bank and has served on the Regional Editorial Board of ADVANCE For Nurses. A commentator in local, regional, and national media venues, Dr. O'Donnell wrote the column "Biopharma Beat" for the Technology Times, and she is the author of "Provider of Last Resort: The Story of the Closure of the Philadelphia General Hospital." She has authored guest opinions by invitation for The Philadelphia Inquirer and The Philadelphia Daily News and has co-authored and published multiple research-based studies. While Dr. O'Donnell was a PhD student at the University of Pennsylvania, she penned a bi-weekly column, "Vox Populi," which was published in The Daily Pennsylvanian. She was elected the first trustee emerita of the Drexel University College of Medicine, serving on the Boards of Trustees of Drexel University and Medical School, and the Family Charter School in Mantua. She continues to serve on the Drexel Board of Advisors at the Kline School of Law.
Interest in Shares	-
Interest in Options	145,000
Interest in Performance Rights	-

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Osagie Imasogie	FS KKR Capital Corp	June 2019 - Present
Dr Oludare Odumosu	-	-
Tim Slate	Protean Ltd OZZ Resources Ltd Wellfully Ltd Syntonic Ltd	October 2020 – Present October 2022 – Present May 2024 – Present November 2020 – March 2023
Greg Blake	-	-
Donna Gentile O'Donnell	-	-

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of the Company for the financial year ended 30 June 2024. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key Management Personnel

Directors

- Osagie Imasogie
- Dr Oludare Odumosu
- Tim Slate
- Greg Blake
- Dr Donna Gentile O'Donnell

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration committee

The Remuneration Committee is responsible for making recommendations to the Board for the remuneration of the Directors, the Managing Director and Key Management Personnel in line with the Remuneration Committee Charter.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Service Agreements

Executive Directors' Remuneration

Executive Name	Remuneration
Dr Oludare Odumosu	• Executive salary of US$300,000 per annum; and • Bonus payable on achievement of revenue targets, to a maximum bonus of 40% of base salary • Options package (approved by shareholders on 15 November 2023) – 40,000 options exercisable at $2.00, vesting immediately and expiring 4 years from date of issue; – 40,000 options exercisable at $4.00, vesting one year after the date of issue and expiring 4 years from date of issue; – 40,000 options exercisable at $6.00, vesting one year after the date of issue and expiring 4 years from date of issue; – 40,000 options exercisable at $8.00, vesting two years after the date of issue and expiring 4 years from date of issue; – 40,000 options exercisable at $10.00, vesting two years after the date of issue and expiring 4 years from date of issue; • Either the Company or Dr Odumosu may terminate the engagement at any time without cause or notice
Greg Blake	• Executive salary of AUD$245,000 per annum; and • A discretionary bonus of not more than 30% of the executive salary • Options package (approved by shareholders on 15 November 2023) – 35,000 options exercisable at $2.00, vesting immediately and expiring 4 years from date of issue; – 35,000 options exercisable at $4.00, vesting one year after the date of issue and expiring 4 years from date of issue; – 35,000 options exercisable at $6.00, vesting one year after the date of issue and expiring 4 years from date of issue; – 35,000 options exercisable at $8.00, vesting two years after the date of issue and expiring 4 years from date of issue; – 35,000 options exercisable at $10.00, vesting two years after the date of issue and expiring 4 years from date of issue; • Either the Company or Mr Blake may terminate the engagement by providing 3 months notice

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be as determined from time to time by a general meeting. The latest determination was at the meeting held on 21 July 2020 when shareholders approved an aggregate remuneration of $750,000 per annum.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Fixed remuneration

Fixed remuneration consists of base remuneration (salary or consulting fees) including any FBT charges as well as employer contributions to superannuation funds, where applicable. There was no use of remuneration consultants during the year.

Remuneration levels are reviewed annually by the Board of Directors.

Performance linked remuneration

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved, with the Board retaining the right to use its discretion when performance relating to unanticipated deliverables is achieved. KPI's include revenue generation in specific markets, leadership contribution, product formulation and development.

The long-term incentives ('LTI') include long service leave and share-based payments. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2024 and the Board exercised its discretion in not awarding any shares to executives as part of long-term incentive.

Assessing performance

The remuneration committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid.

Consequences of performance on shareholders' wealth

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee considers revenue, profit before tax, changes in share price and return of capital.

The overall level of key management personnel's remuneration takes into account the expected performance of the Group over a number of years.

Details of the nature and amount of emoluments of key management personnel

2024 Financial Year

	Primary		Bonus	Post Employment	Equity Based Remuneration	Remuneration	Proportion of Remuneration Performance Related
Key Management Person	Salary & Fees ($)	Non Monetary ($)	($)	Superannuation Contribution ($)	Total ($)	Total ($)	%
Osagie Imasogie	144,000	-	-	-	7,305	151,305	0.05
Dr Oludare Odumosu	451,263	47,700	-	-	58,364	557,327	10.47
Tim Slate	36,000	-	-	-	29,182	65,182	44.77
Greg Blake	245,000	-	-	26,950	51,068	323,018	15.81
Dr Donna Gentile O'Donnell	36,000	-	-	-	69,764	105,764	65.96
Totals	**912,263**	**47,700**	**-**	**26,950**	**215,683**	**1,202,596**	**17.93**

2023 Financial Year							
	Primary		Bonus	Post Employment	Equity Based Remuneration	Remuneration	Proportion of Remuneration Performance Related
Key Management Person	Salary & Fees ($)	Non Monetary ($)	($)	Superannuation Contribution ($)	Total ($)	Total ($)	%
Osagie Imasogie	144,000	-	-	-	-	144,000	0.00
Dr Oludare Odumosu	445,434	33,326	-	-	-	478,760	0.00
Tim Slate	36,000	-	-	-	-	36,000	0.00
Greg Blake	87,500	-	-	10,268	-	97,768	0.00
Dr Donna Gentile O'Donnell	3,000	-	-	-	4,774	7,774	61.40
Lisa Gray	33,000	-	-	-	-	33,000	0.00
Totals	**748,934**	**33,326**	**-**	**10,268**	**4,774**	**797,302**	**0.01**

Performance Based Remuneration

Performance Rights

The were no performance rights issued in the current or prior year.

Options

The table below includes details of options issued in the current or prior year:

	Granted	Grant Date	Value per option at grant date	Value of options at grant date	Vesting Date	Expiry
	Number		$	$		
Osagie Imasogie	30,000	Note[1]	$0.6106	18,317	15/11/2023	4 years from date of issue
Osagie Imasogie	30,000	Note[1]	$0.5134	15,401	15/11/2024	4 years from date of issue
Osagie Imasogie	30,000	Note[1]	$0.4536	13,608	15/11/2024	4 years from date of issue
Osagie Imasogie	30,000	Note[1]	$0.4110	12,329	15/11/2025	4 years from date of issue
Osagie Imasogie	30,000	Note[1]	$0.3782	11,347	15/11/2025	4 years from date of issue
Oludare Odumosu	40,000	Note[1]	$0.6106	24,423	15/11/2023	4 years from date of issue
Oludare Odumosu	40,000	Note[1]	$0.5134	20,535	15/11/2024	4 years from date of issue
Oludare Odumosu	40,000	Note[1]	$0.4536	18,144	15/11/2024	4 years from date of issue
Oludare Odumosu	40,000	Note[1]	$0.4110	16,439	15/11/2025	4 years from date of issue
Oludare Odumosu	40,000	Note[1]	$0.3782	15,129	15/11/2025	4 years from date of issue
Tim Slate	20,000	Note[1]	$0.6106	12,211	15/11/2023	4 years from date of issue
Tim Slate	20,000	Note[1]	$0.5134	10,267	15/11/2024	4 years from date of issue
Tim Slate	20,000	Note[1]	$0.4536	9,072	15/11/2024	4 years from date of issue
Tim Slate	20,000	Note[1]	$0.4110	8,220	15/11/2025	4 years from date of issue
Tim Slate	20,000	Note[1]	$0.3782	7,564	15/11/2025	4 years from date of issue
Greg Blake	35,000	Note[1]	$0.6106	21,370	15/11/2023	4 years from date of issue
Greg Blake	35,000	Note[1]	$0.5134	17,968	15/11/2024	4 years from date of issue
Greg Blake	35,000	Note[1]	$0.4536	15,876	15/11/2024	4 years from date of issue
Greg Blake	35,000	Note[1]	$0.4110	14,384	15/11/2025	4 years from date of issue
Greg Blake	35,000	Note[1]	$0.3782	13,238	15/11/2025	4 years from date of issue
Donna Gentile O'Donnell	10,000	Note[1]	$0.6106	6,106	15/11/2023	4 years from date of issue
Donna Gentile O'Donnell	10,000	Note[1]	$0.5134	5,134	15/11/2024	4 years from date of issue
Donna Gentile O'Donnell	10,000	Note[1]	$0.4536	4,536	15/11/2024	4 years from date of issue
Donna Gentile O'Donnell	10,000	Note[1]	$0.4110	4,110	15/11/2025	4 years from date of issue
Donna Gentile O'Donnell	10,000	Note[1]	$0.3782	3,782	15/11/2025	4 years from date of issue
Donna Gentile O'Donnell	47,500	Note[2]	$0.8190	38,902	01/06/2024	3 years from date of issue
Donna Gentile O'Donnell	47,500	Note[2]	$0.8190	38,902	01/06/2025	3 years from date of issue

(1) Approved by shareholders at the Annual General Meeting on 15 November 2023

(2) The Company announced the terms of Dr Gentille O'Donnell's engagement on 31 May 2023, therefore the options are deemed to be issued on that date. The options were approved by shareholders at the Annual General Meeting on 15 November 2023

Shares Issued to Key Management Personnel on Exercise of Options

No key management personnel exercised options during the years ended 30 June 2024 or 30 June 2023.

Shareholdings of Key Management Personnel

Number of shares held by Directors and Executives during the year as follows:

2024 Financial Year	Balance 01/07/2023	Granted as remuneration	At Appointment/ (Resignation)	Net Change Other	Balance 30/06/2024
Osagie Imasogie	428,883	-	-	-	428,883
Oludare Odumosu	131,766	-	-	-	131,766
Tim Slate	7,881	-	-	-	7,881
Greg Blake	-	-	-	-	-
Donna Gentile O'Donnell	-	-	-	-	-

2023 Financial Year	Balance 01/07/2022	Granted as remuneration	At Appointment/ (Resignation)	Net Change Other	Balance 30/06/2023
Osagie Imasogie	428,883	-	-	-	428,883
Oludare Odumosu	131,766	-	-	-	131,766
Tim Slate	7,881	-	-	-	7,881
Greg Blake	-	-	-	-	-
Donna Gentile O'Donnell	-	-	-	-	-
Lisa Gray	381,988	(381,988)	-	-	-

Option Holdings of Key Management Personnel

2024 Financial Year	Balance 01/07/2023	Options Acquired/ Granted as Remuneration	At Appointment/ (Resignation)	Expired	Balance 30/06/2024	Number vested and exercisable
Osagie Imasogie	-	150,000	-	-	150,000	30,000
Oludare Odumosu	142,857	200,000	-	(142,857)	200,000	40,000
Tim Slate	-	100,000	-	-	100,000	20,000
Greg Blake	114,290	175,000	-	(114,290)	175,000	35,000
Donna Gentile O'Donnell	95,000	50,000	-	-	145,000	57,150

2023 Financial Year	Balance 01/07/2022	Options Acquired/ Granted as Remuneration	At Appointment/ (Resignation)	Expired	Balance 30/06/2023	Number vested and exercisable
Osagie Imasogie	-	-	-	-	-	-
Oludare Odumosu	142,857	-	-	-	142,857	142,857[2]
Tim Slate	-	-	-	-	-	-
Greg Blake	-	-	114,290	-	114,290	114,290[3]
Donna Gentile O'Donnell	-	95,000[1]	-	-	95,000	-
Lisa Gray	-	-	-	-	-	-

(1) The Company announced the terms of Dr O'Donnell's engagement on 31 May 2023, therefore the options are deemed to be issued on that date. The options were approved by shareholders at the Annual General Meeting on 15 November 2023

(2) Expired on 11 August 2023.

(3) Expired on 11 September 2023

Performance Rights Holdings of Key Management Personnel

2024 Financial Year	Balance 01/07/2023	Net Change Other	At Appointment/ (Resignation)	Balance 30/06/2024	Number vested and exercisable
Osagie Imasogie	335,093	-	-	335,093	-
Dr Oludare Odumosu	100,333	-	-	100,333	-
Tim Slate	-	-	-	-	-
Greg Blake	-	-	-	-	-
Dr Donna Gentile O'Donnell	-	-	-	-	-

2023 Financial Year	Balance 01/07/2022	Net Change Other	At Appointment/ (Resignation)	Balance 30/06/2023	Number vested and exercisable
Osagie Imasogie	335,093	-	-	335,093	-
Dr Oludare Odumosu	100,333	-	-	100,333	-
Tim Slate	-	-	-	-	-
Greg Blake	-	-	-	-	-
Dr Donna Gentile O'Donnell	-	-	-	-	-
Lisa Gray	335,093	-	(335,093)	-	-

Other transactions and balances with Key Management Personnel

Catalyst Corporate Pty Ltd, a company of which Mr Tim Slate is a Director, charged the Company director fees of $36,000 (2023: $36,000) and provided company secretarial and accounting services to the Company during the year on normal commercial terms and conditions. The aggregate amount recognised during the year relating to company secretarial and accounting services was $126,000, $14,850 of which was outstanding at 30 June 2024.

Voting of shareholders at last year's annual general meeting

Zelira Therapeutics Limited received 94.04% of "yes" votes on its remuneration report for the 2023 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This concludes the Remuneration Report.

Environmental Issues

The Group is not subject to any significant environmental legislation.

Indemnifying Officers

The Company has an insurance policy in place insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

Indemnity And Insurance Of Auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Share Options

As at the date of this report, details of unissued ordinary shares under option are:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
1	17,715	22 October 2021[1]	22 October 2025	$17.50	$1.2250	22 October 2022
2	17,715	22 October 2021[1]	22 October 2025	$26.25	$0.8050	22 October 2023
3	17,715	22 October 2021[1]	22 October 2025	$35.00	$0.5775	22 October 2023
4	17,715	22 October 2021[1]	22 October 2025	$49.00	$0.3675	22 October 2024
5	17,715	22 October 2021[1]	22 October 2025	$52.50	$0.3325	22 October 2024
6	11,429	22 October 2021[1]	22 October 2025	$17.50	$1.2250	22 October 2022
7	31,431	22 October 2021[1]	22 October 2025	$26.25	$0.8050	22 October 2022
8	42,860	22 October 2021[1]	22 October 2025	$43.75	$0.4200	22 October 2023
9	42,860	22 October 2021[1]	22 October 2025	$52.50	$0.3325	22 October 2024
10	135,000	15 November 2023	24 November 2027	$2.00	$0.6106	15 November 2023
11	135,000	15 November 2023	24 November 2027	$4.00	$0.5134	15 November 2024
12	135,000	15 November 2023	24 November 2027	$6.00	$0.4536	15 November 2024
13	135,000	15 November 2023	24 November 2027	$8.00	$0.4110	15 November 2025
14	135,000	15 November 2023	24 November 2027	$10.00	$0.3782	15 November 2025
15	47,500	15 November 2023[2]	15 November 2026	$1.15	$0.8190	1 June 2024
16	47,500	15 November 2023[2]	15 November 2026	$1.15	$0.8190	1 June 2025
17	95,000	29 January 2024	24 November 2027	$2.00	$0.5234	29 January 2025
18	95,000	29 January 2024	24 November 2027	$4.00	$0.4219	24 November 2024
19	95,000	29 January 2024	24 November 2027	$6.00	$0.3617	24 November 2024
20	95,000	29 January 2024	24 November 2027	$8.00	$0.3200	24 November 2025
21	95,000	29 January 2024	24 November 2027	$10.00	$0.2886	24 November 2025

(1) At a General Meeting held on 12 April 2022, shareholders approved that the issued capital of the Company be consolidated on the basis that every 175 shares be consolidated into one share. The record date for the consolidation was 19 April 2022.

(2) The Company announced the terms of Dr Gentile O'Donnell's options on 31 May 2023, therefore the options are deemed to be issued on that date. The options were formally issued on 15 November 2023.

Auditor's Independence Declaration and Non-Audit Services

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Zelira Therapeutics Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included on page 30 of the Annual Report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

On behalf of the Board

Dr Oludare Odumosu
Global Managing Director

Perth, 28 August 2024

HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Zelira Therapeutics Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 28th day of August 2024
Perth, Western Australia

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2024

	Notes	2024 ($)	2023 ($)
Continuing operations			
Revenue	3	94,952	301,121
Cost of sales		(84,668)	(362,560)
Gross (loss)/profit		10,284	(61,439)
Other income	4	929,044	1,337,574
Compliance and regulatory expenses		(284,379)	(365,465)
Consultants and professional fees		(983,150)	(2,986,147)
Administration expenses		(417,965)	(452,770)
Director and employee expenses		(883,578)	(2,204,583)
Travel and accommodation expense		(17,270)	(175,205)
Share-based payments	18	(35,775)	(404,817)
Research and development		(2,810,200)	(1,336,428)
Commercialisation expenses		(27,649)	(74,590)
Depreciation and amortisation expense		(479,038)	(545,224)
Finance costs		(739,272)	(76,661)
Other expenses		(9,510)	(116,829)
Provision for expected credit loss		-	(39,633)
Impairment of goodwill	11	(30,747,083)	-
Reversal of expected credit loss		-	1,500,000
Impairment of inventory		(244,218)	(266,515)
Loss from continuing operations before income tax expense		(36,739,759)	(6,268,732)
Income tax expense	5	-	-
Loss for the year		**(36,739,759)**	**(6,268,732)**
Loss attributable to minority interests		(170,855)	(695,725)
Loss attributable to members of the parent entity		(36,568,904)	(5,573,007)
		(36,739,759)	(6,268,732)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Foreign currency translation		(561,582)	(87,989)
Total Comprehensive Loss for the Year		**(37,301,341)**	**(6,356,721)**
Loss attributable to minority interests		(170,855)	(695,725)
Loss attributable to members of the parent entity		(37,130,486)	(5,660,996)
		(37,301,341)	(6,356,721)
Loss per share:			
Basic and diluted (Loss) per share (cents per share)	20	(322.27)	(55.35)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 30 June 2024

	Notes	2024 ($)	2023 ($)
Current Assets			
Cash and cash equivalents	7	586,161	146,206
Trade and other receivables	8	308,234	96,739
Related party receivable	15	2,113,527	-
Inventories	9	1,252,311	1,527,995
TOTAL CURRENT ASSETS		4,260,233	1,770,940
Non-Current Assets			
Right-of-use assets	10	211,779	335,101
Other financial assets		43,457	43,426
Property, plant and equipment		13,429	183,644
Intangible assets	11	654,519	31,557,602
Total Non-Current Assets		923,184	32,119,773
Total Assets		5,183,417	33,890,713
Current Liabilities			
Trade and other payables	12	3,407,452	1,741,011
Lease liabilities	13	146,063	142,528
Convertible notes	14	3,539,965	-
Total Current Liabilities		7,093,480	1,883,539
Non-Current Liabilities			
Lease liabilities	13	149,580	295,374
Loans	15	2,113,527	-
Total Non-Current Liabilities		2,263,107	295,374
Total Liabilities		9,356,587	2,178,913
Net (Liabilities)/Assets		**(4,173,170)**	**31,711,800**
Equity			
Issued capital	16	45,515,996	45,515,996
Reserves	17	31,305,248	31,053,341
Accumulated losses		(81,336,169)	(44,767,265)
Parent entity interest		(4,514,925)	31,802,072
Minority interest		341,755	(90,272)
Total Equity		**(4,173,170)**	**31,711,800**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Issued Capital $	Accumulated Losses $	Foreign Currency Reserve $	Performance Rights Reserve $	Share Based Payments Reserve $	Contribution Reserve $	Convertible Notes Reserve $	Total $	Minority Interest $	Total Equity $
Balance as 1 July 2022	**43,745,957**	**(39,194,258)**	**(482,190)**	**27,112,223**	**2,213,080**	**1,808,341**	**-**	**35,203,153**	**487,385**	**35,690,538**
Loss for the year	-	(5,573,007)	-	-	-	-	-	(5,573,007)	(695,725)	(6,268,732)
Other comprehensive loss	-	-	(87,989)	-	-	-	-	(87,989)	-	(87,989)
Total comprehensive loss for the year	-	(5,573,007)	(87,989)	-	-	-	-	(5,660,996)	(695,725)	(6,356,721)
Shares issued during the year	1,770,039	-	-	-	-	-	-	1,770,039	-	1,770,039
Share-based payments	-	-	-	342,341	62,476	-	-	404,817	-	404,817
Transaction with minority interest	-	-	-	-	-	85,059	-	85,059	118,068	203,127
Balance at 30 June 2023	**45,515,996**	**(44,767,265)**	**(570,179)**	**27,454,564**	**2,275,556**	**1,893,400**	**-**	**31,802,072**	**(90,272)**	**31,711,800**
Balance as 1 July 2023	**45,515,996**	**(44,767,265)**	**(570,179)**	**27,454,564**	**2,275,556**	**1,893,400**	**-**	**31,802,072**	**(90,272)**	**31,711,800**
Loss for the year	-	(36,568,904)	-	-	-	-		(36,568,904)	(170,855)	(36,739,759)
Other comprehensive loss	-	-	(561,582)	-	-	-		(561,582)	-	(561,582)
Total comprehensive loss for the year	-	(36,568,904)	(561,582)	-	-	-		(37,130,486)	(170,855)	(37,301,341)
Share-based payments	-	-	-	(303,901)	339,676	-	-	35,775	-	35,775
Convertible notes issued	-	-	-	-	-	-	775,664	775,664	-	775,664
Transaction with minority interest	-	-	-	-	-	2,050	-	2,050	602,882	604,932
Balance at 30 June 2024	**45,515,996**	**(81,336,169)**	**(1,131,761)**	**27,150,663**	**2,615,232**	**1,895,450**	**775,664**	**(4,514,925)**	**341,755**	**(4,173,170)**

The accompanying notes form part of these consolidated financial statements

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Notes	2024 ($)	2023 ($)
Cash Flows from Operating Activities			
Receipts from customers		198,715	373,525
Payments to suppliers and employees		(3,607,436)	(6,839,117)
Payments for research and development		(941,925)	(756,957)
Interest received		564	42
Interest paid		(38,508)	(26,571)
Net cash (used in) operating activities	21	(4,388,590)	(7,249,078)
Cash Flows from Investing Activities			
Government grants and tax incentives		919,735	1,142,797
Proceeds from disposal of investments		-	736,438
Third party loan provided/(repaid)		-	950,000
Net cash from/(used in) investing activities		919,735	2,829,235
Cash Flows from Financing Activities			
Proceeds from the issue of convertible notes		3,924,034	-
Proceeds from issue of shares		-	1,770,039
Net cash from financing activities		3,924,034	1,770,039
Net increase/(decrease) in cash and cash equivalents		455,179	(2,649,804)
Effect of exchange rate fluctuations on cash held		(15,224)	49,601
Cash and cash equivalents at beginning of financial year		146,206	2,746,409
Cash and cash equivalents at end of financial year	7	586,161	146,206

The accompanying notes form part of these consolidated financial statements.

1. Summary of Accounting Policies

a. (a) Statement of material accounting policies

The following is a summary of the significant accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report covers the consolidated entity of Zelira Therapeutics Limited ("the Company") and its subsidiaries ("the Group" or "Consolidated Entity"). Zelira Therapeutics Limited (ZLD) is a listed public company, incorporated and domiciled in Australia.

Reporting basis and conventions

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This financial report was authorised for issue by the Board on 28 August 2024.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied where relevant.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in

equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

c. Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2024, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2023. As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued by the AASB.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Group and therefore no material change is necessary to Group accounting policies.

d. Going concern

The Group incurred a loss of $36,739,759 for the year ended 30 June 2024 and a net cash outflow from operating activities amounting to $4,388,590. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The ability of the entity to continue as a going concern is dependent on Zelira successfully commercialising its medicinal cannabinoid formulas targeting large addressable markets such as pain, sleep and anxiety, fees generated for the management of the HOPE® 1 SPV as it progresses the HOPE® 1 US FDA clinical trials commercialising its scientifically formulated, hemp-derived cannabinoid-based dermatology and oral-care products or securing additional funding through capital raising activities to continue its operational and marketing activities. Should these be unsuccessful, there may be a material uncertainty relating to the Group's ability to continue as a going concern.

The directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be able to generate sufficient revenue or secure funds to meet its commitments.

There are a number of inherent uncertainties relating to the Group's future plans including but not limited to:

- whether the Group is able to generate sufficient revenue from HOPE® 1and HOPE® 2;
- whether the Group is able to generate sufficient revenue from its Dermatology and Oral Care range of products;
- whether the Group is able to close subsequent rounds of funding in the HOPE® 1 SPV;
- whether the Group is able to generate cash receipts from the management of the HOPE® 1 SPV as it progresses the HOPE® 1 US FDA clinical trials;
- whether the Group is able to generate sufficient revenue licencing its Zyradi technology;
- whether the Company will be able to raise equity in this current market; and
- whether the Group would be able to secure any other sources of funding.

Should the Group's cash flow deviate from the cash flow forecast, a material uncertainty will exist that cast significant doubt on the Group's ability to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

f. Foreign Exchange

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The Directors have determined that the functional currency of the Group is Australian Dollars.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

g. Income Tax

The charge for current income tax expenses is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions or deductibility imposed by the law.

h. Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

i. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Property, Plant and Equipment

Plant and equipment is stated at historical cost or fair value less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

k. Leases

Where the Company is a lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price pf purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there us a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs.

These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

l. Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Favourable leases

Favourable leases acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

m. Impairment of non-financial Assets

At each reporting date, the Company reviews the carrying values of tangible assets and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

n. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

o. Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

p. Financial assets

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

q. Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

r. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Zelira Therapeutics Ltd.

s. Revenue Recognition

The Group enters into contracts for the sale of medicinal cannabis products. Revenue is recognised when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards or ownership have been transferred to the customer and collection of the sales price is reasonably assured. The performance obligation is identified to be the delivery of supplies to the customer, and the transaction price is allocated to the number of units delivered. These criteria for performance obligation are assessed to have occurred once the product has been delivered to the customer.

Revenue from licence fees is recognised when the right to receive payment is established in line with the contractual terms.

t. Other income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through

the expected life of the financial asset to that assets' net carrying amount on initial recognition.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

u. Fair Value Estimates

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the unlisted options) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

v. Earnings per share

Basic earnings/(loss) per share

Basic earnings per share ("EPS") is calculated as net profit or loss, attributable to members, adjusted to exclude any costs of servicing equity

Diluted earnings (loss) per share

Diluted EPS earnings is calculated by adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather that the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing ordinary operations, not net profit or loss and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing ordinary operations, not net profit or loss and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

w. Share-based payment transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model or the binomial option pricing model.

In valuing equity-settled transactions, the Company takes into account any performance conditions, other than conditions linked to the price of the shares of Zelira Therapeutics Limited (market conditions), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

x. Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

y. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

Share based payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Performance Rights

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees became fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the estimated number of awards that will ultimately vest. This estimate is formed based on the best available information at balance date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately, However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 11 for further information.

2. Operating Segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on geographic location of operations: Australia and United States of America. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

2024 Segment Revenue	Australia $	USA $	Total $
Revenue	77,922	17,030	94,952
Other income (Note 4)	929,044	-	929,044
Total income	**1,006,966**	**17,030**	**1,023,996**

2024 Segment Result	Australia $	USA $	Total $
EBITDA	(35,955,937)	434,179	(35,521,758)
Depreciation and amortisation	(336,495)	(142,543)	(479,038)
Interest income	309	-	309
Finance costs	(10,817)	(728,455)	(739,272)
Loss before income tax expense	(36,302,940)	(436,819)	(36,739,759)
Income tax expense	-	-	-
Loss after income tax expense	**(36,302,940)**	**(436,819)**	**(36,739,759)**

2024 Segment assets and liabilities	Australia $	USA $	Total $
Total assets	2,992,308	2,191,109	5,183,417
Total liabilities	(2,991,225)	(6,365,362)	(9,356,587)
Net assets (liabilities)	**1,083**	**(4,174,253)**	**(4,173,170)**

2023 Segment Revenue			
	Australia $	USA $	Total $
Revenue	87,506	213,615	301,121
Other income (Note 4)	1,337,574	-	1,337,574
Total income	**1,425,080**	**213,615**	**1,638,695**

2023 Segment Result			
	Australia $	USA $	Total $
EBITDA	(4,684,315)	(962,666)	(5,646,981)
Depreciation and amortisation	(405,870)	(139,354)	(545,224)
Interest income	134	-	134
Finance costs	(18,892)	(57,769)	(76,661)
Loss before income tax expense	(5,108,943)	(1,159,789)	(6,268,732)
Income tax expense	-	-	-
Loss after income tax expense	**(5,108,943)**	**(1,159,789)**	**(6,268,732)**

2023 Segment assets and liabilities			
	Australia $	USA $	Total $
Total assets	20,700,155	13,190,558	33,890,713
Total liabilities	(713,765)	(1,465,148)	(2,178,913)
Net assets (liabilities)	**19,986,390**	**11,725,410**	**31,711,800**

3. Revenue

	2024 ($)	2023 ($)
Sales of goods	94,952	301,121
	94,952	301,121

Disaggregation of revenue

The disaggregation of revenue from the sale of goods is as follows:

	2024 ($)	2023 ($)
Sale of Zenivol® and HOPE® – Australia	78,110	87,506
Sale of Oral care products – US	3,563	57,669
Other sales – US	13,279	155,946
	94,952	301,121

4. Other Income

	2024 ($)	2023 ($)
Research and development incentive[1]	919,735	1,142,797
Rental income	9,000	
Settlement of Health House loan obligations	-	250,000
Interest income	309	134
Fair value loss on Creso shares	-	(55,357)
	929,044	1,337,574

(1) Research and development incentive relates to the Group's current period research and development (R&D) activities being registered by Innovation and Science Australia for the R&D Tax Incentive. The R&D refund was received by the Company in April 2024.

5. Income Tax Expense

a. The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:

	2024 ($)	2023 ($)
Loss before tax from continuing operations	(36,739,759)	(6,268,732)
Income tax (benefit)/expense calculated at 25% (2023: 25%)	(9,184,940)	(1,567,183)
Unused tax losses and tax offset not recognised as deferred tax assets		
Share based payments	8,944	101,204
Impairment of goodwill	7,686,771	-
Other non-deductible expenses	1,130,649	894,752
Non assessable income	(229,634)	(284,826)
Section 40-880 deduction on costs recognised in equity	(28,363)	(28,363)
Deferred tax assets not recognised	616,573	884,416
Income tax (benefit)/expense reported in the statement of comprehensive income	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

b. Unrecognised deferred tax balances

The following deferred tax assets and (liabilities) have not been brought to account:

	2024 ($)	2023 ($)
Deferred tax assets comprise:		
Tax losses	7,061,177	6,368,365
Lease liabilities	73,911	109,475
Intangibles	178,541	139,541
Property, plant & equipment	233,480	184,042
Acquisition costs	115,210	115,210
Other	24,406	30,804
	7,686,725	6,947,437
Set-off deferred tax liabilities	(73,935)	(95,713)
Less deferred tax assets not recognised	(7,612,790)	(6,851,725)
Net deferred tax assets	-	-
Deferred tax liabilities comprise:		
Right of use assets	(52,945)	(83,775)
Prepayments	(20,990)	(11,938)
	(73,935)	(95,713)
Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities		
Revenue losses attributable to Australia	24,483,461	22,674,159
Revenue losses attributable to USA	3,761,246	3,306,811

The tax benefits of the above deferred tax assets will only be obtained if:

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be realised;
- The Group continues to comply with the conditions for deductibility imposed by relevant tax legislation; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the assets.

6. Key Management Personnel

The Key Management Personnel of Zelira Therapeutics Limited during the year were:

Osagie Imasogie
Dr Oludare Odumosu
Tim Slate
Greg Blake
Dr Donna Gentile O'Donnell

Key management personnel compensation

	2024 ($)	2023 ($)
Short-term employment benefits	959,963	782,260
Post-employment benefits	26,950	10,268
Share based payments	215,683	4,774
	1,202,596	797,302

Catalyst Corporate Pty Ltd, a company of which Mr Tim Slate is a Director, charged the Company director fees of $36,000 (2023: $36,000) and provided company secretarial and accounting services to the Company during the year on normal commercial terms and conditions. The aggregate amount recognised since the date of appointment relating to company secretarial and accounting services was $126,000, $14,850 of which was outstanding at 30 June 2024.

7. Cash and Cash Equivalents

	2024 ($)	2023 ($)
Cash at bank	586,161	146,206

Cash at bank earns interest at fixed and floating rates based on daily bank and term deposit rates.

8. Trade and Other Receivables

	2024 ($)	2023 ($)
Trade receivables	12,991	(8,648)
GST receivable	20,518	464
Prepayments	110,032	97,831
Other current assets	164,693	7,092
	308,234	96,739

Expected credit losses

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery. On the above basis the expected credit loss for trade receivables as at 30 June 2024 is nil.

9. Inventories

	2024 ($)	2023 ($)
Raw materials – at cost	1,200,003	1,150,376
Work in progress – at cost	3,926	-
Finished goods – at cost	48,382	377,619
	1,252,311	1,527,995

10. Right-of-Use Assets

Property Leases

	2024 ($)	2023 ($)
Carrying value		
Cost	748,324	747,758
Accumulated depreciation	(536,545)	(412,657)
Carrying value at 30 June	211,779	335,101
Opening balance	335,101	398,967
Additions	-	43,865
Depreciation expense	(124,638)	(121,198)
Foreign exchange conversion	1,316	13,467
Carrying value at 30 June	211,779	335,101

11. Intangible Assets

	Trademarks ($)	Favourable leases ($)	Goodwill ($)	Total ($)
Opening balance at 30 June 2023	756,106	54,413	30,747,083	31,557,602
Amortisation	(117,736)	(38,264)	-	(156,000)
Impairment expense	-	-	(30,747,083)	(30,747,083)
Closing balance at 30 June 2024	638,370	16,149	-	654,519

Impairment tests for goodwill

Impairment tests for goodwill

Goodwill was acquired through the acquisition of Ilera Therapeutics and was allocated to a single cash generating unit (CGU) – the USA – for impairment testing. During the period, Zelira changed its strategy to focus primarily on the HOPE® FDA clinical trial and product development.

As Zelira's primary asset has become early-stage revenue or pre-revenue, any model predicting future revenue relies on a number of long term and subjective assumptions. These inputs cannot be tested for reasonableness as they rely upon future events. In light of this, the Board determined that the value of Goodwill should be removed from Zelira's Statement of Financial Position and an impairment charge of $30,747,083 (30 June 2023: $nil) has been recognised.

12. Trade and Other Payables

	2024 ($)	2023 ($)
Trade payables and accruals	3,407,452	1,741,011
	3,407,452	1,741,011

Terms and conditions relating to the above financial instruments:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

13. Lease Liabilities

	2024 ($)	2023 ($)
Carrying value	146,063	142,528
Current liabilities	149,580	295,374
Non-current liabilities	295,643	437,902
Reconciliation		
Opening balance	437,902	500,908
Additions	-	43,865
Interest	25,017	34,646
Principal repayments	(171,607)	(160,482)
Foreign exchange conversion	4,331	18,965
Closing balance at 30 June	295,643	437,902

Underlying assets serve as a security for the related lease liabilities. A maturity analysis of future minimum lease payments on an undiscounted basis is presented below:

2024	Lease payments due			
	< 1 year ($)	1 – 2 years ($)	2 – 5 years($)	Total ($)
Lease payments	161,106	150,563	-	311,669
Interest	(15,044)	(982)	-	(16,026)
Net present value	146,062	149,581	-	295,643

2023	Lease payments due			
	< 1 year ($)	1 – 2 years ($)	2 – 5 years($)	Total ($)
Lease payments	167,198	160,973	150,428	478,599
Interest	(24,670)	(15,029)	(998)	(40,697)
Net present value	142,528	145,944	149,430	437,902

The Group applies the practical expedient in AABS 16 Appendix C, C10 which allows the Group to account for the registered office lease in the same way as short-term leases. The Group recognised $12,000 of leasing expenses in the current period in relation to the registered office lease.

14. Convertible Notes

	2024 ($)	2023 ($)
Proceeds from issue of convertible notes	3,925,353	-
Equity portion	(785,071)	-
Equity portion – unwound	437,820	-
Foreign currency differences	(38,137)	-
	3,539,965	-

In August 2023, Zelira executed definitive agreements with the 2011 Forman Trust and Mr Malik Majeed, to close a first tranche of US$1,069,000 out of the US$3.25 million funding for Zelira to initiate HOPE® FDA clinical trials (the 'Convertible Notes'). In January 2024, the second tranche of funding of US$819,000 was received from the Forman Trust. In May 2024, Zelira received the third tranche of funding totalling US$681,000 which brings the total funds received via the HOPE® SPV to US$2.569 million out of a total of US$3.25 million.

The key terms of the Convertible Notes are as follows:

- Interest accrues on each instrument at 10% per annum;
- 12-month term for each Convertible Note;
- Origination fee of 0.5%;
- The Convertible Notes will be secured by a first ranking security over the assets of the SPV; and
- The Convertible Notes are convertible into a fixed number of shares, equating to a cumulative value of 4.02% of shares of the SPV

15. Loans

	2024 ($)	2023 ($)
Loan note	2,113,527	-
	2,113,527	-

On 28 June 2024, the Company entered into a US$1,400,000 Loan Note with Mr Osagie Imasogie, Chairman of the Board. The key terms of the Loan Note are as follows:

- Interest at 20% per annum paid monthly in cash
- Maturity on 28 June 2026
- The Loan Note is unsecured
- Drawdown of the Loan Note is required within 2 business days and as such the Company recognised a receivable at 30 June 2024
- 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.

The funds from the Loan Note will be used to support the advancement of the HOPE® SPV clinical trial and general working capital requirements. The funds were received by the Company on 4 July 2024.

16. Issued Capital

			2024 ($)	2023 ($)
			45,515,996	45,515,996
	Year to 30 June 2024 (No.)	Year to 30 June 2023 (No.)	Year to 30 June 2024 ($)	Year to 30 June 2023 ($)
Movements in ordinary shares on issue				
At start of period	11,347,155	9,577,116	45,515,996	43,745,957
Shares issued to sophisticated investors	-	1,770,039	-	1,770,039
At end of period	11,347,155	11,347,155	45,515,996	45,515,996

At shareholders' meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called. In accordance with the ASX Listing Rules, all voting on resolutions at shareholders' meetings are conducted by a poll.

17. Reserves

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to note 18 for further details of these plans.

Foreign currency reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency reserve as described in Note 1. The reserve is recognised in profit or loss when the net investment is disposed of.

Performance rights reserve

This reserve is used to record the value of performance rights provided to Directors as part of their remuneration. Refer to Note 18 for further details.

Contribution reserve

The reserve is used to recognise the share of the contribution paid for the non-controlling interest equity holding.

Convertible note reserve

The reserve is used to recognise the equity portion of convertible notes. Refer to note 14 for further details of these notes.

18. Share Based Payments

a. Summary of share-based payments - Unlisted Options (as at Balance date)

Set out below are the summaries of options granted as share based payments during the year and previous periods:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
1	17,715	22 October 2021[1]	22 October 2025	$17.50	$1.23	22 October 2022
2	17,715	22 October 2021[1]	22 October 2025	$26.25	$0.81	22 October 2023
3	17,715	22 October 2021[1]	22 October 2025	$35.00	$0.58	22 October 2023
4	17,715	22 October 2021[1]	22 October 2025	$49.00	$0.37	22 October 2024
5	17,715	22 October 2021[1]	22 October 2025	$52.50	$0.33	22 October 2024
6	11,429	22 October 2021[1]	22 October 2025	$17.50	$1.23	22 October 2022
7	31,431	22 October 2021[1]	22 October 2025	$26.25	$0.81	22 October 2022
8	42,860	22 October 2021[1]	22 October 2025	$43.75	$0.42	22 October 2023
9	42,860	22 October 2021[1]	22 October 2025	$52.50	$0.33	22 October 2024
10	135,000	15 November 2023	24 November 2027	$2.00	$0.6106	15 November 2023
11	135,000	15 November 2023	24 November 2027	$4.00	$0.5134	15 November 2024
12	135,000	15 November 2023	24 November 2027	$6.00	$0.4536	15 November 2024
13	135,000	15 November 2023	24 November 2027	$8.00	$0.4110	15 November 2025
14	135,000	15 November 2023	24 November 2027	$10.00	$0.3782	15 November 2025
15	47,500	15 November 2023[2]	15 November 2026	$1.15	$0.8190	1 June 2024
16	47,500	15 November 2023[2]	15 November 2026	$1.15	$0.8190	1 June 2025
17	95,000	29 January 2024	24 November 2027	$2.00	$0.5234	29 January 2025
18	95,000	29 January 2024	24 November 2027	$4.00	$0.4219	24 November 2024
19	95,000	29 January 2024	24 November 2027	$6.00	$0.3617	24 November 2024
20	95,000	29 January 2024	24 November 2027	$8.00	$0.3200	24 November 2025
21	95,000	29 January 2024	24 November 2027	$10.00	$0.2886	24 November 2025

(1) At a General Meeting held on 12 April 2022, shareholders approved that the issued capital of the Company be consolidated on the basis that every 175 shares be consolidated into one share. The record date for the consolidation was 19 April 2022.

(2) The Company announced the terms of Dr Gentile O'Donnell's options on 31 May 2023, therefore the options are deemed to be issued on that date. The options were formally issued on 15 November 2023.

The weighted average exercise price during the financial year was $10.50 (2023: $37.21). The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.01 years (2023: 0.47 years).

Performance Rights

The following Class B performance rights were issued in previous years. The probability of conversion milestones being met has been revised in the current year from 100% to 75%.

	Type	Granted	Grant date	Issue price	Expense/ (reversal) for 30 June 2024	Conversion milestones
		Number		$	$	
Richard Hopkins	Class B	6,250,000	2 Dec 2019	$0.068	(104,688)	Converted into shares subject to the cumulative revenues from US based products exceeding US$2,500,000 prior to 23 December 2024
Harry Karelis	Class B	6,250,000	2 Dec 2019	$0.068	(104,688)	Converted into shares subject to the cumulative revenues from US based products exceeding US$2,500,000 prior to 23 December 2024
Jason Peterson	Class B	6,250,000	2 Dec 2019	$0.068	(104,688)	Converted into shares subject to the cumulative revenues from US based products exceeding US$2,500,000 prior to 23 December 2024
Osagie Imasogie	Class B	6,250,000	25 Sept 2020	$0.056	36,467	Converted into shares subject to the cumulative revenues from 1 July 2020 from US based products exceeding US$2,500,000 prior to 23 December 2024
Lisa Gray	Class B	6,250,000	25 Sept 2020	$0.056	36,467	Converted into shares subject to the cumulative revenues from 1 July 2020 from US based products exceeding US$2,500,000 prior to 23 December 2024

b. Valuation assumptions

The fair value of the equity-settled options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which they were granted.

	Expected volatility (%)	Risk-free interest rate (%)	Expected life of option (years)	Exercise price	Grant date share price (cents)
1[1]	61	0.1	4	$17.50	735.0
2[1]	61	0.1	4	$26.25	735.0
3[1]	61	0.1	4	$35.00	735.0
4[1]	61	0.1	4	$49.00	735.0
5[1]	61	0.1	4	$52.50	735.0
6[1]	61	0.1	4	$17.50	735.0
7[1]	61	0.1	4	$26.25	735.0
8[1]	61	0.1	4	$43.75	735.0
9[1]	61	0.1	4	$52.50	735.0
10	114	5	4	$2.00	91.5
11	114	5	4	$4.00	91.5
12	114	5	4	$6.00	91.5
13	114	5	4	$8.00	91.5
14	114	5	4	$10.00	91.5
15	126	3.5	3	$1.15	115.0
16	126	3.5	3	$1.15	115.0
17	108	5	3.8	$2.00	86.0
18	108	5	3.8	$4.00	86.0
19	108	5	3.8	$6.00	86.0
20	108	5	3.8	$8.00	86.0
21	108	5	3.8	$10.00	86.0

(1) At a General Meeting held on 12 April 2022, shareholders approved that the issued capital of the Company be consolidated on the basis that every 175 shares be consolidated into one share. The record date for the consolidation was 19 April 2022.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

19. Financial Instruments

Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

There are no financial assets or financial liabilities measured at fair value on a recurring basis.

There were no transfers between levels in 2024 and 2023.

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. Valuation processes and fair value changes are discussed among the Board in line with the Group's reporting dates.

The valuation technique used for instruments categorised in Level 2 is described below:

Unlisted options

The Group's unlisted options are fair valued using a Black and Scholes model partly using observable variables such as interest rates.

a. Financial risk management objectives

The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives was governed by the Group's policies approved by the Board of directors, which provide written principles on the use of financial derivatives – however the Group does not currently use derivatives. Compliance with policies and exposure limits is reviewed by the directors on a continuous basis.

The carrying amounts of financial assets and financial liabilities approximate their fair value.

			Maturity dates		Non-interest bearing	Total
2024	Interest rates	Variable interest rate ($)	Less than 1 year ($)	1-2 years ($)	($)	($)
Financial assets:						
Cash and cash equivalents	0.0%	586,161	-	-	-	586,161
Trade receivables	-	-	-	-	12,991	12,991
Financial liabilities:						
Trade payables	-	-	-	-	3,407,452	3,407,452
Lease liabilities	7.0%	-	146,063	149,580	-	295,643

			Maturity dates		Non-interest bearing	Total
2023	Interest rates	Variable interest rate ($)	Less than 1 year ($)	1-2 years ($)	($)	($)
Financial assets:						
Cash and cash equivalents	0.0%	146,206	-	-	-	146,206
Trade receivables	-	-	-	-	(8,648)	(8,648)
Financial liabilities:						
Trade payables	-	-	-	-	1,741,011	1,741,011
Lease liabilities	7.0%	-	142,528	295,374	-	437,902

b. Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Management monitor the rolling forecasts of the Group's liquidity on the basis of expected cash flow.

The following table details the expected maturity of the Group's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

2024	Less than 1 month ($)	1 – 3 Months ($)	3 months – 1 year ($)	1 – 5 years ($)
Financial Assets				
Non-interest bearing	12,991	-	-	-
Variable interest rate	586,161	-	-	-
Fixed interest rate	-	-	-	-
	599,152	-	-	-
Financial Liabilities				
Non-interest bearing	3,407,452	-	-	-
	3,407,452	-	-	-

2023	Less than 1 month ($)	1 – 3 Months ($)	3 months – 1 year ($)	1 – 5 years ($)
Financial Assets				
Non-interest bearing	(8,648)	-	-	-
Variable interest rate	146,206	-	-	-
Fixed interest rate	-	-	-	-
	137,558	-	-	-
Financial Liabilities				
Non-interest bearing	1,741,011	-	-	-
	1,741,011	-	-	-

20. Earnings / (Loss) per Share

	2024 ($)	2023 ($)
a. (Loss) used in the calculation of basic and dilutive loss per share	(36,568,904)	(5,573,007)
Basic loss per Share	**Number of Shares**	**Number of Shares**
b. Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share:	11,347,155	10,068,253
Basic (loss) per share (cents per share)	(322.27)	(55.35)
Diluted loss per Share	**Number of Shares**	**Number of Shares**
b. Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted loss per share:	11,347,155	10,068,253
Diluted (loss) per share (cents per share)	(322.27)	(55.35)

The number of ordinary shares used in the calculation of Diluted Loss per Share is the same as the number used in the calculation of Basic Loss per Share in the year ended 30 June 2024 and the prior year ended 30 June 2023, as options and performance rights are not considered dilutive as a loss was incurred in both years.

21. Cash Flow Information

Reconciliation of net cash flow used in operating activities with profit / (loss) after income tax	2024 ($)	2023 ($)
Loss for year	(36,739,759)	(6,268,732)
Cash flows in operating loss classified as investing activities		
Government grants and tax incentive	(919,735)	(1,142,797)
Non-cash flows in operating loss		
Other non-cash income	-	(194,644)
Impairment of goodwill	30,747,083	-
Share based payments	35,775	404,817
Provision for expected credit loss	-	39,633
Reversal of expected credit loss	-	(1,500,000)
Foreign exchange gain/(loss)	34,160	(174,832)
Impairment of inventory	244,218	266,515
Finance charges	-	76,661
Depreciation and amortisation	479,038	545,224
Cash flows not in operating loss		
Rent expense	-	(164,249)
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	(211,494)	275,851
Decrease/ (Increase) in inventories	275,684	356,510
Increase in trade payables and other accruals	1,666,440	230,965
Net cash used in operating activities	(4,388,590)	(7,249,078)

22. Auditor's Remuneration

	2024 ($)	2023 ($)
The auditors of the Company are Hall Chadwick WA Audit Pty Ltd[1]		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	51,829	58,000
	51,829	58,000
The auditors of the subsidiaries in the USA are Cg Tax, Audit & Advisory[2]		
Remuneration of the auditor for:		
Auditing or reviewing the USA subsidiaries	94,632	159,872
	94,632	159,872

(1) The auditors of the Company for the year ended 30 June 2023 were HLB Mann Judd
(2) The auditors of the subsidiaries in the USA for the year ended 30 June 2023 were Marcum LLP

23. Commitments

	2024 ($)	2023 ($)
Research and development		
not later than 1 year	782,348	1,188,368
later than 1 year but no later than 5 years	62,851	-
Remuneration and consulting		
not later than 1 year	2,363,046	2,448,463

Remuneration represents key management personnel and senior management for a period of 12 months. Consulting represents consulting commitments for their stated notice period.

24. Parent Entity Information

The individual financial statements for the parent entity show the following aggregate amounts. The information presented has been prepared using accounting policies as disclosed in Note 1.

	2024 ($)	2023 ($)
Financial Position		
Current assets	2,163,144	73,806
Non-current assets	22,480	31,746,733
Total assets	2,185,624	31,820,539
Current liabilities	(98,334)	(94,176)
Non current liabilties	(2,113,527)	(14,563)
Total liabilities	(2,211,861)	(108,739)
Net assets	(26,237)	31,711,800
Shareholders' equity		
Issued capital	57,716,015	57,716,015
Reserves	29,765,896	29,730,120
Accumulated losses	(87,508,148)	(55,734,335)
	(26,237)	31,711,800
Financial Performance		
Loss for the year	(31,773,811)	(4,548,783)
Total comprehensive loss	(31,773,811)	(4,548,783)

Contingencies of the Parent Entity

There are no contingent liabilities involving the parent entity (2023: Nil).

Guarantees of the Parent Entity

There are no guarantees involving the parent entity (2023: Nil).

Contractual commitments of the Parent Entity

Included in the commitments in Note 23 are commitments incurred by the Parent Entity as follows:

	2024 ($)	2023 ($)
Research and development		
not later than 1 year	-	-
later than 1 year but no later than 5 years	-	-
Remuneration and consulting		
not later than 1 year	500,781	594,740

Remuneration represents key management personnel and senior management for a period of 12 months. Consulting represents consulting commitments for their stated notice period.

25. Interests in Subsidiaries

The consolidated financial statements include the financial statements of Zelira Therapeutics Limited and the subsidiaries in the following table.

	Country of Incorporation	% Equity Interest	
		2024	2023
Zelira Therapeutics Operations Pty Ltd	Australia	100%	100%
ZI Acquisition, Inc	USA	100%	100%
Ilera Therapeutics LLC	USA	100%	100%
Ilera Derm LLC[1]	USA	78%	78%
Zelira Oral Healthcare LLC[1]	USA	80%	80%
Zelira – Hope – 1, LLC[2]	USA	100%	100%

(1) The results of Ilera Derm LLC and Zelira Oral Healthcare LLC are not considered material to the Group for 2024

(2) Zelira has contributed to the SPV, its HOPE-1® product, IP and real-world date for 55% equity ownership of the SPV. Cash investors will contribute a total of approximately $35 million to fund the SVP and the FDA trials for HOPE-1® in exchange for the cumulative ownership of 45% of the SVP. Zelira will manage the SVP as part of its business platform

26. Related Party Information

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Transactions with director related entities:

Catalyst Corporate Pty Ltd, a company of which Mr Tim Slate is a Director, charged the Company director fees of $36,000 (2023: $36,000) and provided company secretarial and accounting services to the Company during the year on normal commercial terms and conditions. The aggregate amount recognised during the year relating to company secretarial and accounting services was $126,000, $14,850 of which was outstanding at 30 June 2024.

27. Events Subsequent to Reporting Date

US$1.4 million received under an unsecured Loan Note

In June 2024, Mr Osagie Imasogie executed a US$1,400,000 working capital loan note with the Company ("Loan Note").

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 US$0.40 conversion price. This represents a 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.

Funds, received on 4 July 2024, will be used to support the advancement of the HOPE® SPV clinical trial, general working capital purposes.

Leading patents secured for HOPE® 1 and HOPE® 2

In July 2024, Zelira secured patents for HOPE® 1 and HOPE® 2 formulations from the Australian Government Commission of Patents and the US Patent and Trademark Office (USPTO). Receiving these patents strengthens the Company's ongoing drug development and clinical validation initiatives and materially enhances the value of the company's broad IP portfolio.

Successful pre-IND meeting with the FDA

Zelira held a successful pre-IND meeting with the FDA in July 2024, marking a significant milestone in progressing toward IND submission.

The design of the IND-opening Phase 1 study in healthy volunteers was discussed during the meeting. The FDA also provided valuable guidance on the study design, aiming to evaluate the safety and pharmacokinetics of the proposed doses of ZEL-HOP1, ensuring a robust framework for further clinical development.

Other than disclosed above, there are no events of a material nature or transaction, that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

Other than disclosed above, there are no events of a material nature or transaction, that have arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or its state of affairs.

28. Contingent Liabilities

Caziwell Licence Agreement

On 21 March 2017, Zelira entered into a licence agreement with Caziwell Inc (Caziwell), including Aunt Zelda's Inc (Caziwell Licence Agreement) pursuant to which Caziwell agreed to licence patient data concerning the medicinal properties of cannabis and cannabis infused products, including formulations and protocols (Existing Data), to Zelira for use in pre-clinical research and human clinical trials and related activities.

The material terms of the Caziwell Licence Agreement are as follows:

- Payment of a royalty to Caziwell of 5% of net sales for products in the insomnia, eczema, breast and brain cancer fields developed using specific formulations outlined in the Caziwell Licence Agreement.

c. A one-off milestone fee of $250,000 payable within 7 days of the first dosage by a participant in a Clinical Trial for breast or brain cancer.

Other than disclosed above, as at the 30 June 2024 the Company did not have any contingent liabilities.

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% share capital held**	**Australian or foreign**	**Foreign jurisdiction**
Zelira Therapeutics Ltd	Body corporate	Australia	N/A	Australian	N/A
Zelira Therapeutics Operations Pty Ltd	Body corporate	Australia	100%	Australian	N/A
ZI Acquisition, Inc	Body corporate	USA	100%	Foreign	USA
Ilera Therapeutics LLC	Body corporate	USA	100%	Foreign	USA
Ilera Derm LLC	Body corporate	USA	78%	Foreign	USA
Zelira Oral Healthcare LLC	Body corporate	USA	80%	Foreign	USA
Zelira – Hope – 1, LLC[1]	Body corporate	USA	100%	Foreign	USA

(1) Zelira has contributed to the SPV, its HOPE-1® product, IP and real-world date for 55% equity ownership of the SPV. Cash investors will contribute a total of approximately $35 million to fund the SVP and the FDA trials for HOPE-1® in exchange for the cumulative ownership of 45% of the SVP. Zelira will manage the SVP as part of its business platform

The directors of the company declare that:

1. 1. In the directors' opinion, the financial statements and accompanying notes set out on pages 31 to 64 are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards and the *Corporations Regulations 2001*; and

    b. give a true and fair view of the group's financial position as at 30 June 2024 and of its performance for the year ended on that date;

2. Note 1 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);

3. The Consolidated Entity Disclosure Statement is true and correct as at 30 June 2024;

4. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

5. The directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Dr Oludare Odumosu
Global Managing Director

Dated at Perth this 28th day of August 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZELIRA THERAPEUTICS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zelira Therapeutics Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report which indicates that the Consolidated Entity incurred a net loss of $36,739,759 during the year ended 30 June 2024. As stated in Note 1(d), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment Assessment As disclosed in Note 11 to the financial statements, the Consolidated Entity had $654,519 of intangible assets. An impairment loss of goodwill of $30,747,083 was recognised during the year. The impairment assessment of the Consolidated Entity's intangible assets is a Key Audit Matter due to: • The significance of the balance to the Consolidated Entity's financial position; and • The presence of impairment indicators and judgement required in assessing the value in use of the cash generating units ("CGU's") to which the intangible assets relate.	Our procedures included the following: • Assessed the Consolidated Entity's determination of CGU's; • Assessed management's value in use calculations including analysis of key assumptions and inputs such as discount rates and assessing the reasonableness of the forecasts prepared; and • Assessment of the appropriateness of the disclosures included in Note 11 to the financial report.
Convertible note As disclosed in Note 14 to the financial statements, the Consolidated Entity entered into executed definitive agreements receiving a total of $3,925,353 in funding. The convertible note is a key audit matter given the significant judgements involved in determining the carrying value of convertible note.	Our procedures included the following: • Review of the agreement to obtain an understanding of the underlying terms and conditions; • Held discussions with management regarding the arrangement of the transaction and noteholders' intention as to how the liability is to be settled;

Key Audit Matter	How our audit addressed the Key Audit Matter
	• Review management's accounting treatment is in accordance with applicable accounting standards; • Review the terms of the loans and assess whether the current/non-current classification is appropriate; and • Assessing the appropriateness of disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 1(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Zelira Therapeutics Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 28th day of August 2024
Perth, Western Australia

ASX Additional Information

Additional information as required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 21 August 2024.

Distribution of equity security holders (number of holders)

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares (ZLD)	7,528	642	90	91	18	8,369
Options – $17.50 22/10/25	-	-	-	2	-	2
Options – $26.25 22/10/25	-	2	1	2	-	5
Options – $35.00 22/10/25	-	-	-	1	-	1
Options – $43.75 22/10/25	-	2	1	2	-	5
Options – $49.00 22/10/25	-	-	-	1	-	1
Options – $52.50 22/10/25	-	2	1	3	-	6
Options - $1.15 24/11/26	-	-	-	1	-	1
Options - $4.00 24/11/27	-	-	1	9	-	10
Options - $6.00 24/11/27	-	-	1	9	-	10
Options - $8.00 24/11/27	-	-	1	9	-	10
Options - $10.00 24/11/27	-	-	1	9	-	10
Options - $1.15 24/11/27	-	-	1	9	-	10
Performance Rights Class B	-	-	-	16	-	16

There are 7,215 holders of shares holding less than a marketable parcel.

Quoted equity securities as at 21 August 2024

Equity Security	Quoted
Ordinary Shares	11,347,155

Voting rights

Ordinary shares carry one vote per share. There are no voting rights attached to the options in the Company.

Unquoted Securities as at 21 August 2024

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options[1]	29,144	$17.50	22/10/2025
Unquoted Options[2]	49,146	$26.25	22/10/2025
Unquoted Options[3]	17,715	$35.00	22/10/2025
Unquoted Options[4]	42,860	$43.75	22/10/2025
Unquoted Options[3]	17,715	$49.00	22/10/2025
Unquoted Options[5]	60,575	$52.50	22/10/2025
Unquoted Options[6]	95,000	$1.15	15/11/2026
Unquoted Options	230,000	$2.00	24/11/2027
Unquoted Options	230,000	$4.00	24/11/2027
Unquoted Options	230,000	$6.00	24/11/2027
Unquoted Options	230,000	$8.00	24/11/2027
Unquoted Options	230,000	$10.00	24/11/2027
Performance Rights Class B	2,179,267	Converted into shares subject to the cumulative revenues from US based products exceeding US$2,500,000 prior to 19 December 2024	

Persons holding more than 20% of a given class of unquoted securities as at 21 August 2024:

1. *61% held by Dr Meghan Thomas, 31% held by Mr Adewale Adewunmi*
2. *41% held by Mr Rahul Ganesan, 36% held by Dr Meghan Thomas*
3. *100% held by Dr Meghan Thomas*
4. *47% held by Mr Rahul Ganesan, 27% held by Mr Adewale Adewunmi*
5. *33% held by Mr Rahul Ganesan, 29% held by Dr Meghan Thomas, 19% held by Mr Adewale Adewunmi*
6. *100% held by Dr Donna Gentile O'Donnell*

Restricted equity securities as at 21 August 2024

There are no restricted securities under ASX restricted escrow.

Substantial shareholders as at 21 August 2024

The Company has been notified of the following substantial shareholdings:
Mr Malik Majeed

Twenty largest holders of quoted shares as at 21 August 2024

	Name	No. of Shares	%
1	MR MALIK MAJEED	1,134,644	10.00
2	QUINCY STREET CAPITAL LLC	456,622	4.02
3	OSAGIE IMASOGIE	393,168	3.46
3	MR ZOLTAN KEREKES	393,168	3.46
3	SHARRI J ROCHLIN <ROCHLIN FAMILY RESOURCE A/C>	393,168	3.46
6	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	383,725	3.38
7	MS LISA GRAY	381,988	3.37
8	MERA I LLC\C	332,479	2.93
9	MULLER CT PTY LTD <MULLER SUPER FUND A/C>	312,126	2.75
10	MR TORSTEN M GEERS <THE TORSTEN M GEERS LIVING A/C>	307,454	2.71
11	MR STEVE SHAPIRO	302,571	2.67
12	MARA GORDON	252,242	2.22
13	MR SAUL SHORR + MRS MARGARET SHORR	151,285	1.33
14	DR CHANDA LATRICE MACIAS	146,479	1.29
15	MERA II LLC\C	133,372	1.18
16	OLUDARE ODUMOSU	131,766	1.16
17	CITICORP NOMINEES PTY LIMITED	128,727	1.13
18	MR DANIEL HEXTER + MRS SHANNON HEXTER	103,389	0.91
19	GEERS EGAG LLC	85,715	0.76
20	CONNIE H KATZ + SAMUEL P KATZ	78,063	0.69
	TOTAL	6,002,151	52.88

Stock Exchange

The Company is listed on the Australian Securities Exchange and has been allocated the code “ZLD”. The “Home Exchange” is Perth. Securities are also listed on the US OTCQB market under the code “ZLDAF”.

Other information

Zelira Therapeutics Limited, is incorporated and domiciled in Australia, and is a publicly listed company limited by shares.

On-market buy-back

There is no current on-market buy-back.

Chairman

Osagie Imasogie

Managing Director

Dr Oludare Odumosu

Executive Director

Greg Blake

Non-Executive Directors

Tim Slate
Dr Donna Gentile O'Donnell

Company Secretary

Tim Slate

Principal & Registered Office

Level 3, 101 St Georges Terrace
Perth WA 6000
Australia
Telephone: +61 8 6558 0886
Facsimile: +61 8 6316 3337

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008
Australia

Share Register

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000
Australia
Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Securities Exchange Listing

Australian Securities Exchange (ASX) Code: ZLD
(Home Exchange: Perth, Western Australia)
OTCQB Venture Market (USA) Code: ZLDAF

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth WA 6000
Australia

Attorneys

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000
Australia

www.zeliratx.com

Corporate Governance Statement **www.zeliratx.com/corporate-governance**

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ZEL111 08-2024