

Zelira to form new partnership for a chronic pain study in retired athletes

17 June 2020

Upon the Heads of Agreement becoming binding:

- **Zelira will grant Levin Growing Pty Ltd a license to use a Zelira proprietary cannabinoid formulation in a chronic pain clinical trial aimed at the significant market for chronic pain treatment in retired athletes**
- **Levin will fund the trial with Zelira to design and manage the study**
- **Zelira will hold marketing rights for North & South America with Levin holding rights to all other world markets. Profits from the sale of any products to be developed will be shared equally between the two companies**
- **Expands and complements Zelira's strategic interests in chronic pain while maintaining focus on the global launch of its proprietary insomnia and HOPE™ products**

Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF), a global leader in the development of clinically validated cannabis medicines, is pleased to announce it has entered into a non-binding Heads of Agreement with Melbourne-based medical cannabis company Levin Growing Pty Ltd to form a partnership to develop a novel cannabinoid-based treatment for sports-related chronic pain experienced by retired professional and amateur athletes.

Studies show that retired athletes are more likely to suffer chronic pain and associated conditions such as depression and anxiety as a result of injuries and physical exertion over long periods of time. Medical cannabis may provide a safe and effective targeted treatment option for this large cohort although the clinical data is currently limited.

Zelira's partnership with Levin will seek to address this unmet need by undertaking a clinical trial, at Levin's expense, to assess the safety and efficacy of a proprietary cannabinoid formulation tailored for sports-related chronic pain. The proposed partnership will leverage Zelira's leading intellectual property portfolio and expertise in clinical trial design for medical cannabis, including chronic pain, along with

Levin's advisory team and network of retired professional athletes. This targeted approach provides an opportunity to build a leading international brand supported by clinical data that addresses a specific and widespread unmet medical need.

Levin Growing Pty Ltd ("Levin") is a privately-owned medical cannabis company, awarded a cultivation licence from the Australian Office of Drug Control in 2019. Levin is also developing the Levinol™ range of medical cannabis products, to be supported by clinical research programs providing patients and healthcare professionals with targeted, clinically validated treatment options.

Upon the Heads of Agreement becoming binding, Zelira will license a specific formulation to Levin to support the chronic pain clinical trial in retired athletes. Levin will fund the trial while Zelira will be responsible for designing and co-ordinating the study. Zelira will hold marketing rights for North and South America with Levin retaining rights to all other world markets. Profits will be shared equally between both companies. Negotiations will commence immediately to prepare a definitive and binding agreement, which will be conditional upon acceptance of the clinical trial design by both parties.

Matt Syme, Chairman of Levin said *"We are delighted to partner with Zelira, one of the world's leading clinical medical cannabis companies, to pursue effective treatment options for chronic pain in athletes. Levin's work with our advisory Board member and well-known sports administrator James Brayshaw has highlighted a number of retired professional athletes suffering chronic pain due to their athletic careers, and there is no doubt a much larger pool of amateur athletes as well. Zelira's clinical expertise and our joint focus on the medical science behind cannabis as a pain treatment provides hope for long overdue, non-addictive relief options to chronic, sports-related pain sufferers."*

Dr Richard Hopkins, Managing Director ex-US markets said *"Our partnership with Levin provides an exciting opportunity to expand and complement our strategic focus on developing novel cannabinoid-based therapies to treat chronic pain. It also supports the investment we have made in our intellectual property portfolio that is facilitating multiple licensing opportunities. The Levin partnership provides Zelira shareholders with a low risk strategy to gain access to a potentially large global market opportunity while preserving Zelira's immediate focus on launching its products for insomnia and autism."*

Zelira has made other advances in using its proprietary products, most notably opioid reduction for people suffering chronic pain. It is currently involved in an Opioid Reduction Study in collaboration with St Vincent's Hospital in Melbourne. It is undertaking a study to assess the safety and effectiveness of medical cannabis to reduce opioid dependence. Prescription opioids treating chronic pain are linked to serious side effects, which is a growing global crisis.

The Phase I pharmacokinetic trial is evaluating the safety and tolerability of whole plant extract following single and repeated doses in nine patients with chronic non-cancer pain on long-term opioid analgesia. Secondary outcomes include pharmacokinetics and the effects on pain, mood, sleep and opioid use over the duration of the study. The trial is fully enrolled. No serious adverse events have been reported to date. The company is due to provide a final report of this study this month.

DISCLOSURES:

The Company notes that Zelira Directors Jason Peterson & Harry Karelis are shareholder and option holders in Levin Growing Pty Ltd holding approximately 3.7% total shares on issue between them. However, neither Mr Peterson nor Mr Karelis individually or together control and are not directors of Levin Growing Pty Ltd. The Board of Zelira excluded Messrs. Peterson & Karelis from any discussions related to this agreement with Levin.

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

Richard Hopkins

Managing Director

About Zelira Therapeutics (www.zeliratx.com)

Zelira Therapeutics Ltd is a leading global therapeutic medical cannabis company with access to the world's largest and fastest growing cannabis markets. Zelira owns a portfolio of proprietary revenue generating products and a pipeline of candidates undergoing clinical development that are positioned to enter global markets from 2020. The company is focused on developing branded cannabis products for the treatment of a variety of medical conditions.

The Company is undertaking product development programs targeting specific conditions (e.g. HOPE™) and human clinical trial programs focused on insomnia, autism and opioid reduction in patients with chronic non-cancer pain.

The Company conducts this work in partnership with world-leading researchers and organizations including Complutense University in Madrid, Spain; Curtin University in Perth, Western Australia; the Telethon Kids Institute in Perth; the University of Western Australia, in Perth; St. Vincent's Hospital in Melbourne, Australia; and the Children's Hospital of Philadelphia (CHOP) in the United States.

The Company has developed two proprietary formulations (HOPE™) already launched and generating revenues in Pennsylvania, has laboratory capabilities to develop formulations in Pennsylvania and Louisiana with ability to conduct clinical trials and is establishing a national footprint across the US for the licensing of its products.

About Levin Growing Pty Ltd (www.levingrowing.com.au)

Levin is a Melbourne-based, privately held medical cannabis company that was awarded a cultivation licence from the Australian Office of Drug Control in April 2019. The Company is progressing development of its licenced facility for the cultivation of medical cannabis flower at its wholly owned property in Gippsland. It has off-take agreements in place with third parties to purchase cannabis biomass, positioning itself as a key player in the Australian supply chain.

In addition to its cultivation activities, Levin will be launching a range of Australian made medical cannabis products under the *Levino*™ brand in late 2020, leveraging relationships in place with GMP-certified pharmaceutical manufacturers and specialist distribution companies to ensure a rapid path to market.

In parallel, Levin will be launching its clinical trial activities targeting selected patient groups, to launch clinically validated medical cannabis-based products.

Levin's strong industry relationships and focus on clinically validated products position it to become one of Australia's leading medical cannabis organisations.

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