Appendix 4D

1. Company Details

Name of Entity

Zelira Therapeutics Limited		
ABN	Half year ended ("current period")	Half year ended ("previous period")
27 103 782 378	31 December 2024	31 December 2023

2. Results for announcement to the market

			AUD $
2.1 Revenues from ordinary activities	Down	99% to	655
2.2 Profit / (loss) from ordinary activities after tax attributable to members - 31 December 2023: loss of ($34,134,848)	Up	93% to	(2,410,639)
2.3 Net profit / (loss) for the period attributable to members - 31 December 2023: loss of ($34,134,848)	Up	93% to	(2,410,639)

2.4 Dividends	Amount per security	Franked amount per security
Interim dividend declared	N/A	N/A
2.5 Record date for determining entitlements to the dividend		N/A

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood

Business performance

Positive feedback from pre-IND meeting with the FDA for HOPE® program

In August 2024, Zelira received positive feedback and clear direction from the US Food and Drug Administration (FDA) in its official minutes for the pre-IND meeting held on 10 July 2024 for the HOPE® autism drug program.

Prior to the Pre-IND meeting, Zelira had already received clear and positive written responses from the FDA to its preliminary questions which provided essential clarity and reinforced the FDA's support for the direction the Company is taking with its HOPE® program.

The meeting focused on the design of the Investigative New Drug (IND) opening Phase 1 study in healthy volunteers, particularly on defining Zelira's target indication and patient population. The FDA offered valuable guidance on the study design, emphasising the importance of evaluating the safety and pharmacokinetic profile of the proposed doses of ZEL-HOP1.

As a result of these discussions, Zelira has clearly defined the study's target population and endpoints, specifically focusing on treating irritability in Phelan McDermid Syndrome comorbid with Autism Spectrum Disorder (ASD).

The meeting minutes received reinforced clarity regarding the next steps of Zelira's clinical development and represent a significant milestone towards the IND submission and the commencement of clinical trials, further advancing the HOPE® program.

These factors also mark a significant step forward in the development of treatments for irritability associated with ASD and ensures a solid foundation for further clinical development.

Leading patents secured for HOPE® 1 and HOPE® 2

In July 2024, Zelira achieved a significant milestone in its effort in treating ASD by securing patents for HOPE® 1 and HOPE® 2 formulations from IP Australia and the US Patent and Trademark Office. Receiving these patents also strengthens the Company's ongoing drug development and clinical validation initiatives.

Corporate

In July 2024, Zelira received US$1.4 million in working capital loan funds pursuant to the Loan Note from Chairman, Mr Osagie Imasogie. The Loan Note is considered to be on terms favourable to the Company, particularly considering current market and economic conditions. The funds were used to support the advancement of the HOPE® SPV clinical trial and general working capital purposes.

At the Annual General Meeting in November 2024, shareholders approved the conversion of the loan into a convertible note to replace the existing loan.

Refer to the attached Half-Year Financial Report for further information.

3. Net tangible assets per security	31 December 2024	31 December 2023
Net tangible asset backing per ordinary security	(0.754)	(0.233)

4. Details of entities over which control has been gained or lost

4.1. Control gained over entities

N/A

4.2. Control lost over entities

N/A

5. Dividends

Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:				
Current year	N/A	N/A	N/A	N/A
Previous year	N/A	N/A	N/A	N/A

6. Dividend reinvestment plans The dividend or distribution plans shown below are in operation. N/A	
The last date(s) for receipt of election notices for the dividend or distribution plans.	N/A

7. Details of associates and joint entities

N/A

8. Foreign entities

N/A

9. If the accounts are subject to audit dispute or qualification, details are described below.

N/A

Sign here: 

Date: 26 February 2025

Managing Director

Print Name: Dr Oludare Odumosu

2025 HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2024

ZELIRA THERAPEUTICS LIMITED

ABN 27 103 782 378

zelira® THERAPEUTICS

CONTENTS

4 Directors' Report

7 Auditor's Independence Declaration

8 Condensed Consolidated Statement of Comprehensive Income

9 Condensed Consolidated Statement of Financial Position

10 Condensed Consolidated Statement of Changes in Equity

11 Condensed Consolidated Statement of Cash Flows

12 Notes to the Condensed Consolidated Financial Statements

22 Directors' Declaration

23 Independent Auditor's Review Report

25 Corporate Directory

All announcements and financial reports are available on our website **www.zeliratx.com**

Your directors submit the financial report of the Group for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

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

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

Business performance

Positive feedback from pre-IND meeting with the FDA for HOPE® program

In August 2024, Zelira received positive feedback and clear direction from the US Food and Drug Administration (FDA) in its official minutes for the pre-IND meeting held on 10 July 2024 for the HOPE® autism drug program.

Prior to the Pre-IND meeting, Zelira had already received clear and positive written responses from the FDA to its preliminary questions which provided essential clarity and reinforced the FDA's support for the direction the Company is taking with its HOPE® program.

The meeting focused on the design of the Investigative New Drug (IND)-opening Phase 1 study in healthy volunteers, particularly on defining Zelira's target indication and patient population. The FDA offered valuable guidance on the study design, emphasising the importance of evaluating the safety and pharmacokinetic profile of the proposed doses of ZEL-HOP1.

As a result of these discussions, Zelira has clearly defined the study's target population and endpoints, specifically focusing on treating irritability in Phelan McDermid Syndrome comorbid with Autism Spectrum Disorder (ASD).

The meeting minutes received reinforced clarity regarding the next steps of Zelira's clinical development and represent a significant milestone towards the IND submission and the commencement of clinical trials, further advancing the HOPE® program.

These factors also mark a significant step forward in the development of treatments for irritability associated with ASD and ensures a solid foundation for further clinical development.

Leading patents secured for HOPE® 1 and HOPE® 2

In July 2024, Zelira achieved a significant milestone in its effort in treating ASD by securing patents for HOPE® 1 and HOPE® 2 formulations from IP Australia and the US Patent and Trademark Office. Receiving these patents also strengthens the Company's ongoing drug development and clinical validation initiatives.

Corporate

In July 2024, Zelira received US$1.4 million in working capital loan funds pursuant to the Loan Note from Chairman, Mr Osagie Imasogie. The Loan Note is considered to be on terms favourable to the Company, particularly considering current market and economic conditions. The funds were used to support the advancement of the HOPE® SPV clinical trial and general working capital purposes.

At the Annual General Meeting in November 2024, shareholders approved the conversion of the loan into a convertible note to replace the existing loan. The terms of the convertible note are detailed in Notes 8 and 9.

Post balance date events

In January 2025, Zelira received the fourth tranche of US$681,000 of the US$3.25 million funding for it to conduct FDA clinical trials for its proprietary and patent protected HOPE® 1 product. The receipt of this tranche of funding from the 2011 Forman Trust brings the total funds received via the SPV to US$3.25 million.

In February 2025, the Company announced the receipt of $1,153,000 cash refund under the Australian Federal Government's R&D Tax Incentive Scheme.

Other than the 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.

Review of operations

For the six months ended 31 December 2024, Zelira Therapeutics Limited ("Zelira" or "the Group") reported a net loss after tax attributable to the members of Zelira Therapeutics Limited of $2,484,341 (31 December 2023: $34,322,619).

About the business

Zelira is a leading global biopharmaceutical company in the research, development and commercialisation of clinically validated cannabinoid-based medicines. The Company owns a portfolio of proprietary revenue-generating products and a pipeline of candidates undergoing clinical development positioned to enter global markets. It 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 its proprietary and patent protected HOPE® 1. The Company has contributed to the SPV its HOPE® 1 product, IP and real-world data for 55% equity ownership. 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%. Zelira will manage the SPV as part of its business platform. The SPV has appointed iNGENū CRO Pty Ltd (iNGENū) as its Contract Research Organisation (CRO) to lead the clinical validation and regulatory registration of the study product with the US FDA through the submission of an IND application.

In May 2023, Zelira completed an Institutional Review Board-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 the Company's 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™. EDCDM solves the problem of non-uniformity and separation of cannabinoid from the 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 the 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).

Cash flow

The Group's cash at bank was $38,189 at 31 December 2024 (31 December 2023: $64,835)

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 7 and forms part of this directors' report for the half-year ended 31 December 2024.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

Dr Oludare Odumosu
Managing Director

26 February 2025

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 review of the financial statements of Zelira Therapeutics Limited and the entities it controlled for the half year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated this 26th day of February 2025
Perth, Western Australia

Condensed Consolidated Statement of Comprehensive Income

	Notes	31 December 2024 ($)	31 December 2023 ($)
Continuing operations			
Revenue	3	655	54,723
Cost of sales		(2,762)	(47,051)
Gross (loss)/profit		(2,107)	7,672
Other income		4,500	4,500
Compliance and regulatory expenses		(176,448)	(146,644)
Consultants and professional fees		(259,140)	(533,795)
Administration expenses		(237,606)	(210,082)
Director and employee expenses		(538,085)	(607,216)
Research and development		(1,411,852)	(1,243,637)
Commercialisation expenses		(8,752)	(19,858)
Share-based payments		1,241,544	(229,009)
Depreciation and amortisation		(150,100)	(276,474)
Impairment of goodwill		-	(30,747,083)
Impairment of inventory		-	(78,951)
Finance costs		(850,592)	(211,135)
Other expenses		(95,703)	(30,907)
Loss before income tax expense		**(2,484,341)**	**(34,322,619)**
Income tax expense		-	-
Net loss for the period		**(2,484,341)**	**(34,322,619)**
Loss attributable to minority interests		(73,702)	(187,771)
Loss attributable to members of the parent entity		(2,410,639)	(34,134,848)
		(2,484,341)	**(34,322,619)**
Other comprehensive income			
Exchange difference on translating foreign operations		(730,242)	(479,885)
Other comprehensive loss for the period, net of tax		**(730,242)**	**(479,885)**
Total comprehensive loss for the period		**(3,214,583)**	**(34,802,504)**
Loss attributable to minority interests		(73,702)	(187,771)
Loss attributable to members of the parent entity		(3,140,881)	(34,614,733)
		(3,214,583)	**(34,802,504)**
Basic loss per share (cents per share)	11	(21.89)	(302.48)
Diluted loss per share (cents per share)	11	(21.89)	(302.48)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

	Notes	31 December 2024 ($)	30 June 2024 ($)
Assets			
Current Assets			
Cash and cash equivalents		38,189	586,161
Trade and other receivables		198,186	308,234
Related party receivable		-	2,113,527
Inventories	4	1,332,759	1,252,311
Total Current Assets		1,569,134	4,260,233
Non-Current Assets			
Right-of-use assets	5	159,645	211,779
Other financial assets		45,702	43,457
Property, plant and equipment		31,365	13,429
Intangible assets	6	579,502	654,519
Total Non-Current Assets		816,214	923,184
Total Assets		**2,385,348**	**5,183,417**
Liabilities			
Current Liabilities			
Trade and other payables		4,061,228	3,407,452
Lease liabilities	7	149,404	146,063
Convertible notes	8	6,069,632	3,539,965
Total Current Liabilities		10,280,264	7,093,480
Non-Current Liabilities			
Lease liabilities	7	83,576	149,580
Loans	9	-	2,113,527
Total Non-Current Liabilities		83,576	2,263,107
Total Liabilities		10,363,840	9,356,587
Net (Deficiency)/Assets		**(7,978,492)**	**(4,173,170)**
Equity			
Issued capital	10	45,515,996	45,515,996
Reserves		29,829,205	31,305,248
Accumulated losses		(83,746,808)	(81,336,169)
Parent entity interest		(8,401,607)	(4,514,925)
Minority interest		423,115	341,755
Total Equity		**(7,978,492)**	**(4,173,170)**

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

	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 at 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 period	-	(34,134,848)	-	-	-	-	-	(34,134,848)	(187,771)	(34,322,619)
Other comprehensive income	-	-	(479,885)	-	-	-	-	(479,885)	-	(479,885)
Total comprehensive loss for the period	-	(34,134,848)	(479,885)	-	-	-	-	(34,614,733)	(187,771)	(34,802,504)
Transaction with minority interest	-	-		-	-	(69,461)	-	(69,461)	632,377	562,916
Share-based payments	-	-		83,097	145,912	-	-	229,009	-	229,009
Convertible notes issued	-	-		-	-	-	312,573	312,573	-	312,573
Balance at 31 December 2023	**45,515,996**	**(78,902,113)**	**(1,050,064)**	**27,537,661**	**2,421,468**	**1,823,939**	**312,573**	**(2,340,540)**	**354,334**	**(1,986,206)**
Balance at 1 July 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)**
Loss for the period	-	(2,410,639)	-	-	-	-	-	(2,410,639)	(73,702)	(2,484,341)
Other comprehensive income	-	-	(730,242)	-	-	-	-	(730,242)	-	(730,242)
Total comprehensive loss for the period	-	(2,410,639)	(730,242)	-	-	-	-	(3,140,881)	(73,702)	(3,214,583)
Transaction with minority interest	-	-	-	-	-	148,246	-	148,246	155,062	303,308
Share-based payments	-	-	-	(1,407,575)	166,031	-	-	(1,241,544)	-	(1,241,544)
Convertible notes issued	-	-	-	-	-	-	347,497	347,497	-	347,497
Balance at 31 December 2024	**45,515,996**	**(83,746,808)**	**(1,862,003)**	**25,743,088**	**2,781,263**	**2,043,696**	**1,123,161**	**(8,401,607)**	**423,115**	**(7,978,492)**

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

	31 December 2024 ($)	31 December 2023 ($)
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	17,683	141,236
Payments to suppliers and employees	(1,973,197)	(1,403,871)
Payments for research	(511,475)	(454,673)
Interest received	-	220
Interest paid	(165,086)	(15,262)
Net cash (used in) operating activities	(2,632,075)	(1,732,350)
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Proceeds from related party loan	2,098,007	-
Proceeds from issue of convertible notes	-	1,663,813
Net cash from financing activities	2,098,007	1,663,813
Net decrease in cash held	(534,068)	(68,537)
Effect of exchange rate fluctuations on cash held	(13,904)	(12,834)
Cash and cash equivalents at the beginning of the period	586,161	146,206
Cash and cash equivalents at the end of the period	**38,189**	**64,835**

The accompanying notes form part of these financial statements.

1. Statement of Material Accounting Policies

Statement of compliance

These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Zelira Therapeutics Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding half-year reporting period. The interim financial statements were authorised for issue on 26 February 2025.

Basis of preparation

The half-year report has been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Going Concern

The Group incurred a loss of $2,484,341 for the period ended 31 December 2024 and a net cash outflow from operating activities amounting to $2,632,075. 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.

In January 2025, Zelira received the fourth tranche of US$681,000 of the US$3.25 million funding for it to conduct FDA clinical trials for its proprietary and patent protected HOPE® 1 product. The receipt of this tranche of funding from the 2011 Forman Trust brings the total funds received via the SPV to US$3.25 million. Furthermore, in February 2025, Zelira received a $1,153,000 cash refund under the Federal Government's Research and Development Tax Incentive Scheme.

The Company has received confirmations from its directors and certain creditors that a total of $1,362,562 of its trade and other payables have been deferred and the director and creditors have undertaken not to demand cash payments from Zelira Therapeutics Limited and its controlled entities until it is in a financial position to settle those amounts owing without impacting the Group's ability to remain a going concern.

The Group continues to progress subsequent rounds of funding in the HOPE® 1 SPV in addition to reviewing alternative sources of funding for the Group.

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 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 these be unsuccessful, there may be a material uncertainty relating to the Group's ability to continue as a going concern.

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.

Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2024.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Segment Reporting

Identification of reportable operating segments

The Group 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.

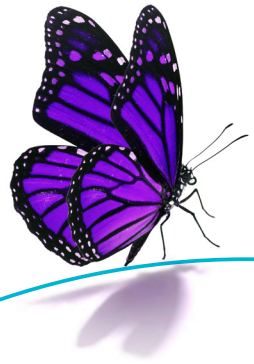
The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on a monthly basis.

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

The following tables present revenue and profit/loss information and certain asset and liability information regarding business segments for the half years ended 31 December 2024 and 31 December 2023 and the full year ending 30 June 2024.



2. Segment Reporting continued

31 December 2024	Australia ($)	USA ($)	Total ($)
Segment revenues	140	515	655
Segment loss before income tax expense	(49,362)	(2,434,979)	(2,484,341)
Segment assets	793,655	1,591,693	2,385,348
Segment liabilities	(2,778,346)	(7,585,494)	(10,363,840)
31 December 2023			
Segment revenues	40,612	14,111	54,723
Segment loss before income tax expense	(32,400,022)	(1,922,597)	(34,322,619)
30 June 2024			
Segment assets	2,992,308	2,191,109	5,183,417
Segment liabilities	(2,991,225)	(6,365,362)	(9,356,587)

3. Revenue

	Six months to 31 December 2024 ($)	Six months to 31 December 2023 ($)
Sale of goods	655	54,723
	655	54,723

Disaggregation of revenue

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

Sale of Zenivol® and HOPE® – Australia	140	40,412
Sale of Oralcare products – US	38	2,859
Other sales – US	477	11,652
	655	54,723

4. Inventories

	31 December 2024 ($)	30 June 2024 ($)
Raw materials	1,272,302	1,200,003
Work in progress	4,183	3,926
Finished goods	56,274	48,382
	1,332,759	1,252,311

5. Right-of-use Assets

Carrying value – Premises	31 December 2024($)	30 June 2024 ($)
Cost	789,299	748,324
Accumulated depreciation	(629,654)	(536,545)
Carrying value	159,645	211,779

Reconciliation - Premises	31 December 2024 ($)	30 June 2024 ($)
Opening balance	211,779	335,101
Depreciation expense	(61,915)	(124,638)
Foreign currency differences	9,781	1,316
Closing balance	159,645	211,779

6. Intangible Assets

Reconcilliation	Trademarks ($)	Favourable leases ($)	Goodwill ($)	Total ($)
Six months to 31 December 2024				
Opening balance	638,370	16,149	-	654,519
Amortisation expense	(58,868)	(16,149)	-	(75,017)
Closing balance	579,502	-	-	579,502
Year to 30 June 2024				
Opening balance	756,106	54,413	30,747,083	31,557,602
Amortisation expense	(117,736)	(38,264)	-	(156,000)
Impairment expense	-	-	(30,747,083)	(30,747,083)
Closing balance	638,370	16,149	-	654,519

7. Lease Liabilities

Carrying value		
	31 December 2024 ($)	30 June 2024 ($)
Current liabilities	149,404	146,063
Non-current liabilities	83,576	149,580
	232,980	295,643

Reconciliation - Premises		
	Six months to 31 December 2024 ($)	Year to 30 June 2024 ($)
Opening balance	295,643	437,902
Interest	9,039	25,017
Principal repayments	(88,742)	(171,607)
Foreign currency differences	17,040	4,331
Closing balance	232,980	295,643

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

	Lease payments due			
31 December 2024	< 1 year ($)	1 – 2 years ($)	2 – 5 years ($)	Total ($)
Lease payments	160,205	80,609	-	240,814
Interest	(10,801)	2,967	-	(7,834)
Net present value	149,404	83,576	-	232,980

8. Convertible Notes

	31 December 2024 ($)	30 June 2024 ($)
Opening balance	3,539,965	-
Conversion of Director loan to convertible note	2,113,527	-
Proceeds from issue of convertible notes	-	3,925,353
Equity portion on issue of convertible notes	(282,195)	(785,071)
Equity portion - unwound	410,608	437,820
Foreign currency differences	287,727	(38,137)
Closing balance	6,069,632	3,539,965

In August 2023, Zelira executed definitive agreements with the 2011 Forman Trust and Mr Malik Majeed, to raise a total of US$3.25 million funding for Zelira to initiate HOPE® FDA clinical trials (the 'SPV Convertible Notes'). The SPV Convertible Notes funds were received in the following four tranches:

- US$1,069,000 in August 2023
- US$819,000 in January 2024
- US$681,000 in May 2024
- US$681,000, subsequent to the end of the period in January 2025 bringing the total funds received via the SPV Convertible Notes to US$3.25 million.

8. Convertible Notes continued

The key terms of the SPV Convertible Notes are as follows:

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

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

The funds from the Loan Note were 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.

In November 2024, at the Annual General Meeting, shareholders approved the conversion of the Loan Note to a Convertible Loan Note with a USD$0.40 conversion price. This represented over a 100% premium to the closing price on 28 June 2024.

As the convertible notes can be converted to equity at any time, at the option of the holder, all convertible notes have been recognised as current in accordance with AASB 132 Financial Instruments: *Presentation*.

9. Loans

	31 December 2024 ($)	30 June 2023 ($)
Loan Note	-	2,113,527
	-	2,113,527

Refer to Note 8 for further details.

10. Issued Capital

Ordinary shares	31 December 2024 ($)	30 June 2024 ($)
Issued and fully paid	45,515,996	45,515,996

	Six months to 31 December 2024 (No.)	Year to 30 June 2024 (No.)	Six months to 31 December 2024 ($)	Year to 30 June 2024 ($)
Movements in ordinary shares on issue				
At start of period	11,347,155	11,347,155	45,515,996	45,515,996
Shares issued to sophisticated investors	-	-	-	-
At end of period	11,347,155	11,347,155	45,515,996	45,515,996

11. Loss Per Share

	31 December 2024 ($)	31 December 2023 ($)
(a) Loss used in the calculation of basic and dilutive loss per share	(2,484,341)	(34,322,619)
Basic loss per Share	**Number of Shares**	**Number of Shares**
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	11,347,155	11,347,155
Basic loss per share (cents per share)	(21.89)	(302.48)
Diluted loss per Share	**Number of Shares**	**Number of Shares**
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted loss per share	11,347,155	11,347,155
Diluted loss per share (cents per share)	(21.89)	(302.48)

The number of ordinary shares used in the calculated of Diluted Loss per Share is the same as the number used in the calculation of Basic Loss per Share in the period ending 31 December 2024 and the prior period ended 31 December 2023, as options and performance rights are not considered dilutive as a loss was incurred in both periods.

12. Share-Based Payments

(a) Unlisted Options (as at Balance date)

Set out below are the summaries of options granted as share based payments during the current period 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.

12. Share-Based Payments continued

(b) Valuation assumptionsons

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.

Performance rights

On 17 January 2025, the Company announced the lapse of the Class B Performance Rights as the conditions were not met. The terms of the Class B Performance Rights were that they would be converted to shares subject to the cumulative revenues from 1 July 2020 from US based products exceeding US$2,500,000 prior to 23 December 2024. As these conditions were not met, the amount previously recognised in the Performance Rights Reserve has been reversed to the Statement of Comprehensive Income.

13. 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.

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. The Directors consider that the carrying amounts of current receivables, loan receivable, other financial assets and current payables are considered to be a reasonable approximation of their fair values.

14. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

15. Related Party Transactions

There are no related party transactions requiring disclosure since the last annual reporting date.

16. Events Subsequent to Reporting Date

In January, Zelira received the fourth tranche of US$681,000 of the US$3.25 million funding for it to conduct FDA clinical trials for its proprietary and patent protected HOPE® 1 product. The receipt of this tranche of funding from the 2011 Forman Trust brings the total funds received via the SPV to US$3.25 million.

In February 2025, the Company announced the receipt of $1,153,000 cash refund under the Australian Federal Government's R&D Tax Incentive Scheme.

Other than the 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.

DIRECTORS' DECLARATION

In the opinion of the directors of Zelira Therapeutics Limited ('the Company'):

1. The attached condensed consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
    a. complying with Accounting Standard AASB 134: *Interim Financial* Reporting; and
    b. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the *Corporations Act 2001*.

Dr Oludare Odumosu
Managing Director

26 February 2025

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

Conclusion

We have reviewed the accompanying half-year financial report of Zelira Therapeutics Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zelira Therapeutics Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $2,484,341 during the half year ended 31 December 2024. As stated in Note 1, these events or conditions, along with ,other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 26th day of February 2025
Perth, Western Australia

Board of Directors

CHAIRMAN

Osagie Imasogie

MANAGING DIRECTOR

Dr Oludare Odumosu

NON-EXECUTIVE DIRECTORS

Tim Slate

Dr Donna Gentile O'Donnell

EXECUTIVE DIRECTOR

Greg Blake

COMPANY SECRETARY

Tim Slate

Principal & Registered Office

Level 3, 101 St Georges Terrace
Perth WA 6000

Telephone: (08) 6558 0886

Facsimile: (08) 6316 3337

Auditors

Hall Chadwick WA Audit Pty Ltd

283 Rockeby Road
Subiaco WA 6008

Share Register

Computershare Investor Services Pty Ltd

Level 17, 221 St Georges Terrace
Perth WA 6000

Telephone: (08) 9323 2000

Facsimile: (08) 9323 2033

Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: PERTH, Western Australia)

Code: ZLD

USA

OTCQB

Code: ZLDAF

Zelira Therapeutics
Level 3, 101 St Georges Terrace, Perth WA 6000
Phone +61 8 6558 0886

ZEL120 02-2025