



ASX Release

15 October 2019

Investor Teleconference 10:30am AEDT Wednesday 16 October

You are invited to participate. Hosted by Zelda MD Richard Hopkins & Osagie Imasogie, Chairman of Ilera Therapeutics

Conference ID: 10002468

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USA/Canada Toll Free: 1855 624 0077

UK Toll free: 0800 0511 453

See end of announcement for further country dial ins

Zelira Transaction Investor Teleconference and Q&A

In light of active recent investor enquiries Zelda Therapeutics Limited (ASX:ZLD, OTCQB:ZLDAF) will host an investor teleconference tomorrow at 10:30AEDT and submits the Question and Answer outline below to ensure investors can access as much information as needed about the proposed transaction between Ilera Therapeutics and Zelda Therapeutics, which post-merger plans to be named Zelira Therapeutics.

In what ways does the Zelira transaction represent great value for Zelda Shareholders?

- Provides an operational footprint in the US. Combines with Zelda's ability to access markets ex-US thereby providing access to global markets for Zelira
- Provides access to revenue generating HOPE™ branded products, which are ready to launch across the US (ex-Pennsylvania) and into global markets
- A pipeline of products for sleep, pain, calmness and anxiety, and dermatology that will be marketed globally in 2020 generating near-term revenues from multiple sources
- Access to a confidential clinical trial strategy to disrupt existing pharmaceutical markets for pain and inflammation, which will attract a significant premium when positioned in the context of the current US insurance/reimbursement market
- Access to an experienced US-based management team with a successful track record in the cannabis and pharmaceutical sectors
- Provides access to US Capital markets and investors.

Why is the US-focus so important?

- With about four million registered patients, the US is the world's largest market for medicinal cannabis. This is 160 times larger than the Australian cannabis market so has the potential to generate substantially larger revenues to complement our current focus on ex-US markets
- Ilera Therapeutics has partnerships with Ilera Healthcare (and TerrAcend – the multi-state operator that recently acquired Ilera Healthcare) and Ilera Holistic that further facilitates access to North American markets
- Zelira will seek to license its intellectual property, clinical data and proprietary formulations targeting multi-state operators across the US. This strategy represents a unique 'virtual distribution' model that overcomes US federal restrictions on moving physical cannabis products across state lines

- Merger provides access to Ilera's US-based team that has a successful track-record in building shareholder value via transactions and licensing deals across the cannabis and pharmaceutical sectors

Why not wait until the results from the insomnia and opioid sparing trials?

- Zelda's goal is to immediately commercialise any positive outcome from the insomnia trial in markets such as Australia, Germany and the UK (ex-USA) where Zelda has already established strong distribution channels
- Commercialisation in the US/North America, in the absence of a merger, would require substantial time and capital to put similar capabilities in-place. There is major risk that the value of any positive news-flow from a positive outcome to the insomnia trial would be lost due to delays delivering on this strategy
- The Ilera acquisition provides immediate access to an experienced US-based management team, led by Osagie Imasogie, Lisa Gray and Dr Oludare Odumosu, that can rapidly commercialise the outcome from our insomnia trial
- Delaying the Ilera transaction until after the insomnia trial also assumes the value of Ilera Therapeutics would remain a stand-still business, which it won't. Given their track-record of rapid commercialisation (eg. Ilera Healthcare), their ability to generate revenues and their profile in the US, the Zelda board believes delaying the transaction would represent a material risk to Zelda shareholders
- In terms of the opioid sparing trial, Zelda doesn't expect to be able to commercialise the outcome from these efforts until completion of the Phase 2 study next year. The ability to deploy Ilera's 'Launch, Learn and Develop' market strategy should provide access to early revenues, help build consumer brand recognition and generate data that will help inform the design of the Phase 2 clinical trial

Can you expand on the dermatology subsidiary?

The dermatology subsidiary:

- Dermatology is one of the fastest growing sectors for medicinal cannabis
- Provides a rapid path to market for Zelira's proprietary topical formulations
- Provides access to Dr Karyn Grossman, a world-renowned dermatologist with a track-record in product development
- Dr Grossman's high profile in the US provides a unique opportunity to establish and market a new Zelira dermatology brand
- The Australian market has already seen the large value created by other dermatology-focused cannabimol publicly traded companies that have no revenue but have shown positive phase 2 results. In the case of Zelira's unique "Launch, Learn and Develop" strategy, the company will be generating revenue from its dermatology products while simultaneously developing additional clinical and patient observational data

What does 'Launch, Learn and Develop' refer to?

This is a unique strategy developed by Ilera Therapeutics that enables the company quick access to the market with revenue generating products within the US States in which cannabis is legalised for medicinal purposes, while simultaneously continuing clinical and patient observational work by learning from the experiences of patients that are already using and paying for the products. This learning process then allows Ilera to be better informed on the design and execution of its clinical and patient observational studies. These immediate revenue generating products will then be subsequently supplanted and enhanced with information, data and sometimes new formulations, which come out of the clinical and observational studies.

What is the HOPE™ brand of products?

Ilera Therapeutics has all rights to HOPE™ in markets outside of Pennsylvania and has plans to market these and other proprietary products across the US and into global markets. Within months of HOPE™ being launched in Pennsylvania it became one of the highest revenue generating products for Ilera Healthcare. The products have been well received by the patient community. In addition, Ilera Healthcare has received several spontaneous testimonials from patients and their families regarding the positive effects they have experienced. We expect HOPE™ to have similar positive results, both with regards to patients and economically, in other States and in ex-US markets, as it continues to have in Pennsylvania.

Can you expand on the other products/trials in the Ilera portfolio?

Ilera is developing additional products using its “Launch, Learn and Develop” strategy. These products are targeting pain, GI related conditions and neurological conditions. Zelira expects 1-2 of these products to be launched in 2020 into both our US network and our ex-USA network and generate revenues for the company.

Will the merger help catalyse US-investor/capital markets interest in Zelira?

Yes, we expect so.

The merger will enable more ready access to US-investors/capital markets and to better leverage a dual OTC listing. Longer term, Zelda can consider listing on exchanges such as the NASDAQ as our licensing strategy does not ‘touch the plant’.

Will Mara Gordon be associated with Zelira post-merger?

Yes, we’re delighted to confirm that Mara will be joining our world-class advisory team post-merger.

Further country dial ins:

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Tim Slate, Company Secretary

About Zelda Therapeutics (www.zeldatherapeutics.com)

Zelda Therapeutics Ltd is an Australian-based bio-pharmaceutical company developing proprietary cannabinoid formulations to treat a variety of medical conditions. The Company is undertaking:

- **Human clinical trials** focused on insomnia, autism and opioid reduction with activities in Australia and the USA.
- **Preclinical research** to examine the effect of cannabinoids in breast, brain and pancreatic cancer and also diabetes-associated cognitive decline.

The company conducts this work in partnership with world-leading researchers and organisations 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

Zelda has also formed strategic partnerships with HAPA Medical BV, to access their EU-GMP grade manufacturing capabilities and their German distribution networks and Ilera Healthcare, a vertically integrated cannabis company with operations in Philadelphia and Louisiana. Together these partnerships provide access to over 110,000 registered medicinal cannabis patients globally for clinically validated Zelda products.

About Ilera Therapeutics LLC

Ilera Therapeutics LLC is a US-based company established by a team of experienced executives in the global biopharmaceutical sector. The Company is based in Pennsylvania and engaged in the development and formulation of proprietary, branded cannabis products and cannabinoids science focused on targeted medical and other indications.

The Company generates revenue from its two proprietary formulations (HOPE) already launched in PA, has lab 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. The company also has a partnership with Ethicann for the development of a proprietary product, CAN-001, which is being developed for the treatment of chemotherapy-induced nausea and vomiting (CINV), which occurs in approximately 80% of the new 23.6 million cases of cancer annually worldwide. The global market for treating CINV with THC is estimated by Ethicann at USD \$2.66 billion.

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Options

80,596,667