

ZELDA THERAPEUTICS LTD
2019 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS



Dear Shareholders

I am delighted to welcome you to the 2019 Annual General Meeting for Zelda Therapeutics. This year has seen the company achieve a number of very important milestones as we strive to maintain our early mover advantage in the global medicinal cannabis sector. We have expanded our management team, progressed our clinical trial pipeline, continued to build our intellectual property portfolio and most recently entered into an arrangement whereby the company will merge with US-based Ilera Therapeutics. More on this later.

Globally, the sector has witnessed rapid change with numerous countries implementing legal frameworks for patients to access medicinal cannabis for a variety of conditions. Whilst this patient-led movement is opening up markets, the rate-limiting step remains the healthcare professionals who have little knowledge of the endocannabinoid system and the therapeutic effect of medicinal cannabis formulations inside the body. The medical community is justifiably looking for clinical-based evidence of the efficacy of medicinal cannabis and guidance as to appropriate dosage and information around adverse events and drug-drug interactions. This is precisely the reason why we founded Zelda as we could see that clinical data will be a very critical piece of the puzzle in terms of gaining broad acceptance from the medical community.

In markets such as Canada and many states within the USA, the legalisation of cannabis has largely been driven by the recreational segment of the market. I must stress that consuming cookies with cannabis as an ingredient is not medicine. Neither is beer, gummy bears, vapes or cannabis infused pasta sauce. It is no wonder that the medical community remains sceptical. It is Zelda's job to generate robust clinical data to clearly demonstrate that cannabis plays a role in the treatment of certain conditions. Our broad focus is on a range of inter-related conditions including insomnia, chronic pain, anxiety, depression and autism.

The internet is awash with miracle stories and there is little doubt that for certain conditions, medicinal cannabis can have a positive effect. However, there have been very few clinical studies that standardise the medicine being provided and control over dosage and run to "gold standard" levels. That is, a randomised, placebo-controlled, double-blinded, cross-over trial. Without getting too technical, this approach is generally accepted as best practice in determining whether a medicine actually works. Zelda is focused on running these types of trials with world-class clinicians so there can be little doubt around any results generated.

The ability to then take these clinically validated formulations into the market via an unregistered pharmaceutical pathway provides Zelda with a significant competitive advantage in what is a crowded and somewhat generic market place.

When I and my colleagues co-founded Zelda in 2015 we were firmly focused on a rapid path to commercialisation and next year should see Zelda achieve maiden revenues – a fantastic achievement to go from healthcare start-up to global revenues within five years.

None of this could have been possible without the combined efforts, networks and experiences of my co-founders and directors. I would like to make specific mention of Mara Gordon who is a true pioneer of the medical cannabis sector and frequently recognised as one of the most influential people in the industry. Mara saw early on the importance of a medical approach to treating patients and she has maintained her integrity in this regard despite being surrounded by multiple opportunities in the recreational segment available in North America. As part of the proposed merger with Ilera Therapeutics that we will be asked to consider and vote upon later in this meeting, Mara will be transitioning from the Board of Directors to a role on our Medical Advisory Board. We welcome the ongoing link with Mara. I would also like to acknowledge Dr Stewart Washer who will also be retiring from the Board as part of the merger with Ilera.

Subject to the merger being approved, this will also be my last AGM as Chairman as I step down to a Deputy Chair position. We will be in very capable hands with Mr. Osagie Imasogie taking up the reins.

Osagie and his co-founders at Ilera, Ms. Lisa Gray and Dr. Oludare Odumosu, have exceptional track records in identifying opportunities in the healthcare sector. Their most recent success was the founding and exiting of Ilera Healthcare (not to be confused with Ilera Therapeutics) which went from concept to exit in less than 24 months. Importantly, there is some history between Osagie & Lisa and the Australian healthcare sector where they have been involved in a number of success stories – identifying the opportunity early, taking the company into the USA and creating significant value. This cultural connection is an important attraction of the proposed merger given their experience and understanding of Australian business culture. We are genuinely excited at the synergies the merger brings and clearly establishes Zelda – or rather the to be re-named Zelira Therapeutics – as a genuine global player in the pharmaceutical-grade medicinal cannabis sector.

Finally, I would like to thank my colleagues on the Board and our core staff of Richard, Meghan and Deb who are working hard on your behalf.

Thank you for your support and I am very much looking forward to achieving key value creating milestones over the next 12 months for the benefit of all shareholders.

Harry Karelis
Chairman