

ASX Release

SUDA PHARMACEUTICALS LTD: APPENDIX 4C FOR SECOND QUARTER FY2018

PERTH, AUSTRALIA – 31 January 2018: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oro-mucosal drug delivery, today released its Appendix 4C for the consolidated Group for the second quarter of FY2018.

Receipts from customers for the period were \$1.8 million, a decrease of 3% on the corresponding quarter in FY2017. For the six months to 31 December 2017, receipts grew 15% to \$4.0 million compared to the corresponding period of last year.

Net cash used in operating activities was \$0.6 million for the second quarter and the net cash position as at 31 December 2017 was \$0.6 million.

SUDA's subsidiary company, Westcoast Surgical & Medical Supplies, has continued to benefit from the new contracts awarded in the 2017 financial year, including the supply of medical products to oil rigs, ships, custom vessels and floatels.

In the second quarter, SUDA made good progress in its core activities. Teva Pharmaceuticals, one of SUDA's licensees of ZolpiMist™ for insomnia, submitted the first Marketing Authorisation Application for the novel oral spray. The regulatory review process is expected to take 12 months with approval of ZolpiMist anticipated in Q4 2018. Under the terms of the agreement with Teva, the approval of ZolpiMist triggers a milestone payment to SUDA.

The Therapeutic Goods Administration (TGA) has provided initial feedback and questions as part of its review of ArTiMist®, SUDA's anti-malarial sublingual spray. We have received positive reviews of the Clinical, Non-Clinical and Pharmacokinetic sections of the Marketing Authorisation Application. The outstanding questions relating to the Chemistry Manufacturing and Control section of the file are currently being addressed.

SUDA also exercised its option to acquire the global intellectual property relating to anagrelide, an anti-thrombotic agent, that has recently shown promise as a novel anti-cancer agent. The acquisition completed earlier this month. Anagrelide has the potential to be developed as an effective anti-cancer agent but is fundamentally limited in its current formulation by cardio-stimulatory side-effects. An oro-mucosal spray formulation of anagrelide could minimise these side-effects by avoiding first-pass generation of a highly potent cardio-excitatory metabolite of the drug in the liver.

On 28 November 2017, SUDA announced the appointment of David Phillips as an Advisor to the Board. David has spent over 30 years in the global healthcare industry including 14 years in sales and marketing with Glaxo Wellcome, Cephalon Inc, Oxford Molecular Group Plc, and latterly eight years with SR One (GSK's Corporate Venture Fund).

SUDA's CEO, Mr Stephen Carter, commented: "It has been a good quarter for SUDA with several milestones achieved. In addition, we are working towards multiple potential partnering deals this year as well as managing our existing alliance partners. However, we are conscious of our cash position and are evaluating several opportunities that focus on non-dilutive funding to strengthen the balance sheet."



Further information:

STEPHEN CARTER

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

SUDA Pharmaceuticals Ltd

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NOTES TO EDITORS:

About SUDA Pharmaceuticals Ltd

SUDA Pharmaceuticals Ltd (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing low-risk oral sprays using its OroMist® technology to reformulate existing pharmaceuticals. The many potential benefits of administering drugs through the oral mucosa (i.e.: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist™, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist is marketed in the USA and SUDA has rights to the product outside of the US and Canada. SUDA has submitted a Marketing Authorisation Application to the Australian Therapeutic Goods Administration for ArTiMist®, its novel sublingual malaria treatment for children. In a Phase III trial, ArTiMist was shown to be superior to intravenous quinine. Other products in development include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction, PAH, epileptic seizures and pre-procedural anxiety. For more information, visit www.sudapharma.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

Suda Pharmaceuticals Ltd

ABN

35 090 987 250

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,840	3,989
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,380)	(2,644)
(c) advertising and marketing	-	-
(d) leased assets	(6)	(11)
(e) staff costs	(573)	(1,051)
(f) administration and corporate costs	(1,097)	(1,845)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(46)	(46)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	663	663
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(598)	(943)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(26)	(34)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	(181)	(368)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(207)	(402)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	200
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	200

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,430	1,770
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(598)	(943)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(207)	(402)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	200
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	625	625

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	625	1,430
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	625	1,430

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	228
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (Convertible Notes)	2,002	2,002
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Company had on issue 2,002,500 secured convertible notes with a face value of \$1 each. The interest rate was 8% pa, the maturity date is 31 March 2019 and conversion price is \$0.0238.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	920
9.3 Advertising and marketing	-
9.4 Leased assets	4
9.5 Staff costs	460
9.6 Administration and corporate costs	800
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,184

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31 January 2018.....

Print name:Stephen Carter.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.