

ASX Release

SUDA ANNOUNCES DIVESTMENT OF NON-CORE WESTCOAST SUBSIDIARY

PERTH, AUSTRALIA – 27 February 2018: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oro-mucosal drug delivery, today announced that it has entered into a share sale and purchase agreement with Medical Sales & Service Pty Ltd pursuant to which Medical Sales & Service will acquire all of the shares of SUDA's wholly-owned subsidiary, Westcoast Surgical & Medical Supplies (Westcoast).

Based in Perth, Western Australia, Medical Sales & Service is a major medical distributor in the WA healthcare market and a subsidiary of Device Technologies Australia Pty Ltd.

SUDA conducted a comprehensive divestment initiative after receiving an informal offer for Westcoast. The initiative included approaching both strategic and financial parties who could potentially be interested in a profitable medical supplies business.

Subject to all conditions precedent being satisfied, settlement is anticipated in early March 2018. The settlement amount is subject to a stocktake and conditions being satisfied.

The proceeds strengthen SUDA's working capital and will be used to support the further development of its OroMist technology and project pipeline and allow SUDA to focus on its core business of oro-mucosal drug delivery.

SUDA's CEO, Mr Stephen Carter, commented: "We decided to divest our subsidiary, Westcoast, to a strategic acquirer in the medical supplies field both to focus on our core activities and also to strengthen our cash position. We are confident that Medical Sales & Service will successfully integrate Westcoast with its existing operations. With additional capital, SUDA can continue to build and grow its pharmaceutical business utilising our unique oro-mucosal drug delivery technology."



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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

About Westcoast Surgical & Medical Supplies

Westcoast Surgical & Medical Supplies (Westcoast) is a sales and logistics organisation distributing healthcare consumables and capital equipment, primarily in the West Australian marketplace. SUDA acquired the business in 2006. Westcoast operates as a distributor in a standard industry model and services the hospital, aged care, resources and diverse allied health areas amongst others. For more information, visit www.westcoastsurgical.com.au

About Medical Sales & Service

Medical Sales & Service is a nationally recognized and respected organisation and an integral player in the WA healthcare market. It has grown to become one of the largest privately owned local medical distributors and service providers to public and private Hospitals, Day Surgeries, Emergency Services and Aged Care Facilities. The company represents a large range of consumable and capital items used commonly throughout hospitals and day surgeries. For more information, visit www.medsales.com.au