

ASX Release

Appendix 4C, Market Update and Top 20

PERTH, AUSTRALIA – 29 October 2018: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oromucosal drug delivery, today released its Appendix 4C for the consolidated Group for the first quarter of FY2019, and has provided a market update and a list of the top 20 shareholders.

During the quarter, the Company raised a gross amount of \$6,120,709 via a renounceable rights issue and, as the rights issue was heavily oversubscribed, the Company raised a further \$668,376 via an additional placement.

During the quarter, the proceeds of the capital raising were, as outlined in the prospectus, used to:

- i. redeem the convertible notes on issue, together with interest and a redemption premium totalling \$2,156,025;
- ii. pay the initial instalment of €520,000 (approximately A\$870,000) to the receiver in settlement of the HC Berlin Pharma matter; and
- iii. pay other creditors and repay the interim funding.

Other activities during the quarter included the initial payment to a Perth-based Contract Manufacturer Organisation to allow for local manufacturing of SUDA's products.

Following David Phillips taking on an interim role as CBO, David has been able to continue and reactivate several discussions in relation to SUDA's pipeline of projects. Also, the Company increased its focus on the US market and has recruited a US-based Vice President, Business Development and Alliance Management to drive activities in the world's largest market.

Other developments by project in the quarter include:

Anagrelide (a new approach to the treatment for cancer)

During the quarter, the Company expanded its Scientific Advisory Board with the appointment of Professor Stephen Watson. SUDA's scientists have managed to increase the solubility of anagrelide by a factor of 60-fold allowing SUDA to achieve potentially therapeutic doses with its OroMist® spray technology.

Anagrelide is a priority project for Suda with the initial development stage of the anagrelide project well underway and, in October, the Company employed a further dedicated formulation chemist for the development of anagrelide and other new projects.

Midazolam

SUDA scientists are in the process of the optimisation of our Midazolam project using our proprietary hydrotrope technology. We have had a significant number of queries regarding our Midazolam Oral spray and SUDA has made this a priority project. Based on current progress we hope to carry out our first-in-man proof of concept studies in the 2nd and 3rd quarters of FY2019.

Cannabis projects

The Company has been continuing negotiations with potential co-development partners with regard the development of a novel oral cannabinoid spray and is aiming to complete a deal in the current quarter.

ZolpiMist

The Company is continuing discussions for licensing deals for the ASEAN region which it expects to complete in the current quarter.

The Company is working with its regulatory advisers and intends to submit an application to the Therapeutics Goods Administration in early 2019 for market authorisation for Australia.

Sumatriptan

The Company is continuing multiple negotiations for its Sumatriptan project which may include the Company's hydrotrope technology and, as announced in August, expects to be in a position to update the market on the progress of these negotiations in Q2 FY2019.

ArTiMist

The Company has been continuing discussions with interested parties.

Other opportunities

SUDA has seen an increasing number of new incoming contacts over the past 3 months for existing projects as well as new opportunities. The management team are working on various discussions that are at different stages of completion with potential partners for co-development of new projects.

Given the high activity in SUDA shares, the Company has attached an up-to-date copy of the Top 20 Shareholders as at close of trade on 26 October 2018.



Further information:

STEPHEN CARTER

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

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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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	33	33
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(296)	(296)
(f) administration and corporate costs	(567)	(567)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(161)	(161)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (initial instalment in settlement of HC Berlin Pharma matter)	(873)	(873)
1.9 Net cash from / (used in) operating activities	(1,861)	(1,861)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) investments	-	-
(d) intellectual property	(250)	(250)
(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	(254)	(254)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	6,789	6,789
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(199)	(199)
3.5 Proceeds from borrowings	140	140
3.6 Repayment of borrowings	(2,142)	(2,142)
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	4,588	4,588

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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	98	98
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,861)	(1,861)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(254)	(254)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,588	4,588
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,571	2,571

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	571	98
5.2 Call deposits	2,000	-
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)	2,571	98

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

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

Current quarter \$A'000
138,750
-

Salaries and director fees paid for the current quarter.
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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

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8. Financing facilities available

Add notes as necessary for an understanding of the position

**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)

-

-

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.

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

-

9.2 Product manufacturing and operating costs

-

9.3 Advertising and marketing

-

9.4 Leased assets

-

9.5 Staff costs

(270)

9.6 Administration and corporate costs

(260)

9.7 Other (provide details if material)

-

9.8 Total estimated cash outflows

(530)

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: Date: 29 October 2018.....
(Director/Company secretary)

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.
4. On 26 July 2018, the Company completed a renounceable rights issue offered on a one for one basis at 0.5 cents per share to raise \$6.12 million with one free attaching listed option (exercise price of \$0.015 and expiry date of 31 July 2020) for every two new shares subscribed for. Following an oversubscription for the rights issue, the Company issued a further 133.7m shares plus attaching options to raise an additional \$0.67 million via a placement. The gross cash raised was \$6.79 million. As part of the rights issue, the Company redeemed all convertible notes (\$2 million) plus interest and a redemption premium of \$0.15m which is included in item 1.5 in cash flows from operating activities.

Top 20 Shareholders as at 26 October 2018.

Rank	Holder Name	Number of Shares	% Held
1	KAMALA HOLDINGS PTY LTD	82,300,000	3.19
2	ZERRIN INVESTMENTS PTY LTD	55,958,891	2.17
3	SCINTILLA STRATEGIC INVESTMENTS LIMITED	50,000,000	1.94
4	MR THOMAS MCGELLIN + MS TANYA KARAL	48,814,323	1.89
5	CHELSEA INVESTMENTS (WA) PTY LTD	39,320,698	1.52
6	BAMBER INVESTMENTS PTY LTD	43,446,552	1.69
7	MR JAMES BRADLEY RICHARDSON	30,145,086	1.17
8	ONICAS INVESTMENTS PTY LTD	30,000,000	1.16
9	MR PETER NORMAN DUNN	30,000,000	1.16
10	BANLAN PTY LTD	29,127,469	1.13
11	TERMCO PTY LTD	28,953,333	1.12
12	BILL BROOKS PTY LTD	27,181,261	1.05
13	J P MORGAN NOMINEES AUSTRALIA LIMITED	25,939,922	1.00
14	MR STEVE JOHN WICKS	25,280,364	0.98
15	MS GIOVANNA LINA GAN	25,000,000	0.97
16	MR BIN LIU	24,095,205	0.93
17	RICHARD PARRY	21,533,333	0.83
18	WERINGA NOMINEES PTY LTD	21,150,000	0.82
19	UBS NOMINEES PTY LTD	20,931,820	0.81
20	PETO PTY LTD	20,880,000	0.81
Total held by top 20 shareholders		680,058,257	26.34