

ASX Release

SUDA LTD: APPENDIX 4C FOR SECOND QUARTER FY2016

PERTH, AUSTRALIA – 29 January 2016: SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, today released its Appendix 4C for the consolidated Group for the second quarter of FY2016. Receipts from customers for the period were \$1.5 million, a quarter-on-quarter increase of 15%. The net operating cash loss for the second quarter was \$0.8 million, compared to \$0.6 million in the first quarter. The cash position as at 31 December 2015 was \$3.4 million.

On 30 September 2015, \$1,625,000 convertible notes matured, of which \$920,000 were redeemed and \$705,000 were rolled over for a further 18 months. In addition, the company issued \$1,025,000 in new convertible notes with a maturity date of 31 March 2017, as announced on the 9th and 21st October and the Appendix 3B was released on 18th December 2015.

SUDA's CEO, Mr Stephen Carter, commented: "We made good progress in the second quarter of FY2016. We expanded our territorial rights to ZolpiMist® for insomnia under an amended agreement with Amherst; the US Patent and Trademark Office allowed our first patent application for SUD-003 and SUD-004; and we had a positive reception from philanthropic funds that are interested in supporting an expansion of the use of ArTiMist™ to treating paediatric malaria in the pre-referral setting."

"We have started the new year with real momentum in our partnering discussions. Our cash position remains robust and we are well positioned to deliver on our goals in 2016."



Further information:
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NOTES TO EDITORS:

About SUDA LTD

SUDA 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 (ie: 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 Americas and South Africa. SUDA's most advanced development-stage product, ArTiMist™, is a 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 and pre-procedural anxiety. For more information, visit www.sudaltd.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

SUDA LTD

ABN

35 090 987 250

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date 6 Months
	\$A'000	\$A'000
1.1 Receipts from customers	1,468	2,740
1.2 Payments for (a) staff costs	(415)	(873)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	(2)	(4)
(e) other working capital	(1,812)	(3,151)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	32
1.5 Interest and other costs of finance paid	-	(106)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(757)	(1,362)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter	Year to date
		\$A'000	6 Months \$A'000
1.8	Net operating cash flows (carried forward)	(757)	(1,362)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	(647)
	(c) intellectual property	(133)	(887)
	(d) physical non-current assets	(41)	(43)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	14	14
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
Net investing cash flows		(160)	(1,563)
1.14	Total operating and investing cash flows	(917)	(2,925)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	1,025	1,025
1.18	Repayment of borrowings	(920)	(920)
1.19	Dividends paid	-	-
1.20	Other (capital raising fees)	(36)	(36)
Net financing cash flows		69	69
Net increase (decrease) in cash held		(848)	(2,856)
1.21	Cash at beginning of quarter/year to date	4,244	6,252
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	3,396	3,396

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	145
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

Payment of Salary and Directors' Fees for the quarter ended 31 st December 2015
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,346	494
4.2 Deposits at call	2,050	3,750
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	3,396	4,244

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 29 January 2016

Print name:

Managing Director
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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
4. On 30 September 2015, \$1,625,000 convertible notes matured, of which \$920,000 were redeemed and \$705,000 were rolled over for a further 18 months. In addition, the company issued \$1,025,000 in new convertible notes with a maturity date of 31 March 2017, as announced on the 9th and 21st October and the Appendix 3B was released on 18th December 2015.