

# ASX Release

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## **SUDA LTD: APPENDIX 4C FOR FOURTH QUARTER FY2017**

**PERTH, AUSTRALIA – 27 July 2017:** SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, today released its Appendix 4C for the consolidated Group for the fourth quarter of FY2017.

Receipts from customers for the period were \$1.8 million, an increase of 21% on the corresponding quarter in FY2016.

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

The fourth quarter receipts were also boosted by a payment from Pfizer Consumer Healthcare in relation to the feasibility and option agreement signed in April 2017. Under the terms of this agreement, SUDA was paid to formulate two widely-used OTC molecules into oro-mucosal sprays. Pfizer has an option to negotiate with SUDA for a global commercial licence to these oral sprays.

Operating costs in the three-month period were \$1.3 million, a decrease of approximately 18% from the third quarter. Overall for the period, net cash outflow from operating activities was \$0.4 million. The cash position as at 30 June 2017 was \$1.8 million.

In the fourth quarter, SUDA received net cash from financing activities of \$1.5 million from an over-subscribed placement as announced on 7 April 2017. The Company also rolled over the majority of its Convertible Notes and received commitments for additional Convertible Note funding as announced on 3 April 2017.

Following the end of the period, the Company entered into a licence and supply agreement with Teva Pharmaceuticals for SUDA's novel ZolpiMist™ oral spray of zolpidem tartrate to treat insomnia in multiple countries. Under the terms of the agreement, SUDA receives an upfront payment of US\$300,000 (approx. A\$400,000) and is entitled to receive further licence fees and milestone payments as well as royalties on sales and handling fees for supply of product.

SUDA's CEO, Mr Stephen Carter, commented: "Our subsidiary Westcoast continues to expand and grow. The fourth quarter was one of steady progress, culminating in our largest licensing deal to date with a top-20 pharmaceutical company, Teva, which we announced on 5 July 2017. I look forward to updating shareholders with more news over the coming weeks and months as we continue to focus on achieving our strategic goals and increasing shareholder value."



**Further information:**

**STEPHEN CARTER**

**CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR**

**SUDA LTD**

Tel: +61 8 6142 5555

[sjcarter@sudaltd.com.au](mailto:sjcarter@sudaltd.com.au)

**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 US and Canada. 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, pulmonary arterial hypertension, epileptic seizures and pre-procedural anxiety. For more information, visit [www.sudaltd.com.au](http://www.sudaltd.com.au)

## Appendix 4C

## Quarterly report for entities subject to Listing Rule 4.7B

## Name of entity

Suda Ltd

## ABN

35 090 987 250

## Quarter ended ("current quarter")

30 June 2017

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                                    |   |
| 1.1 Receipts from customers                               | 1,843                              | 7,134   |
| 1.2 Payments for  |                                    |   |
| research and development                                  | -                                  | -   |
| product manufacturing and operating costs                 | (1,337)                            | (5,162)   |
| advertising and marketing                                 | -                                  | -   |
| leased assets   | (6)                                | (22)  |
| staff costs   | (463)                              | (1,752)   |
| administration and corporate costs                        | (389)                              | (1,837)   |
| 1.3 Dividends received (see note 3)                       | -                                  | -   |
| 1.4 Interest received                                     | 2                                  | 23  |
| 1.5 Interest and other costs of finance paid              | (98)                               | (149)   |
| 1.6 Income taxes paid                                     | -                                  | -   |
| 1.7 Government grants and tax incentives                  | -                                  | 857   |
| 1.8 Other (provide details if material)                   | -                                  | -   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(448)</b>                       | <b>(908)</b>                                    |
| <b>2. Cash flows from investing activities</b>            |                                    |   |
| 2.1 Payments to acquire:                                  |                                    |   |
| (a) property, plant and equipment                         | (18)                               | (93)  |
| businesses (see item 10)                                  | -                                  | -   |
| investments   | -                                  | -   |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---|---|------------------------------------|---|
|   | intellectual property                                 | (345)                              | (1,146)   |
|   | other non-current assets                              | -                                  | -   |
| 2.2   | Proceeds from disposal of:                            |                                    |   |
|   | (a) property, plant and equipment                     | -                                  | -   |
|   | businesses (see item 10)                              | -                                  | -   |
|   | investments   | -                                  | -   |
|   | intellectual property                                 | -                                  | -   |
|   | 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)                   | -                                  | -   |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(363)</b>                       | <b>(1,239)</b>                                  |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |              |              |
| 3.1         | Proceeds from issues of shares  | 1,500        | 1,500        |
| 3.2         | Proceeds from issue of convertible notes                                    | 542          | 542          |
| 3.3         | Proceeds from exercise of share options                                     | -            | -            |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | (103)        | (103)        |
| 3.5         | Proceeds from borrowings  | -            | -            |
| 3.6         | Repayment of borrowings   | (470)        | (470)        |
| 3.7         | Transaction costs related to loans and borrowings                           | -            | -            |
| 3.8         | Dividends paid  | -            | -            |
| 3.9         | Other (provide details if material)   | -            | -            |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>1,469</b> | <b>1,469</b> |

|            |  |              |              |
|------------|--|--------------|--------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of quarter/year to date               | 1,112        | 2,448        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (448)        | (908)        |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (363)        | (1,239)      |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | 1,469        | 1,469        |
| 4.5        | Effect of movement in exchange rates on cash held                            | -            | -            |
| <b>4.6</b> | <b>Cash and cash equivalents at end of quarter</b>                           | <b>1,770</b> | <b>1,770</b> |

|            |   |                        |                         |
|------------|---|------------------------|-------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b>  | <b>Current quarter</b> | <b>Previous quarter</b> |
|            | at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>\$A'000</b>         | <b>\$A'000</b>          |
| 5.1        | Bank balances   | 1,770                  | 1,112                   |
| 5.2        | Call deposits   | -                      | -                       |
| 5.3        | Bank overdrafts   | -                      | -                       |
| 5.4        | Other (provide details)   | -                      | -                       |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                      | <b>1,770</b>           | <b>1,112</b>            |

|           |  |                        |
|-----------|--|------------------------|
| <b>6.</b> | <b>Payments to directors of the entity and their associates</b>                                      | <b>Current quarter</b> |
|           |  | <b>\$A'000</b>         |
| 6.1       | Aggregate amount of payments to these parties included in item 1.2                                   | 148                    |
| 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 |                        |
|           |  |                        |

| <b>7. Payments to related entities of the entity and their associates</b>                                | <b>Current quarter<br/>\$A'000</b> |
|--|------------------------------------|
| 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 |                                    |

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 8.1 Loan facilities  | -   | -  |
| 8.2 Credit standby arrangements  | -   | -  |
| 8.3 Other (please specify)   | 2,002   | 1,802  |
| 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 \$0.024.

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Research and development                       | -              |
| 9.2 Product manufacturing and operating costs      | 1,275          |
| 9.3 Advertising and marketing                      | -              |
| 9.4 Leased assets                                  | 10             |
| 9.5 Staff costs                                    | 440            |
| 9.6 Administration and corporate costs             | 450            |
| 9.7 Other (provide details if material)            | -              |
| <b>9.8 Total estimated cash outflows</b>           | <b>2,175</b>   |

1.

| <b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b> | <b>Acquisitions</b> | <b>Disposals</b> |
|--|---------------------|------------------|
| 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: 27 July 2017

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.