

# ASX Release

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## SUDA Signs Binding Term Sheet with Cann Pharmaceutical Australia

### Key Points

- SUDA signs binding term sheet with Cann Pharmaceutical Australia
- SUDA to develop an oral spray of cannabinoids for treatment of epilepsy, melanoma and motion sickness.
- Project fully funded by Cann Pharmaceutical Australia
- Total upfront fees and development milestones fees is \$850,000
- Royalties are based on 10% of net sales.

**PERTH, AUSTRALIA – Wednesday 5<sup>th</sup> June 2019:** SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oro-mucosal drug delivery, today announces that it has signed a binding term sheet for an exclusive licence with Australian-based Cann Pharmaceutical Australia Ltd (“CPA”), a subsidiary of Israeli group Better Holdings, to develop and supply an oral spray of pharmaceutical-grade cannabinoid derivatives (Agreement).

CPA, a leading company in medical grade cannabis, is interested in developing a novel oral spray of pharmaceutical-grade cannabinoid derivatives for the treatment of: drug resistant epilepsy, melanoma and motion sickness.

CPA and SUDA are completing the negotiations of the definitive Agreement based on the terms of the binding term sheet.

CPA will fund the development and take responsibility for the regulatory approvals of the product on a worldwide basis. The cost of the initial development phase to develop a formulation and permeability testing is expected to be \$184,400 with other development costs to be determined between SUDA and CPA at a later stage.

The key terms under the binding term sheet are:

- i. Upfront fee: \$200,000 of which:
  - \$100,000 due within 30 (thirty) days of signing the definitive agreement
  - Completion of Phase 4: \$50,000
  - Receipt of final report: \$50,000

- ii. Development milestone fees: a total of \$650,000 linked to completion of various milestones.
- iii. Commercial milestone payments: a total of \$650,000 linked to achieving pre-defined commercial sales targets
- iv. Royalty payments: 10% of net sales of the product.

Mr Stephen J Carter, SUDA's CEO and Managing Director, commented: "We are delighted to be working with CPA in the field of medical grade cannabis ("MGC") to assess the feasibility of formulating MGC utilising our OroMist® and Hydrotrope platforms. We believe that our technology can offer unique advantages compared to other routes of administration which will further benefit patients seeking MGC therapy. "



Further information:

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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. 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 and cancer. For more information, visit [www.sudapharma.com](http://www.sudapharma.com)

### **About Cann Pharmaceutical Australia Ltd**

Cann Pharmaceutical Australia (CPA) is a specialty phyto-cannabinoid biopharmaceutical company focused on the development of organic, evidence-based medicinal cannabis products headquartered in Canberra, ACT. CPA is currently partnering with Australian and International research institutions in research and clinical trials to investigate the therapeutic benefits of phyto-cannabinoid medicines and will soon commence a phase 2 clinical trial for its epilepsy treatment. The company is fully licensed in Australia for production, sales and export of the highest quality MGC. CPA is a majority-owned subsidiary of one of Israel's largest licensed producer of organic, phyto-cannabinoid medicines, Better Holdings. *Better's* vision is to ensure a clean, consistent, unique, and stable medical treatment to address a patient's debilitating medical condition anywhere in the world. More information can be found on the parent website: [www.better-global.com](http://www.better-global.com)