

ASX Release

SUDA 2019 ANNUAL GENERAL MEETING PRESENTATION

PERTH, AUSTRALIA – 12 November 2019: SUDA Pharmaceuticals Ltd (ASX: SUD) announces that the Company's 2019 Annual General Meeting will be held today at 10:30am (GMT+8) at the Perth Convention and Exhibition Centre, Western Australia.

The following presentation will be given at the Meeting.

Further information:

Paul Hopper

Executive Chairman

SUDA Pharmaceuticals Ltd

Tel: +61 (0) 406 671 515

phopper@sudapharma.com

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

This announcement contains certain statements which may constitute forward-looking statements or information ("forward-looking statements"), including statements regarding negotiations with third parties and regulatory approvals. These forward-looking statements are based on certain key expectations and assumptions, including assumptions regarding actions of third parties and financial terms. These factors and assumptions are based upon currently available information and the forward-looking statements contained herein speak only as of the date hereof. Although the expectations and assumptions reflected in the forward-looking statements are reasonable in the view of the Company's directors and management, reliance should not be placed on such statements as there is no assurance that they will prove correct. This is because forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. These risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company; global economic conditions; risk associated with foreign currencies; and risk associated with securities market volatility. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements, except as required by Australian securities laws and ASX Listing Rules.

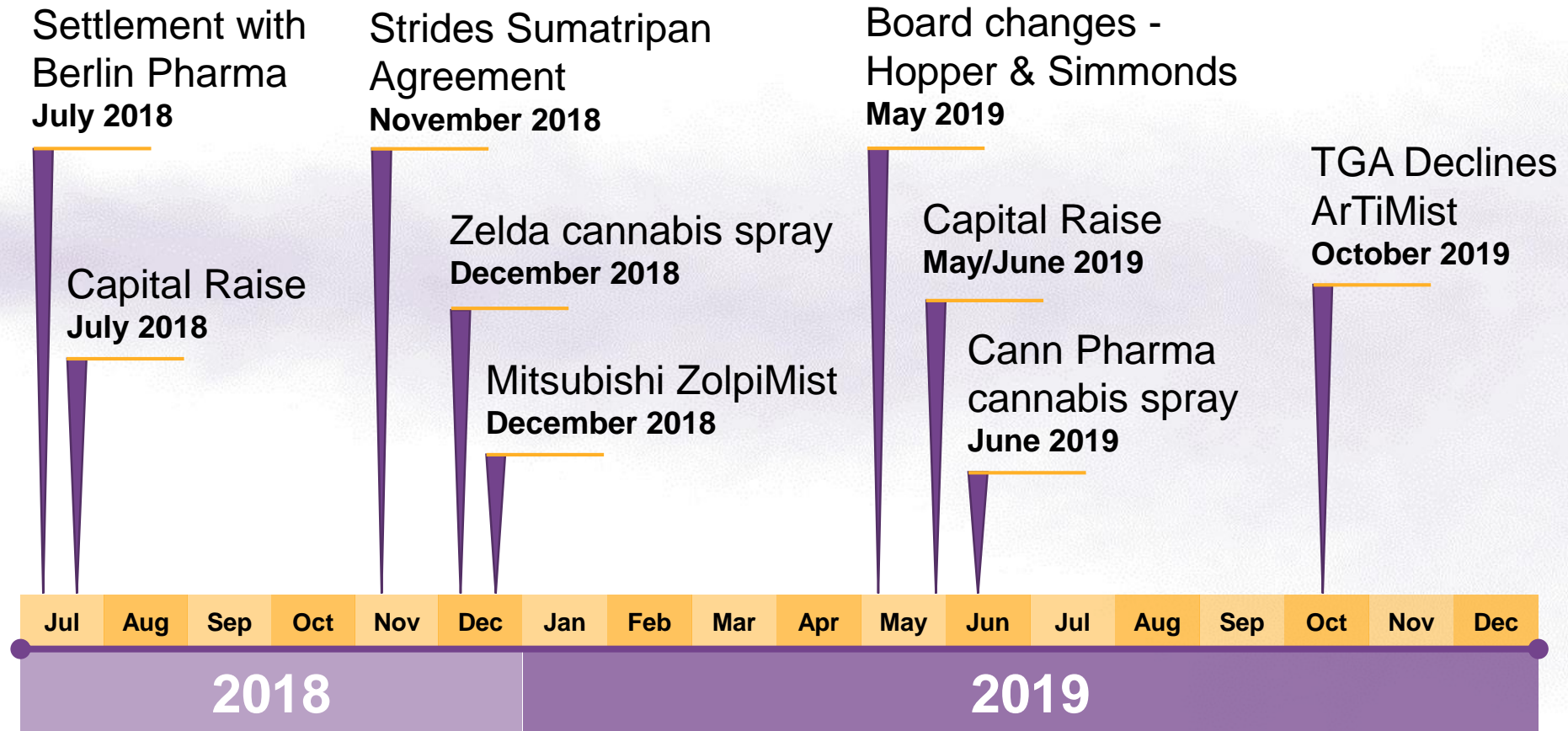


AGM Executive Chairman's Address

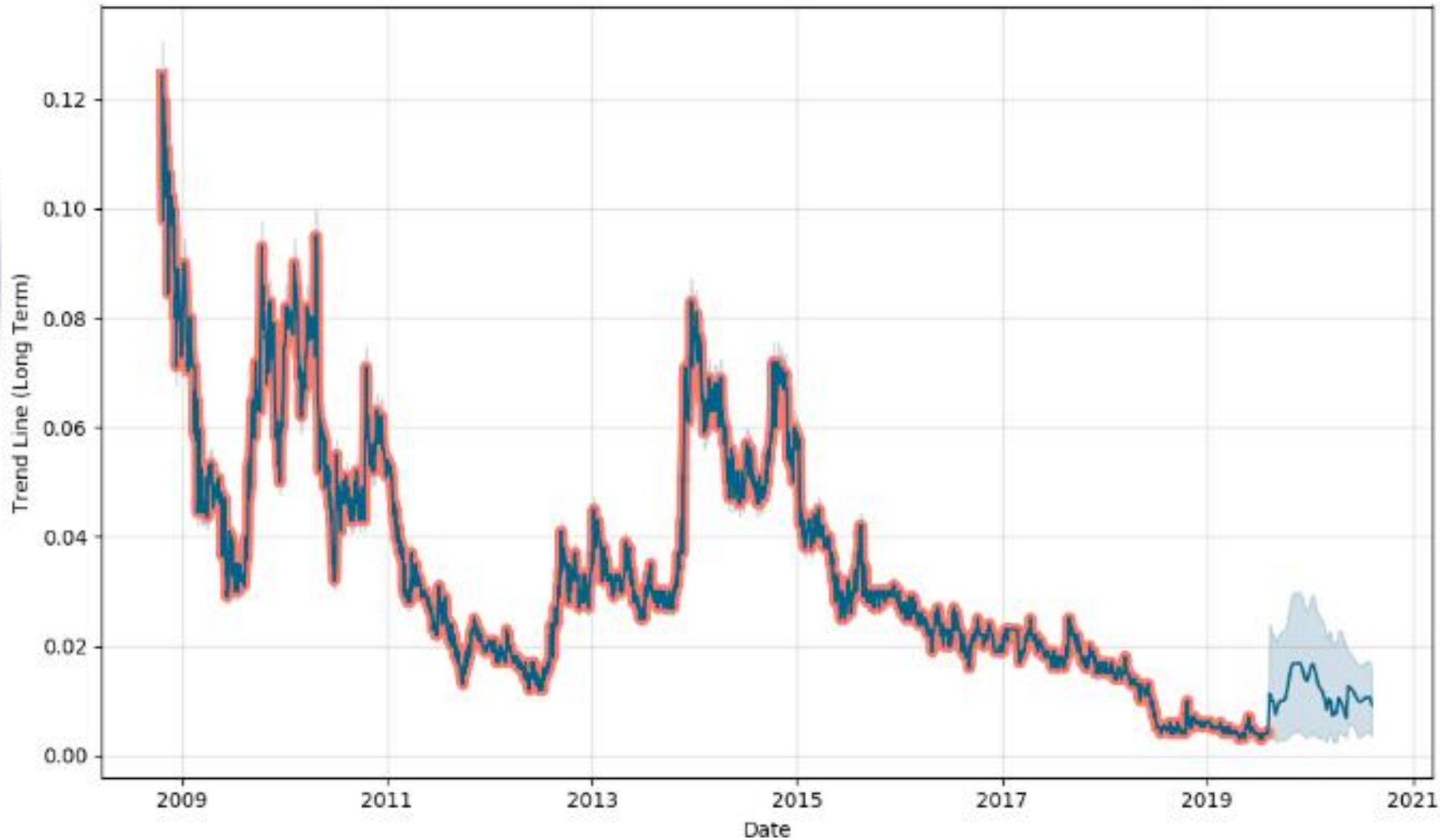
12 November 2019



The Year In Review



Share Price Performance – 10 year decline



SUDA Share Price - Why?



- Enterprise value of SUDA is paltry- \$5.0m (\$7m Mkt cap minus ~\$2m cash)
- Investor sentiment is negative
- Investor fatigue
- Dilution
- Failure to meet timelines
- Business model is not well understood
- ArTiMist
- Berlin Pharma

Situation Analysis: Then & Now

	YE June 2016	YE June 2017	YE June 2018	YE June 2019	Nov 2019
Share Price	2.0 cents	1.9 cents	0.8 cents	0.4 cents	0.2 cents
Market Cap	\$22m	\$23m	\$9.7m	\$13.8m	\$7.1m
Cash at bank	\$2.45m	\$1.77m	\$0.9m	\$4.3m	~\$2.4m
Partnerships		Eddingpharm	Teva	Strides, Mitsubishi, Zelda Cann Pharma	
Institutional S/holders	Yes	Yes	Yes	No	No
Capital Raising	\$5.3m	-	\$6.8m	\$3.9m	-

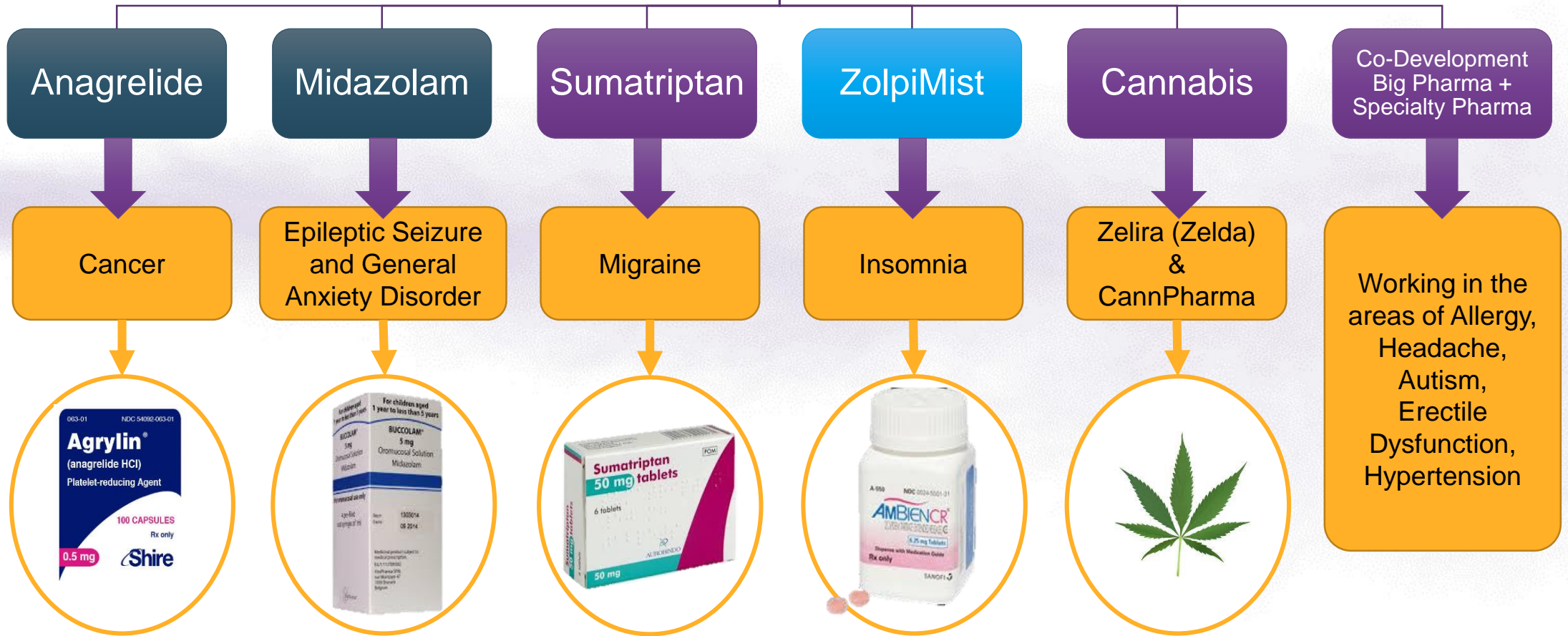
Note: Berlin Pharma settlement in May 2018

Observations from the Chair - 6 months on

- The technology is sound
- Solid barriers to entry as evidenced by our partners' willingness to engage
- Shareholder sentiment at an all time low
- Investor communications must be improved & confidence restored
- Company's business model is not well understood
- Some investor's expectations are not aligned with the reality of the business
- Many investors fail to recognize that raising capital is an intrinsic feature of life science companies
- Long lead times are part of the business model notwithstanding the accelerated pathway of 505(b)(2) – drug development takes time
- Need to revitalise management

Key Projects

SUDA Key Projects



 *Suda Funded

CEO Appointment

- Candidate selected – negotiating final details
- Currently employed at high profile, prestigious organisation
- ASX announcement before Xmas
- Deep science background – PhD and MBA
- Outstanding commercial and scientific experience
- High energy personality
- Business Development to be a major focus of the CEO role



Our Business Model

- The future of this business will be built on:



Up-front payments are a small part of the model



Joint venture deals - Pharma Funded

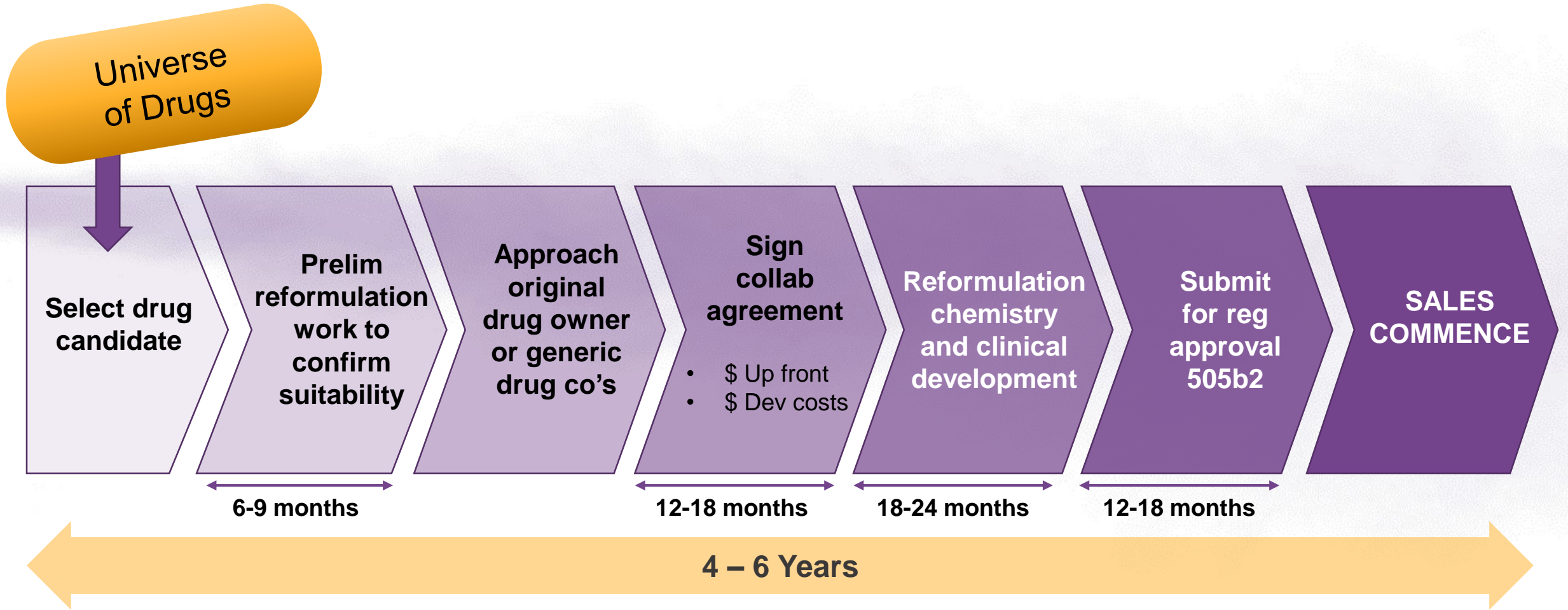


The sales cycle is long



Royalty streams from product sales

Development Timeline



Capital Requirements/Funding

- All life science companies are capital intensive
- Drug development is slow
- Drug development is expensive
- An investment in a biotech is patient capital
- SUDA will continue to raise money
- Capital appetite can be reduced by joint venture deals

SUDA \$ Funded

- Midazolam
- Anagrelide

Preferred
Route

Pharma \$ Funded

- Teva- ZolpiMist (Sth America)
- Mitsubishi – ZolpiMist (ASEAN)
- Strides- Sumatriptan
- Cann Pharma – Cannabis
- Zelira (Zelda)- Cannabis

ArTiMist – What are Our Options?

- Declined twice by TGA
- Reasons for decline:
 - Potential misuse
 - Resistance
 - Larger clinical trial sample needed



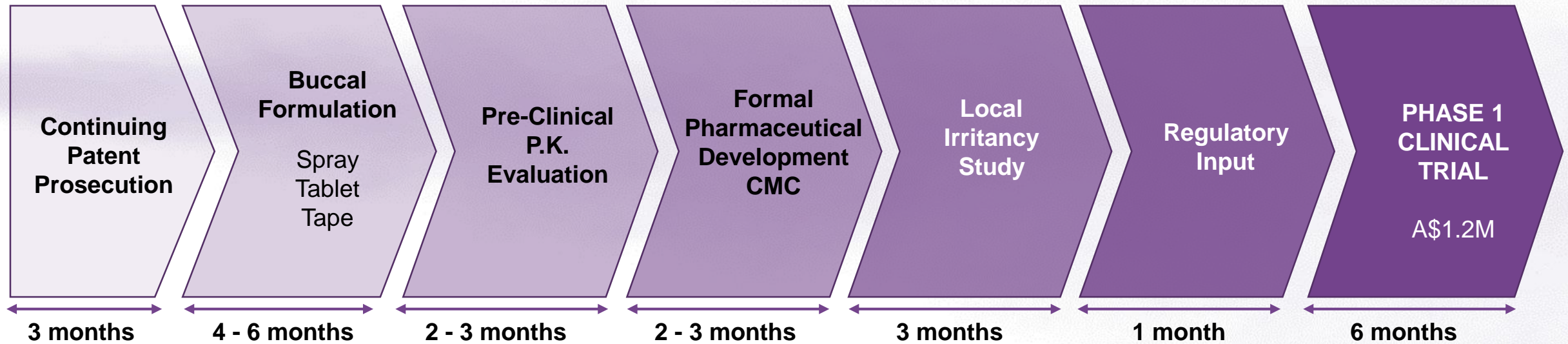
Next Steps?

Walk away?
Appeal?



SUDA is taking legal & regulatory advice whether an appeal has any merit of success

Anagrelide Development Path



Overheads/Operating costs p.a. (subject to change)

- Corporate (Legal & professional; ASIC, ASX & share registry; investor relations; insurance; audit; and tax): **\$760,000**
- Operations (rent, IT, travel, laboratory costs): **\$430,000**
- Total of 11 employees & 3 consultants (lab staff, operations, project manager, technical, BD)
- Salaries range from **\$60,000 to \$160,000** (averaging approx. \$85,000)
- IP (applications and renewals): **\$200,000**
- Drug development (including internal salary costs): **\$1,400,000** (estimate)
(Of which \$430,000 costs are estimated to be reimbursed by co-development partners)
- US operations: **\$480,000 (Closed)**
- Board: Hopper interim Exec Chair **\$150,000**; Phillips Exec Director **\$160,000**;
Simmonds Director **\$40,000**; Ohayon Co Sec & CFO **~\$120,000 (Reduced)**



Share Consolidation

- 1:25 consolidation
- Theoretical post consolidation share price is 5 cents based on 0.2 cents pre-consolidation
- Shareholders' negative sentiment against the consolidation has been well understood by the Board
- However, on balance, the Company's interests are better served in the medium to long term by consolidating the shares
- Some evidence that companies do better after a share consolidation
- There is no good or bad time to consolidate your capital

SUDA's Market Communications – Going Forward

- Primary avenue for dissemination of news is the ASX
- Primary spokesperson is the CEO
- No selective disclosure
- No discussion by way of private emails
- No discussion by way of private telephone calls
- ASX releases: factual, no hype, conservative timelines
- Shareholder feedback is most welcome & taken into consideration but it does not mean the Company agrees with the issues raised or that action will result
- Many large pharma companies do not permit detailed disclosure of deal terms including disclosing the identity of the drug

Our Focus – The Year Ahead

- CEO integration
- Close other pharma-funded deals
- Anagrelide development
- Opportunistically review other assets
- Manage costs
- Improve shareholder communications & rebuild investor confidence
- Build out commercialization of ZolpiMist worldwide

SUDA
PHARMACEUTICALS LTD

Thank You

Level 1, Unit 12,
55 Howe Street
Osborne Park,
Western Australia 6017
PO Box 1719
Osborne Park BC, WA 6916

(T) +61 8 6142 5555
(F) +61 8 9443 8858

