

16 July 2020

Dear Shareholder

CEO Letter to Shareholders

As your newly appointed managing director, I want to give you an overview as to how I see your company progressing in the months and years to come.

Let's start with recent events. An important part of my fiduciary responsibility to you is to ensure that when adversity arrives, it is dealt with in a responsible fashion. You may be aware that ASX recently made a determination that led us to decide that we would not proceed with a proposed acquisition in the oncology space. I purposely am not dwelling on these past strategic developments as our determination to proceed with our current assets is a given and you will see a regular flow of information chronicling such in the months to come.

SUDA is in the fortunate position that we have a platform that stands alone and is applicable to a wide range of drug classes for improved drug delivery. The platform will receive our robust attention to advance our products under development to create value for our shareholders. This is our core business. Our oro-mucosal delivery platform reformulates existing drugs and creates enhanced bioavailability for the patient.

Our focus on the OroMist platform has never been stronger. We signed a licence agreement with Mitsubishi Tanabe Pharma Korea for ZolpiMist in March. In May 2020, SUDA announced that in the fourth quarter of 2020, we will receive a determination from the TGA relating to our submission for ZolpiMist. Recent clinical data demonstrates that for the treatment of insomnia, ZolpiMist works more efficiently than the tablet form of the drug, an important factor when considering the value proposition of an effective treatment. This is an exciting time for SUDA as we eagerly await the TGA's response to our submission.

We are also working with a remarkable drug in the oncology space, anagrelide. It reduces a high platelet count, an unwanted factor that is associated with poor prognosis when dealing with cancerous tumours particularly in breast, pancreatic, ovarian and lung cancers, affecting between ten and fifty-seven per cent of patients with solid tumours. Current research indicates that lowering the platelet count plays an important role in survival. The patent covering the use of anagrelide in cancer was granted in Japan, adding to the granted patent in Europe, and we recently completed a canine pharmacokinetic study with anagrelide to assess bioavailability when administered as an oral spray.

In addition, we are also moving forward with our partnerships with pharmaceutical companies to reformulate products into oral sprays, including: sumatriptan for the treatment of migraine, pharmaceutical grade cannabis products and projects with Sanofi and Laboratorios Ordesa for which, due to confidentiality agreements, the active ingredients of which cannot be disclosed.

Edison Research, the global life science research group, has placed a value on SUDA of \$18m or \$0.13 per share, factoring in only our most advanced project, ZolpiMist, and the current territories for which we have licence agreements. SUDA is actively pursuing additional territories to license ZolpiMist. A copy of the Edison Research report is available on our website (www.sudapharma.com).

This brief update is a reach out to you to affirm that your company is not side-tracked in its progress due to any events perceived to be not in its best interests. Quite the contrary, if anything we are moving forward with not renewed, but constant energy to position ourselves in the foreground of a unique delivery platform for drugs.

In this commitment I am joined by a strong and united board. Our chairman, Paul Hopper, is one of the industry's foremost negotiators and has been a driving force behind success stories such as Viralytics Ltd., sold to Merck two years back in a half billion-dollar deal.

With him as executive director is David Phillips, bringing 35 years of experience to the table including 23 years with GSK. His professional ledger shows more than fifty pharma/biotech deals and ten M&A transactions.

David Simmonds rounds out the board with his many years (27) as an audit partner with Ernst and Young where he ran the capital markets desk with responsibility for overseeing all Australian cross border fund raisings.

Then there's me, your new managing director and I will say you've got my absolute conviction to turn SUDA into the company your faith and support demands.

We will continue to drive the assets within SUDA and, in addition, we will leverage the team's experience and our networks to source and acquire additional assets that align with our current areas of focus. At its core, SUDA is a biotechnology and drug development company and the senior leadership team is focused on creating shareholder value over the medium to long term.

On that note, may I recommend you participate in the recently announced capital raising. The funds are to be used for the development of anagrelide and the OroMist assets, sourcing additional technologies to include in our portfolio and general working capital.

It's attractively priced at \$0.025 representing a 34% discount to the 15-day VWAP with an attaching option for every three shares subscribed. The exercise price on the options is \$0.05. Adelaide's Baker Young are lead manager.

May I conclude with the wish that each of you is coping with the new demands put upon us by COVID-19, medically, economically and socially and also to reassure you that we are working to ensure that your company is healthy and growing to expectation.

My door, as always, is open should you need any further information.

With kind regards,



Dr Michael Baker
Chief Executive Officer and Managing Director
Tel +61 (0) 403 468 187
mbaker@sudapharma.com