

27/07/2020

SUDA continues search for complementary technologies to acquire or license – CEO

 Proprietary Intelligence

Story

SUDA [ASX:SUD], an Australian drug delivery technology company, is continuing its search to acquire or license technologies that are complementary to its platform, said CEO Michael Baker.

In June, the company announced a trading halt pending a capital raising and a material licensing deal for a cancer therapy technology from a leading US cancer research institute but did not go ahead due to potential complications with resuming trading if the deal was to proceed, Baker said.

It is now continuing its search for a more suitable deal and will consider acquiring or licensing life sciences technologies that it can add to its pipeline, including products that it can repurpose into oral sprays or products that are complementary to its current portfolio of cancer and central nervous system treatments such as immunology assets or medications for migraine and insomnia, he said.

It is looking for deals globally but is especially seeing potential opportunities in the US, Europe and Australia and welcomes approaches from advisors with suggestions, Baker added.

Funds from its current AUD 3.56m (USD 2.6m) capital raising via an entitlement offer to existing shareholders, which closes this Thursday (29 July), will be used to finance deals as well as for further development of its pipeline, as announced.

SUDA uses its novel permeation enhancing OroMist technology platform to reformulate existing medications into oral sprays. It also has partnerships with pharma companies to reformulate their products including **Sanofi** [EPA:SAN] and Spain's **Laboratorios Ordesa**, Baker said.

SUDA's pipeline includes its lead asset ZolpiMist for insomnia, which is awaiting a decision from the Australian Therapeutic Goods Administration (TGA) in 4Q this year and which secured a partnership with **Mitsubishi Tanabe Pharma Korea** in March this year, adding to previous partnerships with **Mitsubishi Tanabe Pharma Singapore** and **Teva** [TLV:TEVA].

SUDA has continued to do deals to realise its potential and has continued research activities despite the novel coronavirus (COVID-19) pandemic, Baker said, citing as an example the Mitsubishi Tanabe Pharma Korea deal in March and its continuing hunt for complementary technologies.

Other companies developing alternative oral drug delivery solutions include **GW Pharma** [NASDAQ:GWPH] and **Medlab** (ASX:MDC), but SUDA differentiates itself in that it uses hydrotrope compounds, its platform is applicable to a wide range of drug classes, and it is developing products that have already been approved and can leverage the US Food and Drug Administration's (FDA) 505 (b)(2) to accelerate the pathway to approval, said Baker, who has extensive experience in commercializing technologies and came on board as CEO in January 2020.

According to Global Newswire, the pharmaceutical drug delivery industry was valued at USD 1bn in 2019 and is expected to reach USD 2bn by 2026. Less than 25% of medications via pills, tablets or capsules are absorbed into the bloodstream, with SUDA having demonstrated that its oral sprays can increase absorption of some drugs by more than 90%, Baker noted.

Global life science research group Edison Research, in a report earlier this month, valued SUDA at AUD 18m based on ZolpiMist only and the territories for which it has licence agreements, namely Brazil, Chile, Mexico, the Philippines, Singapore, Malaysia and South Korea. SUDA's current market cap is AUD 4m.

by Louise Weihart in Sydney

Published by Acuris Mergermarket, an ION Group company