

ASX Release

Company Update – Letter to Shareholders

PERTH, AUSTRALIA –22 December 2020: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oro-mucosal drug delivery, is pleased to announce the following letter to shareholders.

For and on behalf of the Board and for further information please contact:

Dr Michael Baker

Chief Executive Officer & Managing Director

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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 tartrate for the treatment of short-term insomnia. ZolpiMist is approved by the TGA and is marketed in the USA. 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, motion sickness, drug resistant epilepsy and certain cancers.

For more information, visit www.sudapharma.com

To our shareholders,

I would like to extend a heartfelt seasonal greeting to you all.

2020 has been a tough year with the COVID-19 pandemic. There's no point denying it but in the same breath there's no point in dwelling on it. What counts is that we as a nation have pulled through far better than a lot of our international friends and our economy is coping due to the perseverance and strength of the Australian spirit.

As a business, our operations and supply chain have been largely unaffected by the COVID-19 pandemic, for which we are grateful. Nevertheless, it has added a layer of complexity to conference attendance and business development.

I do not wish to make light of the changes that have affected us, but as your Managing Director I can assure you that your investment with us has not been endangered by events beyond our control. Yes, we have had some setbacks throughout 2020 but they largely reflect the reality of doing business and we have quickly moved on.

The year also saw us achieve significant milestones. For ZolpiMist, we signed the license agreement with Mitsubishi Tanabe Pharma Korea and in July we received TGA approval, so the product can be commercialised here in Australia. We continue to work closely with our current partners, and we are determined to negotiate additional deals as per our plan to commercialise ZolpiMist in additional territories.

During September, the good news started to flow with our cancer fighting agent, anagrelide, with a patent approved here in Australia and a final pharmacokinetic study report issued acknowledging its potential. We are continuing to optimise the formulation with the aim to produce a pharmaceutical product.

We also received an acknowledgement of our research and development efforts via an R&D tax incentive refund of \$662,099.

Thanks to you, our entitlements offer and placement in August closed over-subscribed and we raised over \$4.1 million dollars. As I write to you, we've just closed the recent capital raising by way of an over-subscribed placement of \$2.7 million. This gives us a strong cash balance to carry on our development over the next twelve months.

We've had two insightful analyst reports released during 2020 and due to the geographic boundaries put upon us during the year I have taken advantage of both digital media and mainstream media opportunities.

In all, I can say without hesitation that your investment with us is our primary concern and your faith in us and in our science will be rewarded in the new year to come. In addition to the current assets we have, we are leveraging the expertise of the team and will continue to search for additional technologies to add to our portfolio in the areas of oncology and the central nervous system.

I would like to wish you all a safe break over the holiday period and may we move on to better times and a more prosperous year ahead.

With kind regards,

A handwritten signature in blue ink, appearing to read 'Michael Baker', with a stylized flourish at the end.

Dr Michael Baker

CEO and Managing Director