

# ASX Release

---

## SUDA LTD: APPENDIX 3B FOR ISSUE OF CONVERTIBLE NOTES

**PERTH, AUSTRALIA – 2 June 2017:** SUDA LTD (ASX: SUD), a global leader in oro-mucosal drug delivery, today releases its Appendix 3B regarding the issue of new secured convertible notes as outlined in the Prospectus of 24 April 2017 and the ASX announcement of 3 April 2017.

The Company has issued 292,500 new secured convertible notes with an expiry date of 31 March 2019. The Company has also issued 450,000 new secured convertible notes to related parties but the convertible notes will only be convertible after shareholder approval is obtained as required by the ASX Listing Rules.



**Further information:**

**STEPHEN CARTER**

**CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR**

**SUDA LTD**

Tel: +61 8 6142 5555

[sjcarter@sudaltd.com.au](mailto:sjcarter@sudaltd.com.au)

### **NOTES TO EDITORS:**

#### **About SUDA LTD**

SUDA 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 North America. SUDA's most advanced development-stage product, ArTiMist®, is a novel sublingual malaria treatment for children. In a Phase III trial, ArTiMist® was shown to be superior to intravenous quinine. Other products in development include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction and pre-procedural anxiety. For more information, visit [www.sudaltd.com.au](http://www.sudaltd.com.au)

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Suda Ltd

ABN

35 090 987 250

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | i. Secured Convertible Notes<br>ii. Secured Convertible Notes to related parties                   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | i. 292,500 secured convertible notes.<br>ii. 450,000 secured convertible notes to related parties. |

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>i. The Secured Convertible Notes have a face value of \$1.00 each.</p> <p>The Secured Convertible Notes bear interest at the rate of 8% per annum, payable 6 months in arrears.</p> <p>The conversion price is \$0.0238 per Share and shall be adjusted where the issue price for future equity issues is less than \$0.024.</p> <p>The expiry date is 31 March 2019.</p> <p>The security is against the assets of Suda Ltd and its subsidiary company Westcoast Surgical and Medical Supplies Pty Ltd.</p> <p>The redemption value is 105% of the face value.</p> <p>ii. The Secured Convertible Notes to related parties have a face value of \$1.00 each.</p> <p>The principal terms are as above, however the related party convertible notes are only convertible in the event shareholder approval is obtained.</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>i. No. Any shares issued on conversion of the Secured Convertible Notes will rank equally with existing Ordinary Shares.</p> <p>ii. No. Any shares issued on conversion of the Secured Convertible Notes to related parties will rank equally with existing Ordinary Shares.</p>
<p>5 Issue price or consideration</p>	<p>i. Face value is \$1.00 each and the total consideration is \$292,500.</p> <p>ii. Face value is \$1.00 each and the total consideration is \$450,000.</p>

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds raised from the Secured Convertible Notes will be used for: working capital; the conduct of a proof of concept clinical trial of the Company's SUD-003 sildenafil oral spray; and the commercialisation and ongoing development of the Company's OroMist drug delivery technology and its pipeline of novel oral sprays.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of securities issued under an exception in rule 7.2	Not applicable
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

Not applicable
----------------

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

31 May 2017
-------------

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	1,219,858,520	Ordinary Shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	10,000,000	Unlisted Options (26/04/2020; 4.0 cents)
	4,750,000	Performance Rights (27/11/2017)
	1,432,500	\$1 Secured Convertible Notes convertible at 2.38 cents maturing 31 March 2019
	570,000	\$1 Secured Convertible Notes convertible at 2.38 cents with conversion subject to shareholder approval, maturing 31 March 2019

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable
----------------

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

Not applicable
----------------

12 Is the issue renounceable or non-renounceable?

Not applicable
----------------

13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	<sup>+</sup> Despatch date	Not applicable

### Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
 Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
  
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
  
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought 

Not applicable
----------------
  
- 39 Class of +securities for which quotation is sought 

Not applicable
----------------
  
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable
----------------



41 Reason for request for quotation now  
 Example: In the case of restricted securities, end of restriction period  
 (if issued upon conversion of another security, clearly identify that other security)

Not applicable
----------------

Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Not applicable

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 2 June 2017.  
(Managing Director)

Print name: .....Stephen Carter.....

== == == == ==

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,141,272,286
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil  Nil  Nil
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	1,141,272,286

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	171,190,843
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>885,345 ordinary shares issued 4 Oct 2016</p> <p>2,700,889 ordinary shares issued 4 Apr 2017</p> <p>75,000,000 ordinary shares issued 26 Apr 2017</p> <p>10,000,000 Unlisted Options issued 26 April 2017</p> <p>12,313,679 shares to be issued on conversion of new Secured Convertible Notes being the subject of this Appendix 3B</p> <p>9,991,776 additional shares to be issued on conversion of rolled over Secured Convertible Notes at the new conversion price</p>
<b>“C”</b>	110,891,689
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	171,190,843
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	110,891,689
<p><b>Total [“A” x 0.15] – “C”</b></p>	60,299,153 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>