

ASX Release

Market Update

PERTH, AUSTRALIA – 12 September 2018: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oro-mucosal drug delivery, today provides a market update.

ZolpiMist:

SUDA has two licence agreements in place for ZolpiMist with Eddingpharm for China and Teva Pharmaceuticals for Brazil, Chile and Mexico with options for Argentina, Israel and Australia.

SUDA is pleased to acknowledge that our partner Eddingpharm is well advanced and are progressing their registration of ZolpiMist in China.

SUDA's licence agreement with Teva Pharmaceuticals is proceeding well with a registration lodged in the first of the Territories and progression of the second registration underway.

For both licence agreements, SUDA will receive milestone payments based on regulatory progress of the product and uptake of optional territories. Further, SUDA will supply the product to our partners and will receive an ongoing royalty stream on these supplies.

SUDA continues to progress negotiations to expand the coverage of the ZolpiMist licenses and are in advanced (yet incomplete) confidential negotiations with companies for various territories. SUDA's focus continues to be an upfront fee to secure the territory, milestone payments as the other parties' progress with formal regulatory submissions and approvals, followed by a royalty stream.

SUDA is conscious in its need to balance short and long-term needs of the business. The board understands that ZolpiMist is important in that it will provide some short-term revenue but more importantly will provide SUDA with a strong future revenue stream.

Cannabinoids:

SUDA is in discussion with several Cannabinoid companies with regard the development of a novel oral cannabinoid spray. These discussions are progressing well.

ArTiMist:

SUDA is continuing to work with the Australian TGA to finalise the registration of ArTiMist for sale. The registration of ArTiMist is now expected early in 2019. We have an agreement with the WHO to hold a meeting to discuss the acceptance of the product and will continue to keep the market informed of the progress of both programs.

The SUDA board is acutely aware of the need to prioritise its efforts and manage its

resources. The board has made a number of recent decisions to ensure that it can maximise the impact from the resources it has. These include re-prioritising its development focus to 2 key projects and restructuring its Business Development focus.

Anagrelide:

Anagrelide is an exciting project and has been made the one of the key development focuses for the company. We recently announced a breakthrough in the ability to formulate this inherently insoluble compound through an increase in solubility. Since then we have further improved the solubility and are close to having a solution solubility suitable for therapeutic formulation work. This is a significant breakthrough that has the potential to allow SUDA chemists to focus on developing a suitable formulation for further testing.

Midazolam:

Midazolam is the second project to be given key development status. Midazolam has been generating a significant interest with potential partners and SUDA has a stable formulation in development. Our chemists are looking at applying the hydrotope technology to it to further improve the IP around the project.

Joint venture development projects;

SUDA continues to negotiate with several potential JV partners to develop specific drug candidates using SUDA's proprietary know how and technology.

Business Development;

As part of the refocusing of the business development strategy, Mr Stephen Carter, SUDA's Executive Chairman, has recently arrived in the US where he will be holding final interviews for a Vice President of Business Development to identify opportunities and drive negotiations in the world's largest market.

The Company will continue to provide updates on its products and is taking all steps to meet its key milestones as outlined in the corporate presentation of 28 August 2018.

This announcement is intended to lift the trading halt requested on 11 September 2018.



Further information:

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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 for insomnia. ZolpiMist is marketed in the USA and SUDA has rights to the product outside of the US and Canada. SUDA has submitted a Marketing Authorisation Application to the Australian Therapeutic Goods Administration for ArTiMist®, its 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, PAH, epileptic seizures and pre-procedural anxiety. 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.