

ASX Release

SUDA LTD: APPENDIX 4C FOR THIRD QUARTER FY2017

PERTH, AUSTRALIA – 19 April 2017: SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, today released its Appendix 4C for the consolidated Group for the third quarter of FY2017.

Receipts from customers for the period were \$1.8 million, an increase of 15% on the corresponding quarter in FY2016.

SUDA's subsidiary company, Westcoast Surgical & Medical Supplies, has continued to grow this financial year. Third quarter revenue at Westcoast increased by approximately 20% compared to the second quarter.

Operating and manufacturing costs in the 3-month period were \$1.6 million, an increase of approximately 40% from the second quarter. The increase in costs was largely attributable to higher cost of sales in relation to the growth of Westcoast's business and to legal costs associated with the HC Berlin Pharma matter as previously reported.

During the third quarter, SUDA received a R&D Tax Incentive refund of \$0.86 million. Overall for the period, net cash from operating activities was \$0.15 million. The cash position as at 31 March 2017 was \$1.1 million. Following the end of the period, the Company has rolled over the majority of its Convertible Notes and received commitments for additional Convertible Note funding as announced on 3 April 2017 and received commitments for a placement of \$1.5 million as announced on 7 April 2017.

SUDA's CEO, Mr Stephen Carter, commented: "Our subsidiary Westcoast continues to expand and grow. We have also made good progress with our core activities in the third quarter, including the signing of a feasibility agreement with Pfizer Consumer Healthcare and the completion of the Marketing Authorisation Application for ArTiMist®. I look forward to updating shareholders with more news during this busy and exciting period for SUDA."



Further information:
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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 (ie: 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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

Suda Ltd

ABN

35 090 987 250

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,808	5,291
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,621)	(3,825)
(c) advertising and marketing	-	-
(d) leased assets	(7)	(16)
(e) staff costs	(436)	(1,289)
(f) administration and corporate costs	(453)	(1,448)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	21
1.5 Interest and other costs of finance paid	-	(51)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	857	857
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	149	(460)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(17)	(75)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	(280)	(801)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(297)	(876)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,260	2,448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	149	(460)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(297)	(876)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,112	1,112

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,112	760
5.2 Call deposits	-	500
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,112	1,260

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

148

-

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available

Add notes as necessary for an understanding of the position

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

1,730

1,730

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Company had on issue 1,730,000 secured convertible notes with a face value of \$1 each as at 31 March 2017. The interest rate was 8% and the maturity date was 31 March 2017. The Company has rolled over \$1.26m and received commitments for additional Convertible Note funding providing a total facility of \$2.0m with a maturity date of 31 March 2019 at 8% interest rate and a conversion price of \$0.024.

9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

-

9.2 Product manufacturing and operating costs

1,275

9.3 Advertising and marketing

-

9.4 Leased assets

16

9.5 Staff costs

440

9.6 Administration and corporate costs

500

9.7 Other (provide details if material)

-

9.8 Total estimated cash outflows


2,231

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



 (Director)

Date: 19 April 2017.....

Print name:Stephen Carter.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. The Company received the R&D Tax Incentive totalling \$856,656 on 15 February 2017.
5. The Company has rolled over its convertible notes as announced on 3 April 2017 and received commitments for a placement of \$1.5m in April 2017 as announced on 7 April 2017.