

ASX Release

SUDA TAKES FULL CONTROL OF ArTiMist™

PERTH, AUSTRALIA – 26 August 2015: SUDA LTD (ASX: SUD) (SUDA), a leader in oro-mucosal drug delivery, is pleased to announce the acquisition of the 20% minority shareholding in SUDA's subsidiary company, Malaria Research Company Pty Ltd (MRC), which was owned by UK-based ProtoPharma Ltd (PPL) and its parent London Pharma Ltd (LPL).

MRC owns the rights to SUDA's novel sublingual anti-malarial spray, ArTiMist™. PPL is selling its 20% shareholding in MRC to SUDA for A\$1.2 million. This payment is in full and final settlement of all outstanding liabilities between the two companies. In addition, PPL and LPL have agreed not to compete with MRC's ArTiMist™ spray. This acquisition is an important step towards SUDA's objective to commercialise ArTiMist™ through a collaboration or trade sale.

SUDA originally licensed commercial rights to ArTiMist™ for certain territories from PPL in 2006. Under a subsequent agreement, which was signed in November 2013 between SUDA and PPL, all of the intellectual property and global rights in relation to ArTiMist™ were put into the newly incorporated Australian company, MRC. SUDA owned 80% of MRC with PPL owning the balance. Both companies retained obligations in relation to the development, registration and commercialisation of ArTiMist™.

Since SUDA took control of the development of ArTiMist™ in November 2013, the Company has taken significant steps forward, including:

- i. setting up a Clinical Advisory Board;
- ii. initiating discussions with the Medicines for Malaria Venture, the World Health Organisation, the Gates Foundation and other philanthropic groups;
- iii. progressing partnership discussions with the pharmaceutical industry;
- iv. expanding the market opportunity for ArTiMist™ to include its use in the pre-referral setting of malaria; and
- v. resolving quality issues that had been the responsibility of PPL.

As a result of this acquisition, SUDA will own 100% of the ArTiMist™ asset with no further payment or royalty obligations to PPL. The payment to PPL is being made from SUDA's existing cash reserves, and the Company remains in a strong cash position as it negotiates with various parties regarding ArTiMist™ and its other lead clinical projects.

“We are delighted to be buying out ProtoPharma’s minority stake in ArTiMist™ which brings to a close a tenuous relationship,” noted Mr Stephen Carter, Chief Executive Officer of SUDA LTD. “The purchase followed a request from ProtoPharma who wanted to refocus all their resources into non-malarial products and SUDA was able to negotiate favourable terms. Simplification of the ownership structure of ArTiMist™ alleviates a variety of issues including tax implications on the commercialisation of the project. Furthermore, the acquisition eliminates any counterparty risk; gives SUDA full control of commercial negotiations without referring to ProtoPharma; and, importantly, ensures that SUDA receives 100% of anticipated deal proceeds.”

To listen to an audio broadcast of Mr Carter discussing the transaction, please copy the following details into your web browser:

<http://brrmedia.com/event/140157>



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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 novel formulations of existing off-patent 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 the Americas and South Africa. 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

About ArTiMist™

ArTiMist™ was designed with a child in mind; a child living in a challenging environment where healthcare resources can be very scarce and time is of the essence. ArTiMist™ is the world’s first sub-lingual spray for the treatment of *p. falciparum* paediatric malaria. The active pharmaceutical ingredient in ArTiMist™ is artemether, which is a widely used anti-malarial and is currently administered by infusion or orally in a tablet form. ArTiMist™ is administered sublingually or under the tongue and enters the bloodstream where the parasite lives, attacking at a far greater speed than conventional tablets and reducing the need for continued hospitalisation whilst presenting significant cost savings to governments and relief organisations. ArTiMist™ could be particularly valuable as a pre-referral treatment of sick children before they are transferred to hospitals for definitive management of severe or moderately severe malaria.