

ASX Release

Appendix 4C: Fourth Quarter FY 2020

PERTH, AUSTRALIA – 31 July 2020: SUDA Pharmaceuticals Ltd (ASX: SUD), a leader in oromucosal drug delivery, today released its Appendix 4C for the consolidated group for the fourth quarter of FY 2020.

Cash receipts for the quarter were \$278,000 with a bank balance of \$977,000 at 30 June. The net outflow from operating activities for the quarter was \$458,000.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C incorporates directors' fees, remuneration and superannuation at commercial rates.

As announced on 3 July 2020, the company is currently finalising a 1 for 1 non-renounceable entitlement offer of fully paid ordinary shares to raise approximately \$3.56 m before costs. Participants will receive 1 free option for every 3 shares issued. The funds will be used to continue development of anagrelide and the remaining OroMist assets, sourcing and potentially acquiring new technologies and for general working capital. The Company is pleased with the strong level of support to date, with the offer oversubscribed, and will announce that the full details and number of the offer on Monday 3 August.

During the quarter ended 30 June 2020, there were a number of developments:

- SUDA had announced that it had submitted all required documentation to the TGA for its ZolpiMist Marketing Authorisation Application. The Company announced on 29 July that it received TGA approval.
- The Company announced that its anagrelide patent was granted in Japan. The product is being developed for the treatment certain solid tumours where patients also have high platelet levels.
- Anagrelide was tested in a canine pharmacokinetic study at the leading contract research organisation, Covance Inc., Harrogate, UK. The study assessed the bioavailability of anagrelide in three formulations in comparison to the tablet form of the drug. The Company is expecting to receive the final report shortly.

- SUDA intended to complete a material in-licensing transaction, to secure a new technology from a leading U.S. cancer research institute. Unfortunately, ASX made a determination that in the opinion of the Company, resulted in its decision to terminate discussions with the counter party. Costs incurred in relation to the transaction are included in item 1.8 in the Appendix 4C. The Company will continue to assess the landscape for additional technologies to acquire.
- Dr Baker joined the board of directors, effective 1 July 2020 and Paul Hopper resumed his role as non-executive chairman.
- Phillip Hains from the CFO Solution was appointed as Joint Company Secretary.

Dr Baker commented “I am delighted to have joined the board of directors, reaffirming my commitment to the Company and to creating value for our shareholders. We were disappointed with the outcome for the in-licensing transaction however, we are in the fortunate position that we have a robust pipeline of technologies, including ZolpiMist for which we received TGA approval 29 July and anagrelide, which we are re-purposing for use in cancer. Moving forward, we will enthusiastically survey the landscape for additional assets to include alongside our current portfolio.”

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

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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. Other products in development include oral sprays for the treatment of: migraine headache; chemotherapy-induced nausea and vomiting; erectile dysfunction; pulmonary hypertension; epileptic seizures and pre-procedural anxiety and cancer.

For more information, visit www.sudapharma.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Suda Pharmaceuticals Ltd

ABN

35 090 987 250

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	278	950
1.2 Payments for		
(a) research and development	(53)	(263)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(4)	(34)
(e) staff costs	(259)	(1,371)
(f) administration and corporate costs	(337)	(2,274)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	30
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	20	983
1.8 Other	(103)	(492)
1.9 Net cash from / (used in) operating activities	(458)	(2,473)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(132)
(d) investments	-	-
(e) intellectual property	(73)	(732)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(73)	(864)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 period	1,508	4,314
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(458)	(2,473)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(73)	(864)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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 period	977	977

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	977	508
5.2	Call deposits	-	1,000
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)	977	1,508

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

57

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The amount disclosed in 6.1 includes payment of director's fees and salaries, excluding GST where applicable.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

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

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

(458)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

977

8.3 Unused finance facilities available at quarter end (Item 7.5)

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8.4 Total available funding (Item 8.2 + Item 8.3)

977

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

2.1

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: SUDA acknowledges that net operating outflows was lower for the current quarter partly due to level of cash receipts.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company initiated an entitlement offer on 3 July 2020. The Company will release an announcement on 3 August in relation to the results of the entitlement offer.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Following the steps taken to raise further cash, SUDA will continue its operations and to meet its business objectives.

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.

Date: 31 July 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.