SUDA PHARMACEUTICALS LTD

ACN 090 987 250

ASX Release

Appendix 4C: Fourth Quarter FY 2021

PERTH, AUSTRALIA – 26 July 2021: SUDA Pharmaceuticals Ltd (ASX: SUD), a biotechnology company focused on developing therapies to treat cancer and conditions that affect the central nervous system, today released its Appendix 4C for the fourth quarter of FY 2021.

Cash receipts for the quarter were $68,000 with a bank balance of $6.717m at 30 June. The net outflow from operating activities for the quarter was $0.909m.

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.

iNKT cell therapy platform licence

SUDA management has been actively looking to add new technologies to strengthen its pipeline in its two focus areas, oncology and conditions that affect the central nervous system. As announced on 18 June 2021, SUDA acquired a global, exclusive licence to an invariant Natural Killer T (iNKT) cell therapy platform. Professor Anastasios Karadimitris developed the platform at Imperial College London.

Preclinical studies from the laboratory of Professor Karadimitris demonstrated that the natural properties of iNKT cells allow them to target cancer cells. iNKT cells can be further modified to equip them with a Chimeric Antigen Receptor (CAR), and CAR-iNKT cells have two ways to recognise, attach to, and destroy cancer cells, making them dual targeting. In preclinical studies, CAR-iNKT cells displayed superior activity relative to conventional cell therapies in eradicating cancer cells and extending tumour-free survival. The therapy is initially being developed for the treatment of blood cancers.

Professor Karadimitris' research group was the first to demonstrate that iNKT cells are protective against graft versus host disease (GVHD). This provides a critical advantage that the iNKT cell platform may be used "off-the-shelf", meaning that the cells can be isolated from a healthy donor, modified to enhance their activity against cancer and stored frozen, ready to be administered to cancer patients as needed. This would represent a significant advantage for the field.

CEO and MD, Dr Michael Baker, commented: "We are delighted to have licenced what we believe is a promising platform that can be used to treat cancer. There is a lot of hard work to get to human clinical trials but we are motivated by the data from preclinical studies

and the potential positive impact that we believe this therapy may have on the lives of cancer patients."

New appointments at SUDA

Over the quarter, SUDA officially welcomed Gunnar Birgegård, PhD, MD, to the Scientific Advisory Board (SAB) for the anagrelide program. Gunnar joins Dr Richard Franklin, Professor Anil Sood and Professor Steve Watson as members of the SAB. Earlier in the year, SUDA contracted the services of MedPharm to assist in stabilising the anagrelide formulation, which would enable the formulation to progress into preclinical toxicology studies.

In the June quarter, SUDA also welcomed Malar Armugam to the team as Program Manager. Malar has more than 20 years' experience in the pharmaceutical sector, with previous roles at Mayne Pharma, Pfizer, Hospira and GSK. Malar is completing her MBA at the Royal Melbourne Institute of Technology.

Corporate Update

The Placement announced on 22 June 2021 was oversubscribed and strongly supported by sophisticated and institutional investors. The Placement was conducted in conjunction with the Definitive Licence Agreement for the iNKT cell therapy platform. The proceeds will be used to support the initial development of the iNKT cell therapy platform, including hiring key personnel and initiating the manufacturing of critical components to produce the product. In total, the Company raised $3.65m (before costs) via the Placement and issued 96,163,997 shares at $0.038 per share.

Due to the timing of the June 2021 Placement, the closing cash balance at 30 June 2021 does not include the costs associated with the capital raise, which will be included in the Appendix 4C for the September quarter.

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 biotechnology company focused on developing therapies to treat human disease. SUDA's two focus areas are oncology and conditions that impact the central nervous system. SUDA is developing its invariant natural killer T (iNKT) cell therapy platform from Imperial College London to treat blood cancers. The Company is also developing low-risk oral sprays to reformulate existing pharmaceuticals. The 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 an oral spray for the platelet-lowering drug anagrelide to treat metastatic disease in the background of high platelets, and ZolpiMist™, a first-in-class oral spray of zolpidem tartrate to treat short-term insomnia. ZolpiMist is approved by the FDA and the TGA and is marketed in the USA. SUDA has rights to the product outside of the US and Canada. Other products in development include oral sprays to treat migraine headaches, motion sickness, and drug-resistant epilepsy.

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.

Appendix 4C

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

Name of entity	
Suda Pharmaceuticals Ltd	
ABN	**Quarter ended ("current quarter")**
35 090 987 250	30 June 2021

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	68	316
1.2	Payments for		
	(a) research and development	(267)	(889)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	(23)	(104)
	(e) staff costs	(322)	(1,643)
	(f) administration and corporate costs	(383)	(1,823)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	18	1,103
1.8	Other (provide details if material)	-	(568)
1.9	**Net cash from / (used in) operating activities**	**(909)**	**(3,602)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(125)
	(d) investments	-	(2,000)
	(e) intellectual property	(89)	(361)
	(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	-	2,000
	(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**	**(89)**	**(486)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,654	10,546
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	(224)	(699)
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**	**3,430**	**9,847**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,283	977
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(909)	(3,602)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(89)	(486)

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)	3,430	9,847
4.5	Effect of movement in exchange rates on cash held	2	(19)
4.6	**Cash and cash equivalents at end of period**	**6,717**	**6,717**

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	5,667	1,733
5.2	Call deposits	1,050	2,550
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)**	**6,717**	**4,283**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	152
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Item 6.1 Reflects amounts paid to directors including director's fees, salaries, superannuation and consulting fees.

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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

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

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)	(909)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,717
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,717
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	7.4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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: N/A

8.6.2 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: N/A

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

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 26 July 2021

Authorised by: By the Board

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.