Suda Pharmaceuticals Limited and Controlled Entities
Appendix 4E
Preliminary Final Report
Year ended 30 June 2021

Name of entity:	Suda Pharmaceuticals Limited
ABN:	35 090 987 250
Year ended:	30 June 2021
Previous period:	30 June 2020

Results for announcement to the market

				$
Revenue for ordinary activities	Down	(51.7)%	to	257,347
Net loss after tax (from continuing operations) for the period attributable to members	Up	19.3%	to	(5,047,465)
Net loss after tax for the period attributable to members	Down	(49.2)%	to	(5,047,465)

Net tangible assets per security

	30 June 2021 Cents	30 June 2020 Cents
Net tangible asset backing (per share)	**1.25**	(0.12)

• Net Tangible Assets (NTA) means the total assets of a business, less any intangible asset such as goodwill, patents, and trademarks, less all liabilities. NTA for 30 June 2021 and 30 June 2020 does not include the right-of-use assets recognised under AASB 16 Leases.

Explanation of results

Please refer to the review of operations and activities on pages 1 to 4 for explanation of the results.

Distributions

No dividends have been paid or declared by the Company for the current financial year. No dividends were paid for the previous financial year.

Changes in controlled entities

Please refer to Note 7 for changes in controlled entities.

Audit Status

The preliminary report is based on financial statements that are in the process of being audited.

Suda Pharmaceuticals Limited and Controlled Entities

ABN 35 090 987 250

Preliminary Final Report For The Year Ended

30 June 2021

Review of operations and activities

SUDA Pharmaceutical Ltd (SUDA) is pleased to announce its financial results for the year ended 30 June 2021.

Highlights

- Revenue of $257,347
- TGA approval received for ZolpiMist® product
- Australian patent granted for anagrelide
- Two new SAB members added for the anagrelide program
- MedPharm contracted to assist with the development of the anagrelide oral spray formulation
- Acquired the licence to a novel invariant natural Killer T cell platform from Imperial College London

Financial review

The revenue for the financial year ended 30 June 2021 was $257,347 (2020: $532,690). The loss for the year was $5,047,465 (2020: $9,935,595) after an impairment loss for its Slidenafil and Duromist of $1,239,467 and anticipated research & development income of $524,042.

The Group's net assets increased from $4,135,420 to $8,981,683 at 30 June 2021 with cash reserves of $6,717,198 (2020: $977,472).

Significant events

The significant events during the year ended 30 June 2021 were:

(i) TGA approval granted for SUDA's most advanced product, ZolpiMist®

SUDA submitted a Marketing Authorisation Application (MAA) to the Therapeutic Goods Administration (TGA) for ZolpiMist in April 2019. Completion of the TGA review was expected in Q4 2020, following an amendment to the TGA submission to register a supplemental active pharmaceutical ingredient (API) supplier and final product manufacturer. On 29 July 2020, SUDA received notification from the TGA of approval of the registration of the Company's lead product ZolpiMist (zolpidem tartrate) for the treatment of short-term insomnia in adults.

The benefits of TGA approval are:
i. ZolpiMist is now included on the Australian Register of Therapeutic Goods and can be commercialised and supplied within Australia;
ii. It demonstrates SUDA's compliance with Good Manufacturing Practice (GMP) and an ability to obtain regulatory approvals for its products; and
iii. It will assist SUDA's current partners with their regulatory submissions and commercialization efforts in their territories.

(ii) The Australian Patent Office granted SUDA's patent covering anagrelide use for the treatment of metastatic disease

The Australian Patent Office granted SUDA's Application No. 2015370666 titled "Prevention and Treatment of Metastatic Disease in Thrombocytotic Cancer Patients". The patent has an expiry date of December 2035. This adds to the granted patents that SUDA already has in place for Europe and Japan. SUDA continues to actively prosecute the filings in additional territories such as the United States and China.

Review of operations and activities (continued)

(iii) SUDA completed a canine pharmacokinetic study that supported the hypothesis that an oral spray may provide a safer route of administration of anagrelide to treat cancer patients.

On 22 September 2020, SUDA received the final report for a canine pharmacokinetic study completed at Covance Inc., Harrogate.

Three carefully selected experimental oral spray formulations of anagrelide were compared with the commercial capsule form of the drug, Xagrid™. The objective of the study was to compare plasma levels of anagrelide and its cardiostimulatory metabolite following administration of the oral spray formulations with those after dosing with the capsule. The study enabled SUDA to test the hypothesis that an oral spray could provide a safer route of administration for anagrelide in treating metastatic disease in cancer patients by reducing exposure to the cardiostimulatory metabolite, 3-hydroxy anagrelide.

One of the oral spray formulations tested (formulation SS-101) displayed a statistically significant increase in bioavailability of 43%, over the capsule form of the drug. Importantly, formulation SS-101 showed an increase of only 28% in exposure to the cardiostimulatory metabolite relative to the capsule formulation. According to Covance Inc., this provides evidence that a proportion of the drug from formulation SS-101 reaches the bloodstream by crossing the lining of the cheek.

The magnitude of the differential between the increase in bioavailability of the parent drug and the cardiostimulatory metabolite (43% of parent drug versus 28% of the metabolite) was unique to formulation SS-101 and suggests that a lower dose of anagrelide could be administered to cancer patients, which would result in a relative reduction in patient exposure to the cardiostimulatory intermediate.
None of the formulations tested displayed negative cardiostimulatory effects. Upon visual assessment, no irritation of the lining of the cheek was evident following administration of any of the oral spray formulations.

(iv) SUDA appointed two new Scientific Advisory Board members for the anagrelide program

SUDA appointed two new members to its scientific advisory board for its anagrelide project, Dr Anil K. Sood and Professor Gunnar Birgegård.

Dr. Anil K. Sood is Professor and Vice Chair for Translational Research in the Departments of Gynecologic Oncology and Cancer Biology and co-director of the Center for RNA Interference and Non-Coding RNA at The University of Texas MD Anderson Cancer Center. He is also Director of the multi-disciplinary Blanton-Davis Ovarian Cancer Research Program. Dr. Sood co-leads the Ovarian Cancer Moon Shot Program.

Dr. Sood was the lead investigator in a seminal publication that was published in the New England Journal of Medicine, describing the role that platelets play in ovarian cancer in relation to reducing patient survival.

Professor Gunnar Birgegård, MD, PhD, is professor of Haematology at Uppsala University, Uppsala, Sweden. He was Chairman of the Nordic Study Group for Myeloproliferative disorders and is currently involved with studies on platelet reduction therapy with anagrelide and interferon. He is also a member of Leukemia Network Work Package 9 on Myeloproliferative disorders.

Professor Birgegård has been involved in studies analysing the clinical use of anagrelide for the treatment of Essential Thrombocythemia and other Myeloproliferative Neoplasms.

(v) SUDA contracted MedPharm to stabilise the oral spray formulation of anagrelide

SUDA contracted the services of MedPharm, who are performing formulation development work to assist in stabilising and optimising the oral spray formulation for anagrelide.

MedPharm is a world-leading Contract Development and Manufacturing Organisation (CDMO) that focus on topical and transdermal product design and development services. The team at MedPharm have been involved in the development of over 55 approved products.

Review of operations and activities (continued)

(vi) OroMist Project Updates

SUDA continues to work with Strides to develop an oral spray formulation of sumatriptan for the treatment of migraine, Cann pharma Australia to develop an oral spray formulation of pharmaceutical-grade cannabinoid derivatives for a number of conditions including drug resistant epilepsy and Sanofi, working with one of their selected active ingredients.

Laboratorios Ordesa S.L. elected not to proceed with further work or exercise their option to progress from a feasibility study into full development of a consumer product for the paediatric market. In addition, Zelira Therapeutics elected not to proceed with further work and exercise their option to progress from a feasibility study into a global development and licensing agreement.

Mitsubishi Tanabe Pharma Singapore Pte Ltd (MTPS) indicated their intention not to proceed with the License and Supply Agreement for ZolpiMist. MTPS cited a change in business strategy across the ASEAN region as their primary reason not to proceed with the License and Supply agreement. SUDA agreed to terminate the Agreement and there was no impact on SUDA revenue streams.

(vii) SUDA secured a global, exclusive licence to a novel iNKT cell therapy platform

On June 18, 2020, SUDA announced that it secured a global, exclusive licence for an invariant natural killer T (iNKT) cell therapy platform from Imperial College London. SUDA's new iNKT cell therapy platform, currently in the preclinical stages and developed by Professor Anastasios Karadimitris at Imperial College London, has been under development for several years. The iNKT cell therapy platform can be used in conjunction with chimeric antigen receptors (CARs) to treat various blood cancers.

The iNKT cell therapy platform is a cellular therapy, which is a type of cancer treatment that harnesses the immune system to treat cancer. Such treatments have ushered in an exciting era in the battle against cancer, with several products resulting in a complete cure for some patients. Still, a limitation for currently approved products is that the cell therapy must be manufactured from a patient's own cells, making the process cumbersome and costly.

Research from Professor Karadimitris' lab has shown 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.

The work from Professor Karadimitris demonstrates that the natural properties of iNKT cells allow them to target cancer cells. iNKT cells can be further modified to arm them with a 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 have shown superior activity relative to conventional cell therapies in eradicating cancer cells and extending tumour-free survival. CAR19-iNKT cells are being developed for the treatment of CD19 expressing cancers, including non-Hodgkin's lymphoma.

SUDA is the only ASX listed company that is developing cancer treatments using the iNKT cell therapy platform.

(viii) Personnel changes

On 18 January 2021 and following a review of operations, SUDA increased the efficiency of the team. The Chief Technical Officer role was assumed by SUDA's GM, Tony Macintyre and SUDA's CEO and MD, Dr Michael Baker.
During the year, SUDA also appointed Peter O'Byrne (Quality Assurance), Malar Armugam (Program Manager) and Phillip Hains was appointed as the Company Secretary.

Review of operations and activities (continued)

ix) SUDA raised $10.5 million during the financial year

SUDA closed its 1 for 1 non-renounceable entitlement offer 29 July 2020, to raise $3.56 million. Due to overwhelming demand, SUDA raised an additional $0.5 million by placement to sophisticated investors.

In December 2020, SUDA raised $2.76 million through placement to professional and sophisticated investors. The placement was oversubscribed and the SUDA directors participated in the capital raise, contributing $40,000.

In June 2021, SUDA raised $3.65 million by placement to sophisticated and institutional investors. The placement was heavily oversubscribed and priced at a premium to the closing price of shares on 17 June 2021 (the last trading day before announcing the Offer).

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	Consolidated 2021 $	Consolidated 2020 Restated $
Revenue from contracts with customers	2(a)	**257,347**	532,690
Other income	2(b)(ii)	**906,670**	798,732
Interest income	2(b)(i)	**6,542**	43,513
Cost of sales of goods		**(222,750)**	(200,969)
Employee benefits expenses		**(1,381,658)**	(1,427,544)
Depreciation and amortisation expense		**(652,176)**	(572,379)
Impairment of intangible assets		**(1,239,467)**	(268,444)
Finance costs		**(33,294)**	(21,275)
Other expenses	2(b)(iii)	**(2,688,679)**	(3,115,510)
Loss before income tax expense		**(5,047,465)**	(4,231,186)
Loss after tax from continuing operations		**(5,047,465)**	(4,231,186)
Loss from discontinued operations	9	**-**	(5,704,409)
Loss from discontinued operations		**-**	(5,704,409)
Net loss for the year		**(5,047,465)**	(9,935,595)
Total comprehensive loss for the year		**(5,047,465)**	(9,935,595)
		Cents	Cents
Basic/diluted loss per share (cents per share)	3(a)	**(1.52)**	(6.98)
Basic/diluted loss per share from continuing operations	3(a)	**(1.52)**	(2.97)
Basic/diluted loss per share from discontinued operations	3(a)	**0.00**	(4.01)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position
As at 30 June 2021

	Notes	Consolidated 2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents		**6,717,198**	977,472
Trade and other receivables	4	**533,637**	869,168
Inventories		**-**	21,801
Other current assets		**92,309**	166,203
Total current assets		**7,343,144**	2,034,644
Non-current assets			
Property, plant and equipment		**380,903**	364,587
Right-of-use assets		**52,037**	57,044
Intangible assets	5	**2,911,206**	4,251,222
Total non-current assets		**3,344,146**	4,672,853
Total assets		**10,687,290**	6,707,497
LIABILITIES			
Current liabilities			
Trade and other payables	6	**1,226,899**	1,434,083
Contract liabilities		**200,000**	333,002
Provisions		**191,565**	174,172
Borrowings		**5,721**	12,054
Lease liabilities		**70,772**	69,166
Total current liabilities		**1,694,957**	2,022,477
Non-current liabilities			
Trade and other payables	6	**-**	540,010
Provisions		**7,908**	5,350
Borrowings		**2,742**	4,240
Total non-current liabilities		**10,650**	549,600
Total liabilities		**1,705,607**	2,572,077
Net assets		**8,981,683**	4,135,420
EQUITY			
Issued capital	8	**77,003,347**	67,385,981
Reserves		**450,686**	1,629,979
Accumulated losses		**(68,472,350)**	(64,880,540)
Total equity		**8,981,683**	4,135,420

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 30 June 2021

	Issued capital $	Accumulated losses $	Share-based payment reserve $	Minority interest acquisition reserve $	Total equity $
Balance at 1 July 2019	67,385,981	(55,711,877)	899,117	1,404,267	13,977,488
Equity settled share-based payments	-	-	93,527	-	93,527
Loss for the year	-	(9,935,595)	-	-	(9,935,595)
Total comprehensive income for the year	**-**	**(9,935,595)**	**-**	**-**	**(9,935,595)**
Options lapsed during the period	-	766,932	(766,932)	-	-
Balance at 30 June 2020	**67,385,981**	**(64,880,540)**	**225,712**	**1,404,267**	**4,135,420**

	Issued capital $	Accumulated losses $	Share-based payment reserve $	Minority interest acquisition reserve $	Total equity $
Opening balance	67,385,981	(64,880,540)	225,712	1,404,267	4,135,420
Loss for the year	-	(5,047,465)	-	-	(5,047,465)
Total comprehensive loss for the year	-	(5,047,465)	-	-	(5,047,465)
Shares issued during the year	10,580,879	-	-	-	10,580,879
Share issue costs	(963,513)	-	-	-	(963,513)
Issue of options to broker	-	-	239,025	-	239,025
Options lapsed during the year	-	51,388	(51,388)	-	-
Equity settled share-based payments	-	-	37,337	-	37,337
Reclassification of reserve to accumulated losses	-	1,404,267	-	(1,404,267)	-
Balance at 30 June 2021	**77,003,347**	**(68,472,350)**	**450,686**	**-**	**8,981,683**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2021

	Notes	Consolidated 2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		**124,345**	952,261
Payments to suppliers and employees		**(4,756,985)**	(4,835,349)
Interest paid		**(25,869)**	(14,705)
Government grants and tax incentives		**1,115,540**	984,535
Interest received		**5,866**	33,050
Finance costs		**(7,425)**	(3,517)
Net cash (outflow) from operating activities		**(3,544,528)**	(2,883,725)
Cash flows from investing activities			
Payments for property, plant and equipment		**(166,107)**	(141,089)
Payments for intangible assets		**(348,447)**	(247,333)
Net cash (outflow) from investing activities		**(514,554)**	(388,422)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**9,856,391**	-
Principal elements of lease payments		**(57,583)**	(63,943)
Net cash inflow /(outflow) from financing activities		**9,798,808**	(63,943)
Net increase /(decrease) in cash and cash equivalents		**5,739,726**	(3,336,090)
Cash and cash equivalents at the beginning of the financial year		**977,472**	4,313,562
Cash and cash equivalents at the end of the financial year		**6,717,198**	977,472

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

1 Summary of significant accounting policies

Basis of preparation

The preliminary final report is presented in Australian dollars and has been prepared on an accrual basis and is based on historical cost basis except for selected current and non-current assets which are measured at fair value at reporting date.

The preliminary final report has been prepare in accordance with Australian Securities Exchange Listing Rules as they relate to Appendix 4E and in accordance with the recognition with the recognition and measurement requirements of the Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act 2001.

As such, the preliminary final report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance and financial position as the full financial report. It is recommended that the preliminary final report be considered together with any public announcements made by the Company in accordance with the continuous disclosure obligations of the Australian Securities Exchange Listing Rules.

(i) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. This includes the continued development and commercialisation of the Group's current projects.

As disclosed in the financial statements, the Group incurred a loss of $5,047,465 (2020: $9,935,595) and had operating cash outflows of $3,544,528 for the year ended 30 June 2021 (2020: $2,883,725). As at 30 June 2021, the Group's held cash and cash equivalents of $6,717,198 (2020: $977,472). The Directors are of the opinion that the Group is a going concern for the following reasons:

- The Directors anticipate that a further equity raising will be required and will be completed in FY2022.
- Based on prior experience, the Directors are confident that they can raise additional capital if and when required.

Should this equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be available to realise its assets and extinguish its liabilities in the normal course of business. Despite these uncertainties, the Directors are of the view that the Group will be successful in the above matter and accordingly have adopted the going concern basis of the preparation of the financial report.

COVID-19 has led to widespread restrictions on both national and international travel. To date, the Group’s supply chain has not been affected. Nevertheless, the risk that COVID-19 poses in terms of overwhelming health care systems must be taken into account when factoring in programs that are at the clinical stage.

As a result of the COVID-19 outbreak, or similar pandemics, the Group may experience disruptions that could severely impact the business in the following ways:

- delays or disruptions in supply chain for materials required for research and/or clinical trials;
- delays in the completion of research due to infection of key research personnel;
- delays enrolling patients into clinical trials;
- reduced ability to engage with the medical, pharmaceutical industry and investor communities due to the cancellation of conferences and travel bans, which may impact the ability to attract collaborators, potential industry partners and investors.

(ii) New and amended standards adopted by the group

For the year ended 30 June 2021, the Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these standards has not had any impact on the disclosures or amounts reported in these financial statements.

1 Summary of significant accounting policies (continued)

Basis of preparation (continued)

New Standard and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(iii) Changes in accounting policies

Government grants

Transactions involving government grants received are accounted for by applying AASB 120 Government Grants. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Note 2(b)(ii) provides further information on how the group accounts for government grants.

2 Revenue and expenses

(a) Revenue

	Consolidated	
	2021	2020
	$	$
Sales revenue		
- License and supply agreements and research and development projects	**257,347**	532,690

As a result of the contract which the Group enters into with its customers, a number of different assets and liabilities are recognised on the Group's balance sheet. These include but are not limited to: Trade receivables; Accrued income; and Deferred income. There has been no change in the accounting policies for theses assets as a result of the adoption of AASB 15.

The Group derives its revenue from the sale of goods and the provision at services at a point in time and over time in the following major categories: (i) licence and supply agreements; and, (ii) research and development income. The Group has a balance of contract liabilities of $200,000 for the year ended 30 June 2021 (2020: $333,002) as a result of research and development income to be recognised over time.

	Consolidated	
	2021	2020
	$	$
At a point in time		
Licence and supply agreements	**124,345**	174,663
Over time		
Research and development income	**133,002**	358,027
Total revenue	**257,347**	532,690

(b) Other Income and Expenses

(i) Interest income

	Consolidated	
	2021	2020
	$	$
Interest income	**6,542**	43,513

2 Revenue and expenses (continued)

(b) Other Income and Expenses (continued)

(ii) Other income

	Consolidated 2021 $	2020 $
R&D Tax Incentive	**632,370**	655,882
COVID-19 assistance grant	**174,300**	80,000
Export Market Development Grants (EMDG)	**100,000**	62,850
	906,670	798,732

Fair value of R&D tax incentive

The group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured. For the year ended 30 June 2021, the group has included an item in other income of $524,042 (2020: $655,882) to recognise income over the year necessary to match the R&D tax incentive on a systematic basis with the costs that they are intended to compensate. Furthermore, the group received additional $108,328 in current financial year as part of the R&D claim for financial year ended 30 June 2020.

(iii) Other expenses

	Consolidated 2021 $	2020 $
Other expenses		
Write-off of obsolete stock	**21,801**	23,608
Share-based payment expense	**37,337**	93,527
Legal fees	**59,126**	319,409
Professional fees	**444,321**	950,113
Patent and trademark costs	**281,612**	249,818
Research costs	**541,550**	284,520
General and administrative	**750,164**	552,915
Investor relation costs	**211,913**	213,411
Audit and accounting fees	**191,028**	129,564
Insurances	**143,959**	127,813
Travel costs	**5,868**	170,812
Total other expenses	**2,688,679**	3,115,510

3 Loss per share

(a) Basic earnings / (loss) per share

	Consolidated 2021 Cents	2020 Cents
Basic/diluted loss per share (cents per share)	**(1.52)**	(6.98)
Basic/diluted loss per share from continuing operations	**(1.52)**	(2.97)
Basic/diluted loss per share from discontinued operations	**0.00**	(4.01)

3 Loss per share (continued)

(b) Reconciliations of losses used in calculating loss per share

	Consolidated 2021 $	2020 $
Loss for the year		
From continuing operations	**(5,047,465)**	(4,231,186)
From discontinued operations	**-**	(5,704,409)
	(5,047,465)	(9,935,595)

The weighted average number of ordinary shares used in the calculation of basic loss per share and diluted loss per share is as follows:

Weighted average number of shares used as the denominator

	Consolidated 2021 Number	2020 Number
Weighted average number of ordinary shares for the purpose of basic/diluted loss per share	**330,893,281**	142,254,865

4 Trade and other receivables

	Consolidated 2021 $	2020 $
Trade receivables [(i)]	**9,595**	216,256
R&D incentive receivable	**524,042**	652,912
	533,637	869,168

(i) the average credit period on sales of goods and rendering of services is 60 days. All amounts are short term except when conditional on other party achieving a milestone. The carrying value of trade receivables is considered a reasonable approximation of fair value.

5 Intangible assets

Consolidated	Patents $	Development costs $	Total $
Year ended 30 June 2020			
Opening carrying value	132,358	10,158,467	10,290,825
Additions	-	247,333	247,333
Impairment	-	(5,937,532)	(5,937,532)
Amortisation	-	(349,404)	(349,404)
Closing net book amount	132,358	4,118,864	4,251,222
Year ended 30 June 2021			
Opening carrying value	132,358	4,118,864	4,251,222
Additions	-	348,447	348,447
Impairment	-	(1,239,467)	(1,239,467)
Amortisation	-	(448,996)	(448,996)
Closing net book amount	132,358	2,778,848	2,911,206

In current year, the Company has decided not to commit further resources to Sildenafil and Duromist projects as these projects were put on hold since prior year and there were no suitable co-development opportunities. The carrying value of Sildenafil and Duromist projects at reporting date has been fully impaired resulting an impairment expense of $1,239,467 recognised in the statement of profit and loss and other comprehensive loss.

6 Trade and other payables

	Consolidated 2021 $	2020 $
Current		
Trade payables (i)	**227,459**	732,073
Payroll tax and other statutory liabilities	**4,412**	181
Sundry payables and accrued expenses	**472,876**	292,731
Legal settlement (ii)	**522,152**	409,098
	1,226,899	1,434,083
Non-current		
Legal settlement (ii)	**-**	540,010

The Group has reclassified certain provisions in prior year comparatives in order to be consistent with the current year classification and presentation.

(i) Trade payables are non-interest bearing and are normally settled on 30-45 day terms and include superannuation and PAYG.

(ii) On 28 June 2018, SUDA entered into a settlement agreement with the receiver for HC Berlin Pharma (HCBP). On 29 March 2018, the Company announced that the German Court had dismissed an appeal lodged by SUDA against the Receiver of HCBP with respect to a failed in-kind capital contribution in June 2008. SUDA was found liable for the payment of €4,000,000 plus interest and costs and the Receiver had reserved his rights to apply to the Courts to have the liability increased to €8,000,000 plus interest and costs (quantum of the failed in-kind contribution).

The judgement against SUDA was made for half of the failed in-kind contribution or €4,000,000 plus 5% interest dating back from August 2008, as reported by SUDA on 27 February 2017. The estimated total of this claim amounted to approximately €6,000,000 ($9,400,000) plus legal costs. Upon the judgement being made final the HCBP Receiver reserved his right to assert claim over the full €8,000,000 plus costs (approximately $12,000,000).

6 Trade and other payables (continued)

The settlement is for SUDA to pay €1,400,000 in respect of the claim, plus legal costs of €220,000, being a total of €1,620,000 (approximately $2,570,000). The Directors of SUDA believe that this is a very good outcome for the Company and its shareholders. The settlement quantifies the liability and removes uncertainty.

The initial payment was due and paid by 30 September 2018 for €540,000 (approximately $855,000) and second payment of €250,000 paid by 31 December 2020 and €330,000 payable by 31 December 2021. The amount due has not been discounted to present value and the effect of this is not considered material.

7 Controlled entities

Subsidiaries of Suda Pharmaceuticals Ltd	**Country of Incorporation**	**Percentage owned**	
		2021 %	2020 %
Malaria Research Company Pty Ltd	Australia	-	100
Eastland CN Nominees Pty Ltd	Australia	-	100
Suda Europe Ltd	United Kingdom	100	100
Suda 18 Pty Ltd	Australia	-	100

During the year, the Company has filed company deregistration for Malaria Research Company Pty Ltd, Eastland CN Nominees Pty Ltd and Suda 18 Pty Ltd. Please refer to Note 9 for further details on discontinued operations.

8 Issued capital

	2021 Shares	**2021 $**	2020 Shares	2020 $
Ordinary shares				
Fully paid	**480,819,986**	**77,003,347**	142,254,865	67,385,981
	480,819,986	**77,003,347**	142,254,865	67,385,981
Total share capital	**480,819,986**	**77,003,347**	142,254,865	67,385,981

Movements in ordinary shares on issue

Details	**Number of shares**	**Total $**
Opening balance 1 July 2019	3,556,371,635	67,385,981
Share consolidation [(i)]	(3,414,116,770)	-
Balance 30 June 2020	142,254,865	67,385,981
Share consolidation adjustment	(468)	-
Rights issue (August 2020)	142,254,397	3,556,360
Shares issue (August 2020)	21,338,159	533,455
Shares issue in lieu of cash (October 2020)	988,949	35,310
Shares issue (December 2020)	76,708,975	2,761,523
Shares issue (February 2021)	1,111,112	40,000
Shares issue (June 2021)	96,163,997	3,654,232
Less: Capital raising costs [(ii)]	-	(963,514)
Balance 30 June 2021	480,819,986	77,003,347

(i) SUDA completed the consolidation of its share capital adoptions on a one(1) for twenty-five (25) basis which was approved by shareholders at the Annual General Meeting held on 12 November 2019.

(ii) $239,025 transaction costs on share issues related to the fair value of 9,132,603 unlisted options issued to external corporate advisory group Baker Young Stockbrokers for capital raise brokerage services and placement services rendered. Out of the total of 9,132,603 unlisted options to Baker Young, 2,923,385 unlisted options are yet to be issued as they requires shareholder approval in the upcoming Annual General Meeting.

9 Discontinued operations

During the year, the Group has decided to apply for deregistration of the following subsidiaries:

a) Eastland CN Nominees Pty Ltd
b) SUD 18 Pty Ltd
c) Malaria Research Company Pty Ltd

As a result of the deregistration, these subsidiaries are being accounted as discontinued operations and comparatives for the year ended 30 June 2020 have been amended as below.

	2021 $	2020 $
Impairment expense	-	(5,669,088)
Other expenses	-	(35,321)
Write off of other current asset	(130)	-
Write off of property, plant and equipment	(3,038)	-
Other income	3,168	-
Profit/(loss) from discontinued operations	-	(5,704,409)

As of 30 June 2021, the Group has written off all assets and liabilities of the subsidiaries into profit or loss for the year.

Furthermore as of 30 June 2021 and 30 June 2020, the subsidiaries do not have any cash transactions and hence no cash flows are presented.