SUDA PHARMACEUTICALS LTD

ANNUAL REPORT **2018**

SUDA PHARMACEUTICALS LTD

SUDA PHARMACEUTICALS LTD (PREVIOUSLY SUDA LTD)
AND CONTROLLED ENTITIES / ABN 35 090 987 250

ANNUAL FINANCIAL REPORT

30 JUNE 2018

CORPORATE DIRECTORY

Directors	Mr Stephen Carter	Executive Chairman
	Mr Joseph Ohayon	Executive Director
	Mr David Phillips	Non-Executive Director
Company Secretary	Mr Joseph Ohayon	
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	Listing codes:	
	Ordinary Shares	SUD
	Options	SUDOC

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CHAIRMAN'S LETTER

I would like to take this opportunity to thank our shareholders for their support during the past 12 months and in their further show of confidence in the company during the recent over-subscribed capital raising.

The past 12 months has seen a few significant achievements and changes for SUDA including the finalisation of the Berlin Pharma litigation, acquisition of the anagrelide project, changes to the board and business development areas of the company and a recapitalisation and clean up of the balance sheet.

I would like to take this opportunity to provide further insight to the developments of SUDA Pharmaceuticals.

In December 2017, we engaged David Phillips, a pharmaceutical executive with many years of pharmaceutical industry experience as a consultant to the company to review our business development process. In April 2018 David joined the SUDA board.

Michael Stewart, who has been a director of the company since June 2009 and as chairman since January 2014, resigned from the company for personal reasons. We are pleased that Mike, who is currently SUDA's largest shareholder, is still involved in the business in an advisory capacity. Upon the resignation of Mike, the board asked me to take the role of executive chairman whilst we began a search for a new chairperson. I would like to confirm that we are actively looking for a new chairperson.

In July 2018, David took over the business development activities for the company following Nick Woolf's resignation. Nick has been with the company for almost 5 years and has played a key role in raising awareness of the company on the global stage.

This change was, I believe, a positive step as the company has now refocussed its business development onto the US market and we are currently recruiting a well-qualified business development executive to drive the bd activities in the largest pharmaceutical market in the world. A task that was challenging and difficult from our Perth offices.

The other key changes include:

i. We acquired the intellectual property, including patents, for the anti-platelet agent anagrelide in early 2018. Anagrelide, an existing drug, has side-effects that render the drug as a non-preferred treatment for oncology patients in its current form. By changing the delivery through the oro-mucosa, we hypothesise that the side effects will be greatly reduced. We have already overcome a key hurdle with developing the anagrelide project which related to solubility. Also, we are very pleased to have attracted a number of world-renown opinion leaders on our science advisory board.

ii. To maximise the use of our resources we have focused on 2 primary products: Anagrelide and Midazolam. Midazolam has been one of our projects for several years (SUD-005) and is for the treatment of pre-procedural anxiety and epileptic seizures. The key driver to focus on this project is based around the current need and activity within the treatment of epilepsy and that an oro-mucosa delivery would be a key benefit in the developing space.

iii. A secondary focus is on our existing pipeline of projects as well as continuing our push for co-development deals. We have advanced negotiations with pharma companies for existing projects as well as for co-development on cannabinoid projects and a nicotine replacement therapy oral spray.

iv. SUDA also obtained a Good Manufacturing Practice licence from the Therapeutic Goods Administration which demonstrates to pharma companies our high standards of principles and procedures to ensure therapeutic goods are of high quality.

v. After many years, we were able to reach a settlement with the receiver of HC Berlin Pharma AG (HCBP) over a dispute that dated back to a transaction occurring in 2008, well before any of the current staff were involved with the company. The board believe that the outcome from these negotiations was in the best interests of the company with the payments are deferred over 3½ years and we are pleased to have closed out this final legacy issue.

vi. And finally, I wanted to discuss the recent capital raising which commenced in late June and closed on 26 July 2018 and the impact on our share price. The rights issue was priced to ensure that we had a strong take up and to this end we were very successful. The rights issue was oversubscribed, and we were able to accept a further $668,000 as a placement. As part of the recapitalisation, we were able to redeem all convertible notes on issue and received support from all noteholders to participate in the rights issue. The issue price was a reflection of the downward turn in the share price which was driven down by a number of mitigating factors including; the uncertainty around the cash position of the company, the uncertainty around the legal action with HCBP and partially around the need to close more deals.

I assure you that the board is acutely aware of the concerns around the current share price and we are, as a unified board, completely focused on and working to grow shareholder value. We have taken a number of key steps in our transition strategy and will continue to make changes, including recruiting further experienced board members and key management personnel to drive growth and to meet the potential of this company.

I would like to also thank the management and staff of SUDA who have worked tirelessly in the background often under difficult circumstances to achieve some significant milestones.

Stephen Carter
Executive Chairman

MISSION STATEMENT

SUDA Pharmaceuticals Ltd is revolutionising drug delivery to improve the health and lifestyle of the global community by providing new, high-quality, innovative, oro-mucosal spray pharmaceutical products to assist in the treatment of various conditions whilst maintaining consistent growth and investment value for its shareholders

REVIEW OF OPERATIONS

KEY MILESTONES FOR THE 2018 FINANCIAL YEAR:

1. **Signed a licence and supply deal for ZolpiMist™**
2. **Acquisition of Anagrelide Intellectual Property**
3. **Sale of subsidiary company, Westcoast Surgical and Medical Supplies Pty Ltd**
4. **Settlement of HC Berlin Pharma legal matter**

1. Signed licencing deals for ZolpiMist™ (refer to page 10)

On 4 July 2017, SUDA entered into an exclusive licence and supply agreement with Teva Pharmaceuticals International GmbH, an affiliate of Teva Pharmaceutical Industries Limited ("Teva"), a leading global pharmaceutical company and the world's largest generic medicines producer, for ZolpiMist™ in multiple countries. SUDA granted Teva a licence to distribute and market ZolpiMist in Brazil, Mexico and Chile, together with an 18-month option to license the product in Argentina, Israel and Australia.

Under the terms of the agreement, SUDA received an upfront payment of US$300,000 (approx. A$400,000) and is entitled to receive further licence fees, registration milestone payments and commercial milestone payments of up to US$1,750,000 (approx. A$2,360,000). In addition, once ZolpiMist is registered for sale in the territory, SUDA will supply the product to Teva and receive a double-digit royalty on net sales less supply price.

2. Acquisition of Anagrelide Intellectual Property (refer to page 14)

SUDA completed the acquisition of the global intellectual property relating to anagrelide, an anti-thrombotic agent, that has recently shown promise as a novel anti-cancer agent. Under the terms of the agreement with UK-based Aluztra Bio Ltd, Aluztra assigned to SUDA the relevant global patents and Aluztra and its partners will be entitled to a low single-digit percentage royalty on direct net sales or a share of income generated by SUDA from commercialisation of an oro-mucosal spray of anagrelide. No other payments were payable.

Anagrelide has the potential to be developed as an effective anti-cancer agent but is fundamentally limited in its current formulation by cardio-stimulatory side-effects. An oro-mucosal spray formulation of anagrelide could minimise these side-effects by avoiding first-pass generation of a highly potent cardio-excitatory metabolite of the drug in the liver.

The global market for cancer drugs has grown to more than $100 billion in annual sales. Newer cancer treatments include immunotherapies that stimulate the patient's own immune system.

3. Sale of subsidiary company, Westcoast Surgical and Medical Supplies Pty Ltd.

SUDA completed the sale of its subsidiary, Westcoast, on 7 March 2018. The business was non-core and, after conducting a comprehensive divestment initiative, the Board accepted an offer from Perth-based company, Medical Sales and Services Pty Ltd, a subsidiary company of Device Technologies Pty Ltd, and entered into a share sale and purchase agreement.

The gross sale price was $1,736,266 and the activities of Westcoast are included in Discontinued Operations.

4. Settlement of HC Berlin Pharma legal matter (refer to page 19)

On 28 June 2018, SUDA entered into a settlement agreement with the receiver for HC Berlin Pharma AG (HCBP). 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 was a very good outcome for the Company and its shareholders. The settlement quantifies the liability and removes uncertainty.

OROMIST® TECHNOLOGY

Increasing the bioavailability (the amount of a drug that become biologically active upon use) of our drug targets, and decreasing the time for the drug to act, are the primary challenges for SUDA's OroMist® sprays. Our suite of technologies addresses bioavailability and onset of action by a combination of proven proprietary and known technologies to optimise solubility, stability, permeability and palatability. Formulations are developed in a logical fashion utilising GRAS (Generally Regarded As Safe) approved excipients and only building to complex solubilisation and/or permeability enhancers if required.

With the OroMist® technology, SUDA uses a range of proprietary co-solvents, unique combinations of hydrotropes (see below), plus pH and/or electrolyte addition via specific salts or mixes of excipients for ionisable compounds to solubilise sufficient drug in the correct stable form to provide efficient permeation through the oral mucosa. Lipids (Fats) and lipid/ aqueous mixtures may be used to provide solubility and aid permeation for more lipophilic compounds.

SUDA also has an extensive knowledge of proven techniques to improve solubility including particle size reduction and solid dispersions, complexation with materials such as cyclodextrins and micellar dispersion in emulsions, which may be utilised if required.

Many drugs are very bitter and must be taste masked and flavoured for patient compliance in such a way that solubility and permeation are enhanced or at least maintained. SUDA's use of specific flavour/sweetener/ taste-mask combinations ensure that the formulation is palatable to the user whilst maintaining bioavailability and onset of action requirements.

Permeability enhancers may be required to improve bioavailability and SUDA employs a logical succession of simple to complex systems to aid oro-mucosal permeation.

There are two key ways that a drug can travel across the mucosal tissue, through the cells (transcellular) this is used mostly by fat soluble (water hating) or around the cells (paracellular) for water soluble (fat hating) drugs. The two mucosal permeation pathways are shown below:

Experiments have shown that most compounds traverse the oro-mucosa via the intercellular pathway.

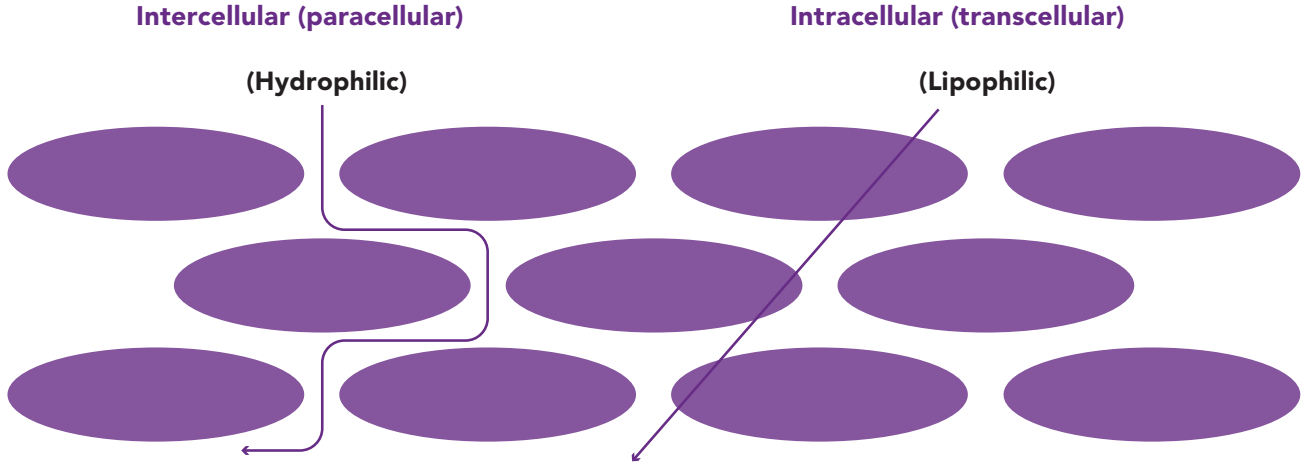
SUDA's proprietary permeation-enhancing technology is based on novel combinations of hydrotropes. Hydrotropes are broadly defined as a class of compounds able to increase the aqueous solubility of sparingly soluble solutes. They are structurally defined as a molecule consisting of a polar and a non-polar end able to aggregate but unable to form micelles. SUDA has discovered that certain hydrotropes combinations form a complex with the certain active drug types, thus providing lipophilicity and enhancing permeability.

It was this hydrotrope technology that led Pfizer Consumer Healthcare to sign a feasibility agreement with SUDA in April 2017. The financial benefit for SUDA from feasibility agreements include a fee-for-service and the potential for commercial licence fees, milestones and royalties. The IP remains the property of SUDA.

Selection of an OroMist reformulation

SUDA has extensive know-how and has developed an internal step-wise approach for the selection of drug candidates to be reformulated into oral sprays for SUDA's in-house pipeline. Whilst a key decision point is market size and position of the drug in the market, the Company also looks at the potential benefits that an oral spray can bring to the target patient population. Once SUDA has identified a product candidate it then looks at the formulation process. It is important to realise that each formulation is tailored-made to accommodate the requirements of the potential target patient population. Furthermore, SUDA assesses several key parameters and characteristics of the Active Pharmaceutical Ingredients (API) of interest, which include but is not limited to:

- intrinsic solubility characteristics;
- hydrophilicity/hydrophobicity;
- molecular weight;
- dose and dosing requirements;
- medical indication;
- acute or chronic illness; and
- IP positions and challenges, if any.



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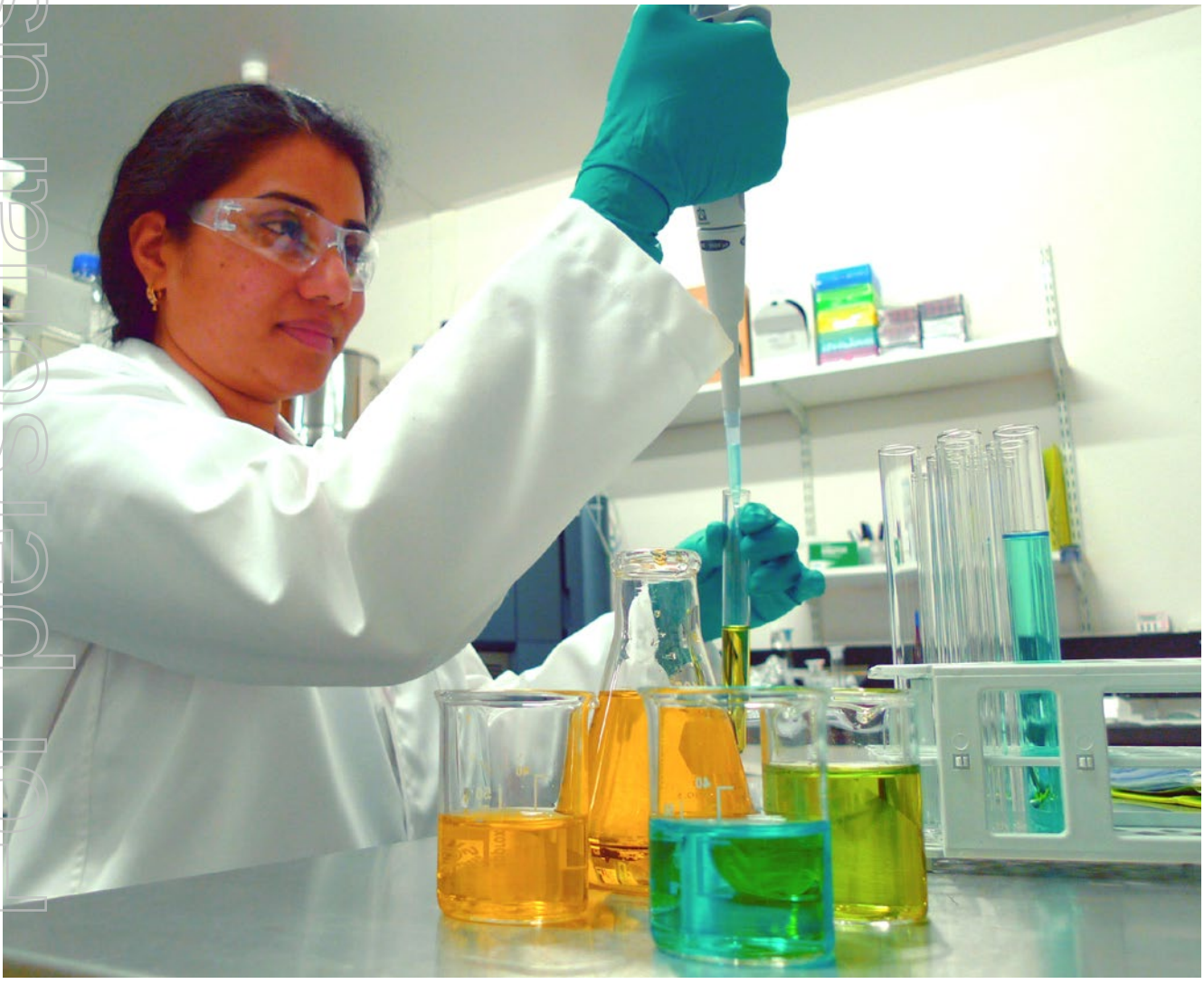
Iterations of formulations are assessed for physical and chemical stability; relative permeability is assessed using our in-house *in-vitro* and *ex-vivo* permeation models and using our taste panel to determine palatability. This rigorous process further ensures that formulations that make it through to *in vivo* PK and toxicological studies have been thoroughly characterised and have the highest chance of success.

Intellectual Property

SUDA's intellectual property includes granted and pending patents, trademarks and proprietary know-how. The patent estate covers liquid spray formulations of a wide range of drug classes such as anti-infectives, (i.e. antibiotics and antifungals), anti-asthmatics, barbiturates, and opioids as well as biologically active peptides and hormones such as, insulin and cyclosporine. These formulations can be administered to the oral cavity in the form of a micro-mist covering the oral mucosal membranes. The management is currently working with the technical team to further strengthen the intellectual property portfolio as it progresses with its R&D efforts. A list of patents is shown on pages 16 to 17.



BACKGROUND TO ORO-MUCOSAL DRUG DELIVERY

Oral Route

Among the various routes of drug delivery, the oral route is perhaps one of the most studied and preferred by patients and clinicians. About 70% of drugs are administered orally, primarily in tablet or capsule form. However, there are a number of disadvantages associated with the solid-oral administration such as hepatic first-pass metabolism as well as acidic and enzymatic degradation within the gastrointestinal (GI) tract, which can cause a relatively lengthy onset time and/or can exacerbate erratic absorption patterns. Furthermore, patients must be conscious and able to swallow (40% of US adults and 54% of children (6-11 years) report swallowing difficulties) and, in most cases, need to have access to drinking water.

Oral Mucosa

The oral cavity is an attractive site for the delivery of drugs. Its attractiveness resides in the fact that the oro-mucosal membrane is readily accessible to patients and/or carers, the high vascularisation can promote a faster onset of action, and can reduce or avoids the hepatic and intestinal degradation mechanisms.

There are numerous pharmacologically active compounds that could benefit from improved delivery attributes as they present poor oral bioavailability due to poor aqueous solubility, degradation within the GI contents, poor membrane permeability or pre-systemic metabolism[1].

The oral mucosa is the mucous membrane of the oral cavity, which includes the tongue, cheeks, palate and gums. Drug delivery within the oral mucosal cavity is classified into five categories:

1. local delivery, which is drug delivery into the oral cavity;
2. sublingual delivery, which is systemic delivery of drugs through the mucosal membranes lining the floor of the mouth;
3. buccal delivery, which is drug administration through the mucosal membranes lining the cheeks (buccal mucosa);
4. lingual delivery is drug administration over the tongue; and
5. gingival delivery is drug administration through the gums.

The oral mucosa and skin bear many structural similarities, where both epithelial tissues play a crucial role as a barrier against exogenous substances, pathogens and mechanical stress. But their function in the body differs with the oral mucosa being hydrated by saliva while the skin provides a waterproof barrier and the most superficial layer is highly keratinised.

The oral mucosa is 4-4000x[2] more permeable compared to the skin depending on the substance considered. In general, the permeability of the oral mucosa decreases in the order of sublingual being greater than buccal, and buccal being greater than palatal. This rank order is based on the relative thickness and degree of keratinization of these tissues.

The sublingual mucosa is relatively thin, non-keratinised and highly permeable (in the case of water it has been calculated to be 20x[3] higher than human skin) with a rich blood supply consenting a rapid onset of action and absorption of lipophilic drugs. The absorption of a drug via the sublingual route is 3 to 10x greater that the oral route and is only surpassed by intravenous injection. The buccal mucosa is thicker, about 40-50 cell layers, and non-keratinized, and the palatal intermediate in thickness but keratinized.

Additionally, it is estimated that between 60 and 70%[4] of New Molecular Entities (NMEs) potentially exhibit sub-optimal drug delivery characteristics. The balance between 'perfection' and 'good enough' in clinical development is allowing for less than ideal bioavailability or delivery properties, which are tolerated to reduce clinical complexity and increase speed to market. Perhaps it is not a coincidence that two thirds of product launches under-perform expectations.

1. Bruce J Aungst, Absorption enhancers applications and advances; 2011 American Association of Pharmaceutical Scientists; (http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3291189/pdf/12248_2011_Article_9307.pdf)

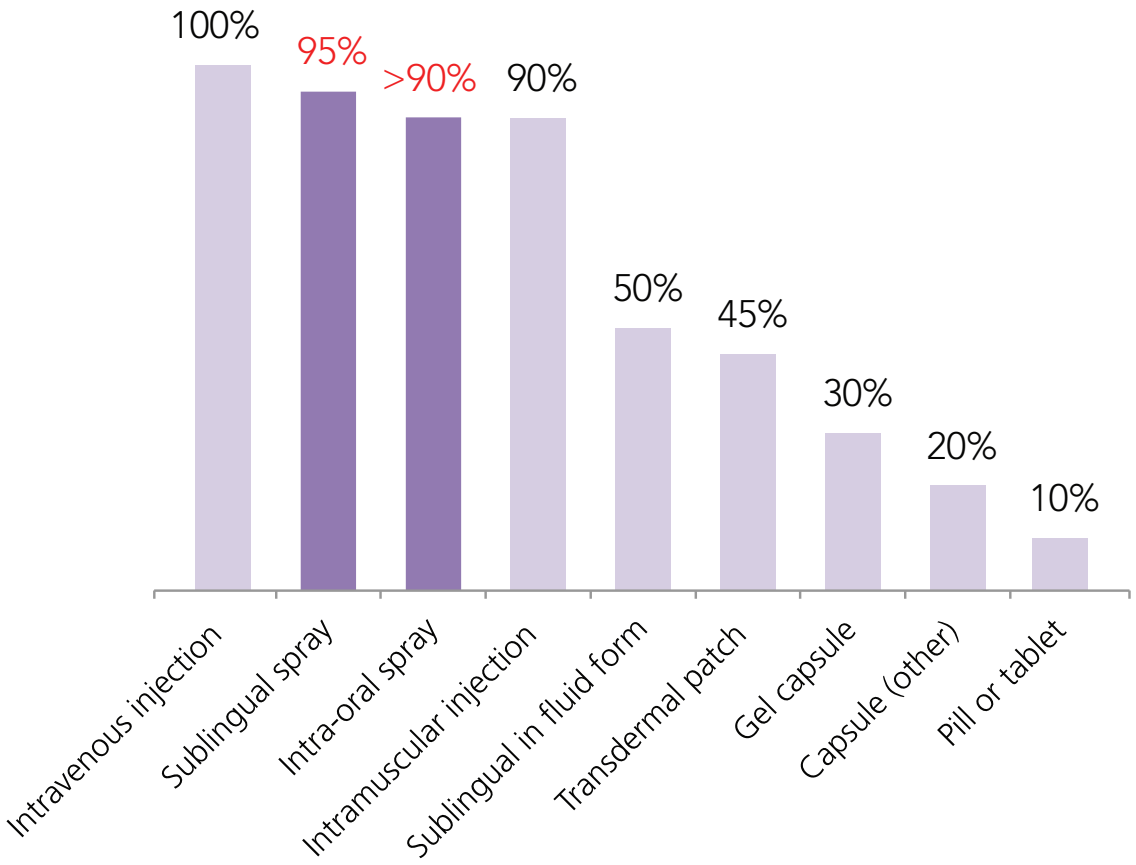
2. Mathematical modelling of transmucosal drug delivery http://www.maths-in-medicine.org/uk/2012/transmucosal-drug-delivery/report.pdf

3. C.A. Lesch, C.A. Squier, A. Cruchley, D.M. Williams, P. Speight, The permeability of human oral mucosa and skin to water, J. Dent. Res. 68 (1989) 1345-1349

4. Catalent, Inc. and Quotient Bioresearch

REVIEW OF OPERATIONS

Bioavailability comparison of different drug administration routes



Source: Physician's Desk Reference, NPPDR, No. 18:676, 1997

Reformulations: a shortcut to market

Development timelines of reformulated drugs can be considerably shorter (3-7 years) when compared to the development of a New Chemical Entity (NCE) which can be over 13 years from discovery to approval, and the development risks are considerably lower than a NCE due to the extensive amount of pre-existing data.

In the USA, the regulatory pathway for approval of reformulations falls under the abbreviated FDA 505(b)(2) legislation. In Europe, there is an analogous legislation, which is based on a hybrid application under Article 10(3) of Directive 2001/83/EC and successive amendments. Applications through either the FDA 505(b)(2) pathway or the EMA hybrid process can leverage the safety and efficacy data generated for the formulations already approved and can rely solely on data showing comparable bioavailability to the reference drug.

PHARMACEUTICAL INDUSTRY: OUTLOOK IN A COST-CONSCIOUS WORLD

Small and large pharmaceutical companies are increasingly outsourcing significant portions of their R&D, manufacturing and corporate processes and rely extensively on partnerships and alliances. In addition, an increasing number of generics firms are expected to enter the top 50 global pharmaceutical companies.

Part of this changing landscape has been also the surge of interest in novel drug delivery technologies and systems. Until not long ago drug delivery was considered of lesser importance in the development process of a pharmaceutical, despite the fact that without an adequate delivery technology a drug is next to useless. In recent years, the market has evolved with the development of drugs and delivery systems being integrated at each step of the way from the preclinical to clinical stage, and in so doing optimising both the commercial and therapeutic drivers. The global drug delivery technologies market is expected to grow from $1,179.20 billion to $1,669.40 billion at a CAGR of 7.2% from 2016-2021. The oral drug delivery segment is expected to account for the largest share[5].

The pharmaceutical industry continues to take advantage of drug delivery technologies in its efforts to add years to product revenue streams. Although there are several approaches available to companies to manage the lifecycle of products, those who have pursued drug delivery approaches have proven to be more effective than most, particularly when patient/clinical benefits are apparent. New formulation strategies have been shown to deliver the best return on investment, proving significantly more effective than an OTC/branded generic route, repositioning, or a new indication.

Over the last few years, the global pharmaceutical industry has been characterized by a major debate on drug pricing pressures, tightening regulatory environment and stagnating economies. These challenges remain for the industry.

The healthcare industry is not immune from cyclical economic ups-and-downs and there is a strong correlation between income and healthcare expenditure. A rise in living standards and ageing society, in both high and low-to-medium income countries, are contributing to an increase in lifestyle-related diseases, ensuring that the industry continues to grow at a faster rate than the global economy. Growth rates in advanced economies are projected to be ranging between low to mid-single digits, whereas in emerging countries pharmaceutical sales are forecast to reach double digits.

Healthcare spending varies with income for two reasons: a) demand rises more than proportionally with income; and b) as countries become richer, households are prepared to forego more discretionary consumption in favour of medical treatments. The level of income influences also the rate of epidemiological change, transitioning from primarily communicable diseases (CDs) to non-communicable diseases (NCDs). Countries in the midst of an epidemiological transition experience much more rapid increases in health spending than economies that have already made the transition.

Policymakers are unlikely to consent to significant increases in spending, and tight limits will continue to be imposed on public and private healthcare providers. This is particularly true when the demand grows faster than the capacity of the industry itself, which causes prices to rise faster than the economy-wide rate of inflation.

Across the developed world, increasingly stringent medical procurement policies require pharmaceuticals companies to use real-world evidence on health outcomes to convince payers and providers to use their drugs. New procurement policies are likely to slow the pace of 'technological adoption', or the rate at which newly introduced drugs and/or devices, are adopted. In turn this is having an effect on the licensing processes and drug approval timelines.

Cross-border licensing agreements are becoming increasingly complex, lengthening completion timelines and requiring the parties to overcome a wide range of cultural, regulatory and legal hurdles that can greatly differ from country-to-country and type of drug. Very importantly, the ability and willingness of the interested party to pay for innovative medicinal products, given the ongoing global economic uncertainties, are likely to slow down healthcare spending at least in the medium term.

Among large economies, the biggest increase in health spending is likely to occur in China, which is expected to age like an advanced economy at the same time as per capita income continues to grow at among the fastest rates in the world. The US dollar exchange rate, which has been volatile in many countries is also playing a role in the determination of a suitable transfer price. Nevertheless, the rise in healthcare spending is real enough, and the Chinese healthcare sector will see steady improvement over the next few years, with life expectancy rising along with the number of doctors and healthcare structures.

Stronger US dollar and weak economic outlook is impacting the healthcare expenditure in Latin America. Spending continues to slow as economies remain under pressure, particularly in Brazil and Colombia. Even so, several governments are trying to improve public healthcare systems as much as their budgets allow.

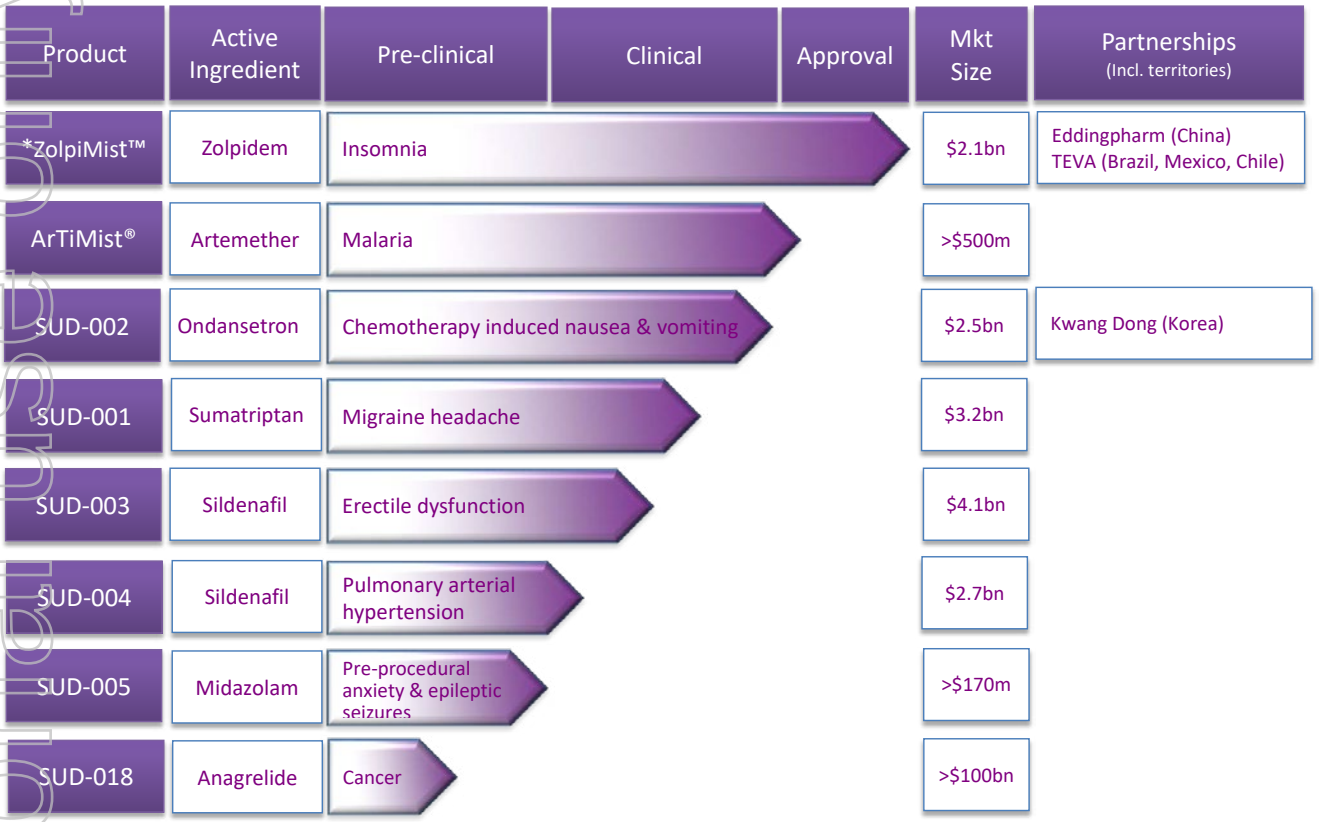
In Europe, economic pressures and a decline in the Euro continue to limit healthcare spending, despite the health needs of an ageing population. The EMEA region is projected to see the world's slowest growth in healthcare spending up to 2019. Spending in Germany, the United Kingdom and Sweden is expected to fare better than in Greece, Italy, Ireland, Portugal and Spain, the countries most impacted by the Eurozone crisis.

5. http://www.prnewswire.co.uk/news-releases/drug-delivery-technology-market-growing-at-a-cagr-of-72-during-2016-to-2021---reportsnreports-625422994.html

REVIEW OF OPERATIONS

PRODUCT PIPELINE: KEY PROJECTS

The table below shows the promising projects that have been prioritised for further development and commercialisation. A number of additional attractive product candidates, in a varied development stage, are being evaluated for inclusion.



ZolpiMist™: treatment for insomnia

ZolpiMist™ is a US approved, patented, cherry-flavoured, oro-mucosal spray formulation of zolpidem tartrate (marketed under the brand name of Ambien® or Stilnox®), a non-benzodiazepine prescribed for the short-term treatment of insomnia characterised by difficulties with sleep initiation, as per Ambien's approved indication. The spray offers quicker sleep onset latency, patient convenience, and ease of use compared to conventional tablets. Zolpidem tartrate is the most widely prescribed sleep aid on the market with a market share in excess of 70%. The global insomnia therapeutic market is forecast to reach US$2.1bn in 2017.

SUDA's out-licencing activities for ZolpiMist continue to expand. In July 2017, SUDA signed its second licensing agreement for ZolpiMist with Teva Pharmaceuticals (Teva) covering multiple countries in Latin America plus an option to license the product in other countries. Teva submitted the first Marketing Authorisation Application in Latin America in December 2017 with approval expected by the end of CY2018.

Eddingpharm in China, SUDA's first licensee for ZolpiMist, is finalising its Clinical Trial Application to the Chinese Food & Drug Administration (CFDA). Recent legislative changes implemented by the CFDA are designed to accelerate the regulatory pathway for the approval of novel drugs in China. Eddingpharm anticipates benefiting from this new legislation with ZolpiMist.

SUDA has out-licensed ZolpiMist in seven countries, including three of the top-10 most populous countries in the world. These deals have the potential to generate downstream value of $50 million to $160 million through milestone payments, double-digit royalty rates on sales and supply of the finished product.

SUDA is targeting registration of ZolpiMist by the Australian Therapeutic Goods Administration (TGA). The Company is working with regulatory consultants to prepare the Marketing Authorisation Application, which will be based on the US regulatory dossier.

SUDA's Australian registration strategy is in parallel to the progress that its partners are making to achieve approval of ZolpiMist in Latin America and China.

ArTiMist®: malaria

ArTiMist® is the world's first sublingual spray for the treatment of p. falciparum severe 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 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. The simple sublingual spray could be particularly valuable as a pre-referral treatment when children first show signs of a malaria-like fever, before being referred to hospital. ArTiMist is owned and managed by SUDA's subsidiary company, Malaria Research Company Pty Ltd (MRC).

SUDA has received positive responses from the reviewers of the Marketing Authorisation Application at the TGA. The application was accepted for review in April 2017. Subject to some outstanding questions, which SUDA and its contractors are addressing, Marketing Approval is anticipated by June 2019.

The Company continues its discussions with pharmaceutical companies in relation to the sale or licence of ArTiMist, as well as with potential distributors that have a strong franchise in anti-malarials in Sub-Saharan Africa. These two options are not mutually exclusive.

SUD-001: migraine headache

SUD-001 is a first-in-class mint-flavoured oral spray formulation of sumatriptan (marketed in tablet form and in a nasal spray by GlaxoSmithKline under the brand name Imitrex®). Sumatriptan is one of the most widely used drugs for the treatment of acute migraine in adults and works by narrowing the blood vessels in the brain.

Migraine is a painful and debilitating condition that disrupts lives, impacts careers and costs employers in lost work and diminished productivity. According to the WHO, migraine affects at least one adult in every seven in the world (14.3%). The migraine market value is expected to reach US$5.8 billion in 2021 in the seven major markets where 75 million adults are affected[6].

SUDA is optimising a second-generation formulation of SUD-001 using its novel permeation-enhancing technology. This new formulation has potential patent protection until 2036 and could provide even faster onset of action and better bioavailability than the original SUD-001. Both the first and second-generation formulations are the subject of licensing discussions with prospective partners.

SUD-002: chemotherapy-induced nausea and vomiting (CINV) and post-operative nausea and vomiting (PONV)

SUD-002 is a first-in-class, mint-flavoured oral spray formulation of ondansetron (marketed in tablet form by GlaxoSmithKline under the brand name Zofran®), the most commonly prescribed antiemetic to treat nausea and vomiting induced by chemotherapy or radiotherapy and also in post-operative settings.

SUD-002 achieves therapeutic drug levels by delivering a micro-mist of concentrated ondansetron over the oral mucosa and may offer a desirable alternative to patients requiring antiemetic therapy who have difficulty in swallowing.

The global anti-emetics market estimated to reach US$4.6 billion in 2018[7].

6. Decision Resources Group, Inc

7. Visiongain: the anti-emetic drugs market analysis - 2014

REVIEW OF OPERATIONS

SUD-003: erectile dysfunction

SUD-003 (DuroMist®) is a first-in-class oral spray formulation of sildenafil (marketed in tablet form by Pfizer under the brand name Viagra®), sprayed directly in the mouth over the tongue for the treatment of erectile dysfunction (ED). The DuroMist dosage form is a metered spray that offers the potential for increased patient convenience, reduced food effect and lower dose.

Sildenafil is the largest selling drug globally for ED and is also approved to treat pulmonary arterial hypertension (see SUD-004).

The global erectile dysfunction market is estimated to reach US$3.4 billion in 2019[8]. In the USA alone, more than 18 million individuals suffer from ED. The risk of developing ED increases with age. Primary market research conducted in the USA suggests that over two thirds of physicians would prescribe SUD-003 to their patients if the oral spray achieved a quicker onset of action or reduced the side-effects associated with Viagra.

In January 2015, SUDA was granted its first patent for SUD-003 in Australia and then in New Zealand. The patent provides broad protection of SUDA's first-in-class sildenafil spray until 2031 and is pending in other major jurisdictions.

The South African Patent Office issued SUDA's patent for sildenafil-based products, SUD-003 and SUD-004, in 2018. A patent application directed to similar subject matter was approved in Canada. Similar patents have been granted in the USA, Japan, Russia, Australia, New Zealand and Singapore; and patent applications are pending in other jurisdictions. These patents provide protection until 2032.

SUD-004: pulmonary arterial hypertension

SUD-004 is based on the first-generation SUD-003 oral spray formulation of sildenafil. It is designed to treat pulmonary arterial hypertension (PAH) in adults. With PAH, the blood pressure in the lungs is too high and the heart has to work hard to pump blood into the lungs. Sildenafil improves the ability to exercise and slows down worsening changes in the patient's physical condition. Sildenafil is marketed in tablet form as Revatio® by Pfizer.

The PAH market is growing at a CAGR of 5% and is expected to reach US$5.19 billion by 2020[9].

8. *Transparency Market Research: erectile dysfunction drugs*
9. *Transparency Market Research*

SUD-005: pre-procedural anxiety and epileptic seizures

SUD-005 is a first-in-class flavoured oral spray formulation of midazolam (available as an injection and as a syrup under the brand name Versed®) for the treatment of epileptic seizures and pre-procedure anxiety in imaging and dental procedures. Initial formulation work of SUD-005 has been completed and stability studies have been successful.

One major advantage of the SUD-005 oral spray compared to an oral syrup or a tablet is the possible avoidance of first pass metabolism. This offers advantages such as an increase in the bioavailability of the drug; a reduction in dose variability; and more predictable pharmacological effects. Additionally, its pleasant taste and easy administration would make it particularly useful for young, anxious patients.

Midazolam is one of the most frequently used agents in: epileptic seizures; paediatric dentistry imaging; and pre-medication in paediatrics and adults due to its potent anxiolytic, amnestic, and sedative properties.

The global epilepsy drugs market is expected to reach over USD 5.5 billion by 2024, according to a recent report by Grand View Research, Inc. The rising government funding for the development of new and effective drugs for the treatment of seizures is a high-impact driver for the epilepsy drugs market growth[10].

Following significant interest from perspective partners, SUDA has raised the priority of SUD-005 within its pipeline. The Company has prepared a development plan with the initial target indication being for the treatment of epileptic seizures. Optimisation of the existing formulation using the Company's hydrotrope technology is underway.

10. https://www.grandviewresearch.com/press-release/global-epilepsy-drugs-market

REVIEW OF OPERATIONS

SUD-018 anagrelide for treatment of cancer

In January 2018, SUDA completed the acquisition of the global intellectual property relating to anagrelide (SUD-018), an anti-thrombotic agent, that has shown clear promise as a novel anti-cancer agent.

SUDA is formulating an oro-mucosal spray of anagrelide utilising the Company's OroMist technology, which could potentially avoid the side-effects associated with the molecule when administered as an oral capsule.

Anagrelide is currently used as an anti-thrombotic agent to reduce elevated levels of platelets. It is recognised that platelets play an important role in the growth and metastatic spread of tumours. The American Society of Hematology Annual Meeting, which is the most widely attended event in the field, included data from several key opinion leaders, who presented on the underlying mechanisms by which the platelet-tumour interaction is mediated and how the reduction of platelets can help prevent tumour growth and metastasis.

Anagrelide has the potential to be developed as an effective anti-cancer agent but is fundamentally limited in its current formulation by cardio-stimulatory side-effects. An oro- mucosal spray formulation of anagrelide could minimise these side-effects by avoiding first- pass generation of a highly potent cardio-excitatory metabolite of the drug in the liver.

The global market for cancer drugs has grown to more than $100 billion in annual sales. Newer cancer treatments include immunotherapies that stimulate the patient's own immune system.

SUD-018 could be complementary to such treatments by reducing the platelet numbers thereby reducing the proliferative and protective effect that platelets exhibit on metastatic cells and further rendering circulating cancer cells more susceptible to attack by the body's own killer cells. Thus, it potentially offers a novel and valuable first-in-class treatment option for cancer.

SUDA scientists have managed to increase the solubility of anagrelide by a factor of approximately 60 fold allowing SUDA to achieve potentially therapeutic doses with its OroMist spray technology. This breakthrough has now provided SUDA scientists with a basis for further formulation work.

SUDA plans to accelerate its development efforts of SUD-018. Near-term intentions include optimising further the solubility of anagrelide in the Company's OroMist system and conducting *in-vitro* and *ex-vivo* studies to demonstrate the transmucosal permeation profile of the oral spray.

Formulation services

SUDA has optimised its laboratory formulation activities to offer value-added development services to companies seeking to formulate APIs into proprietary oro-mucosal sprays with unique advantages. The services include: (i) full feasibility assessment of the API to be formulated into a spray; (ii) detailed work plan of the formulation project with go/no-go decision points; (iii) rigorous supervision and execution of the entire project; and (iv) potential to generate new IP and/or use SUDA's background IP.

The Company's formulation services can be used for prescription, OTC, veterinary, vitamin and nutraceutical oral sprays. SUDA has established a first-class Quality Control system with ISO 9001:2015 accreditation and has been certified by AusIndustry as a Registered Research Provider.

ISO 9001 is the international standard that specifies requirements for a quality management system. Organisations, such as SUDA, use the ISO 9001 standard to demonstrate our ability to provide products and services consistently that meet customer and regulatory requirements.

The Company provides formulation services on a contract fee-for-service basis (plus licence fees, milestone payments and royalties for commercial rights) or as part of a co-development agreement with shared costs and rewards. The ISO 9001 certification helps to attract pharmaceutical partners to work with SUDA in the knowledge that SUDA has a quality management system that meets the highest international standards.

In August 2018, SUDA was awarded a licence to manufacture therapeutic goods (GMP Licence) from the Australian Therapeutic Goods Administration, Australia's peak pharmaceutical regulatory authority. The GMP Licence allows SUDA to carry out testing and release for supply of therapeutic goods within the licenced categories of non-sterile solutions, sprays and Active Pharmaceutical Ingredients (API's)

The licence is internationally recognised and in conjunction with SUDA's ISO 9001:2015 accreditation, confirms that SUDA is working to the world's most stringent pharmaceutical standards. The GMP Licence provides further commercial opportunities for the company allowing it to carry out activities for itself and its partners that would have previously needed to have been contracted to a third party.

SUDA aims to sign more joint research feasibility and option agreements, and other collaborative partnerships to develop and formulate third party's molecules into oro-mucosal sprays. In particular, SUDA has discussions with several companies in the field of Medicinal-Grade Cannabis (MGC) and anticipates a collaboration in CY2018. MGC has poor availability when administered as an oral dosage form, but has the potential for significant enhancement utilising SUDA's OroMist technology.

Strategy

SUDA has established a world leading oro-mucosal drug delivery platform with its OroMist technology and a broad pipeline of novel first-in-class oral sprays.

"Revolutionising drug delivery"

The aim is to develop products that can promptly answer the questions of potential partners 'what is the added value of this product?' and 'what does this product do better when compared to what we already have or is available on the market?' The scientific rationale behind the answers will highlight the notion of value, which is multi-dimensional and certainly goes beyond the demonstration of bioequivalence in the case of reformulated products, but will also show, for example, improved safety and efficacy profiles, quicker onset of action, ease of use leading to self-medication rather than reliance on medical personnel, and improvements that will contribute to increase the rate of therapeutic adherence and facilitate reimbursement.

SUDA has adopted a classic business model for its OroMist technology, in which the Company is focused on its core competencies of formulating and developing its oral sprays. SUDA does not intend, at this stage of its evolution, to establish its own sales and marketing operations. The Company aims to partner or out-license its pipeline of oral sprays in all territories.

A typical licensing deal comprises an upfront fee upon signature of the agreement, payments upon the achievement of development and regulatory milestones and royalties on sales. The terms of any licensing agreements can differ markedly depending on the stage of the product development, therapeutic indication and addressed patient population. The management believes that out-licensing will take place once the development has reached such an inflection point to deliver a meaningful therapeutic/clinical value to patients, physicians and healthcare systems.

The Company also offers formulation services on a contract fee-for-service basis (plus licence fees, milestone payments and royalties for commercial rights) or as part of a co-development agreement with shared costs and rewards. In these service-based collaborations, SUDA formulates partner companies' current or developmental drugs to create new product opportunities or to extend the life cycle of an existing franchise by developing novel OroMist formulations with patent protection.

The Company intends to adopt steps to achieve financial, clinical, technical and regulatory risk management by partnering certain assets at an early-mid stage of development, while advancing other product opportunities through late-stage development. The number of active projects will vary over time and will depend primarily on the available resources. SUDA aims to strengthen its capital resources through its partnering activities and non-dilutive financing by applying for grants.

SUDA aims to establish multiple, sustainable and royalty streams through the commercialisation of its oral spray formulations by the Company's partners.

The Board of Directors is of the opinion that the Company's current strategy and activities will form the basis on which to realise the Company's maximum potential value.

LIST OF PATENTS

Country	Title	Earliest Priority	Case Status	Appln No.
USA	Buccal Polar Spray or Capsule	12-Apr-1996	Registered	09/199,380
USA	Buccal, Polar and Non-Polar Spray or Capsule	18-Mar-2002	Registered	10/100,156
Australia	Oral Spray formulations and Methods for Administration of Sildenafil	07-Jun-2010	Registered	2011264941
Brazil	Oral Spray Formulations and Methods for Administration of Sildenafil	07-Jun-2010	Pending	BR1120120312979
Canada	Oral Spray Formulations and Methods for Administration of Sildenafil	07-Jun-2010	Under exam	2,802,047
Europe	Oral Spray Formulations and Methods for Administration of Sildenafil	07-Jun-2010	Under exam	11793044.6
Hong Kong	Oral Spray Formulations and Methods for Administration of Sildenafil	07-Jun-2010	Pending	13111354.2
Australia	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Registered	2012347997
Brazil	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Pending	BR112014013650-5
Canada	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Allowed	2858364
China	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Pending	201280068898.5
Europe	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Allowed	12806256.9
Hong Kong	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Pending	15100438.3
India	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Under exam	5306/DELNP/2014
Israel	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Under exam	232970
Japan	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Registered	2014-545981
New Zealand	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Registered	625922
Republic of Korea	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Pending	10-2014-7016435
Russian Federation	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Registered	2014123435
Singapore	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Registered	11201402938R
South Africa	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Pending	2014/4091

Country	Title	Earliest Priority	Case Status	Appln No.
USA	Oral Spray Formulations and Methods for Administration of Sildenafil	05-Dec-2011	Registered	14/363,245
Canada	Stable Anti-nausea Oral Spray Formulations and Methods	22-Dec-2006	Registered	2,673,049
Canada	Stable Hydroalcoholic Oral Spray Formulations and Methods	19-Apr-2007	Registered	2,649,895
PCT	Mucosal Active Agent Delivery	31-Oct-2016	Pending	PCT/AU2017/051193
ARIPO	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	AP/P/2013/006997
Australia	Anti-Malarial Pharmaceutical Composition	25-Oct-2007	Registered	2013201643
Bangladesh	Anti-Malarial Pharmaceutical Composition	29-Mar-2009	Pending	167/2013
Brazil	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Pending	BR122013005952-0
Burundi	Anti-Malarial Pharmaceutical Composition	09-Mar-2009	Registered	279/BUR
Cambodia	Anti-Malarial Pharmaceutical Composition	16-Jul-2013	Pending	KH/P/2013/00030
China	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	200880113338.0
Democratic Republic of the Congo	Anti-Malarial Pharmaceutical Composition	04-Apr-2009	Pending	NP/013/EXT/2013
Ethiopia	Anti-Malarial Pharmaceutical Composition	26-Feb-2009	Registered	ET/P/2009/116
Belgium	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
France	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
Ireland	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
Italy	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
Spain	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
Switzerland	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
United Kingdom	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	13176933.3
Haiti	Anti-Malarial Pharmaceutical Composition	27-Mar-2009	Registered	007-HAI-DAJ-RE-6
Indonesia	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Pending	W-00201303488
Malaysia	Anti-Malarial Pharmaceutical Composition	07-Oct-2008	Registered	PI 2013002816
Mexico	Anti-Malarial Pharmaceutical Composition	25-Oct-2008	Registered	MX/a/2013/008621
OAPI	Anti-Malarial Pharmaceutical Composition	25-Oct-2007	Registered	1201000141
Philippines	Anti-Malarial Pharmaceutical Composition	27-Oct-2008	Registered	1-2013-501567
Rwanda	Anti-Malarial Pharmaceutical Composition	10-Mar-2009	Registered	123/ARK
Singapore	Anti-Malarial Pharmaceutical Composition	25-Oct-2007	Registered	201002621-9
South Africa	Anti-Malarial Pharmaceutical Composition	25-Oct-2007	Registered	2010/02607
United Kingdom	Anti-Malarial Pharmaceutical Composition	25-Oct-2007	Registered	GB0819559.6

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group consisting of SUDA Pharmaceuticals Limited (previously Suda Ltd) ("SUDA" or "Company") and the entities it controlled during the period for the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities:

Mr Stephen Carter

Executive Chairman

Qualifications:
Bachelor of Science

Description of experience: Stephen Carter joined the Board of SUDA on 26 October 2010. He has extensive pharmaceutical industry experience and has held a variety of senior positions with listed public companies including roles as both Chairman and Director. He has extensive contacts and experience in the financial markets and the pharmaceutical industry and is well equipped to lead executive management through the Company's product commercialisation phase.

Stephen Carter is a member of the Risk & Audit Committee, Nomination Committee and HR & Remuneration Committee.

In the 3 years immediately before the end of the financial year, Stephen Carter did not serve as a director of other ASX-listed companies.

Mr Joseph Ohayon

Director, Chief Financial Officer, Company Secretary

Qualifications:
Chartered Accountant, Masters of Business Administration: International Business

Description of experience: Joseph Ohayon joined the Company on 4 July 2010 as the Chief Financial Officer and in March 2011 he took over the role of Company Secretary and then became an Executive Director and member of the Board on 1 December 2012. He has over 20 years' experience in financial roles.

Joseph Ohayon is a member of the Group's Risk & Audit Committee, Nomination Committee and HR & Remuneration Committee.

In the 3 years immediately before the end of the financial year, Joseph Ohayon did not serve as a director of other ASX-listed companies.

Mr David Phillips

Non Executive Director (appointed 6 April 2018)

Qualifications:
Bachelor of Science (Pharmacology), Diploma in Marketing

Description of experience: David Phillips joined the Board as a Non-Executive Director on 6 April 2018. He has 30 years of experience in the global healthcare industry, including Glaxo Wellcome, Cephalon Inc, Oxford Molecular Group Plc and SR One (GlaxoSmithKline's corporate venture fund). David spent 12 years at Board level as Chief Business Officer of Argenta Discovery, The Automation Partnership and BioFocus PLC. David re-joined GlaxoSmithKline's (GSK) SR One corporate venture arm in 2008 to pioneer a new function to incubate and spin-out technologies from GSK and in parallel investing in early-stage life science companies.

David Phillips is chair of the Group's Risk & Audit Committee, Nomination Committee and HR & Remuneration Committee.

In the 3 years immediately before the end of the financial year, David Phillips did not serve as a director of other ASX-listed companies.

Mr Michael Stewart

Chairman (resigned 10 April 2018)

Qualifications: Bachelor of Applied Science (GeoPhysics), Associateship (Geology)

Description of experience: Michael Stewart joined the Board of SUDA on 11 June 2009. He has a broad corporate and management background and has been extensively involved in both the securities industry and in bilateral donor funded and World Bank co-financed Aid Projects in under-developed countries.

Michael Stewart was a member of the Group's Risk & Audit Committee, Nomination Committee and HR & Remuneration Committee.

In the 3 years immediately before the end of the financial year, Michael Stewart did not serve as a director of other ASX-listed companies.

Company Secretary

Joseph Ohayon held the position as Company Secretary at the financial year end.

Principal Activities

The principal activities of the entities within the Group during the year were:

- Pharmaceutical development of drug delivery technology; and
- Medical devices and consumables distribution (sold 7 March 2018).

Review of operations

Group overview

The significant events during the 2017-18 financial year were:

i. Licence Agreement with Teva Pharmaceuticals International GmbH (Teva)

SUDA entered into an exclusive licence and supply agreement with Teva for ZolpiMist™ oral spray of zolpidem tartrate to treat insomnia in multiple countries. Teva is a leading global pharmaceutical company and the world's largest generic medicines producer. SUDA has granted Teva a licence to ZolpiMist in Brazil, Mexico and Chile, together with an 18-month option to license the product in Argentina, Israel and Australia.

After ZolpiMist is registered for sale in the territory, SUDA will supply the product to Teva and receive a double-digit royalty on net sales less the supply price.

ii. Westcoast Surgical & Medical Supplies Pty Ltd (Westcoast)

SUDA entered into a Share Sale and Purchase Agreement on 26 February 2018 and completed the sale of its subsidiary, Westcoast, on 7 March 2018. The business was non-core and, after conducting a comprehensive divestment initiative, the Board accepted an offer from Perth-based company, Medical Sales and Services Pty Ltd, a subsidiary company of Device Technologies Pty Ltd, and entered into a share sale and purchase agreement.

The sale price was $1,736,266 and the net profit recognised on the sale of the business was $573,805.

iii. Acquisition of Anagrelide Intellectual Property

SUDA completed the acquisition of the global intellectual property relating to anagrelide, an anti-thrombotic agent, that has recently shown promise as a novel anti-cancer agent.

Anagrelide is currently used as an anti-thrombotic agent to reduce elevated levels of platelets. It is recognised that platelets play an important role in the growth and metastatic spread of tumours. The recent American Society of Hematology Annual Meeting, which is the most widely attended event in the field, included data from several key opinion leaders, who presented on the underlying mechanisms by which the platelet-tumour interaction is mediated and how the reduction of platelets can help prevent tumour growth and metastasis.

Anagrelide has the potential to be developed as an effective anti-cancer agent but is fundamentally limited in its current formulation by cardio-stimulatory side-effects. An oro-mucosal spray formulation of anagrelide could minimise these side-effects by avoiding first-pass generation of a highly potent cardio-excitatory metabolite of the drug in the liver.

The global market for cancer drugs has grown to more than $100 billion in annual sales. Newer cancer treatments include immunotherapies that stimulate the patient's own immune system.

Anagrelide would be complementary to such treatments by reducing the platelet numbers thereby reducing the proliferative and protective effect that platelets exhibit on metastatic cells and further rendering circulating cancer cells more susceptible to attack by the body's own killer cells. Thus, it potentially offers a novel and valuable first-in-class treatment option for cancer.

iv. Settlement of HC Berlin Pharma claim

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).

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 is due by 30 September 2018 for €540,000 (approximately $855,000) with the remaining payments payable by 31 December 2021.

v. Capital raising (refer to Significant events after balance date)

On 2 July 2018, SUDA announced a renounceable rights issue (Rights Issue) offered on a one for one basis at $0.005 per share to raise up to $6,100,000 with one free attaching listed option (exercise price of $0.015 and expiry date of 31 July 2020) for every two new shares subscribed for under the Rights Issue. The Rights Issue was subject to a minimum subscription of $4,000,000, with commitments of approximately $2,100,000 received from convertible noteholders.

Operating results for the year

With the sale of Westcoast in March 2018, the results for Westcoast have been disclosed as Discontinued Operations and the 30 June 2017 comparatives in the Statement of Profit or Loss and Other Comprehensive Income have been restated.

The Group reported revenue from continuing operations of $425,864 (2017: $444,029) in the reporting period. The net loss for the Consolidated Group was $5,459,278 (2017 loss: $1,238,309) after providing for an income tax benefit. The increase in the loss was primarily due to the recognition of the legal settlement with the receiver of HC Berlin Pharma AG.

The income tax benefit relates to the R&D Tax Incentive claim for the 2017-18 year of $745,000 (2017: $792,000).

Risk Management

Business risks and mitigations

SUDA has adopted a risk management framework which sets out the processes for the identification and management of risk across the Group. The risk management framework aligns with ISO 9001:2015.

The Risk & Audit Committee assists and reports to the Board in relation to risk management. The Committee's responsibilities include oversight of the Company's risk management system and to assist the Board to review the adequacy and effectiveness of that system.

The Chief Executive Officer, with the assistance of the Chief Financial Officer and other management, is responsible for establishing and implementing the system for adequately managing risks. Management is also responsible for developing and enhancing specific risk policies, processes and procedures.

The Company was awarded ISO 9001:2015 certification for its quality management system and its laboratory works within the guidelines of Good Manufacturing Practice.

Through its risk management framework, SUDA seeks to:

i. Protect its people, communities and the environment and its assets and reputation;

ii. Ensure good governance and legal compliance; and

iii. Enable it to realise opportunities and create long term shareholder value.

Set out below are the key risk areas that could have a material impact on the Company and its ability to achieve its objectives. The nature and potential impact of risks changes over time. The risks described below are not the only risks that SUDA faces, and whilst every effort is made to identify and manage material risks, additional risks not currently known or detailed below may also adversely affect the future performance.

Regulatory and licensing risk

If the Company does not obtain the necessary regulatory approvals it may be unable to commercialize its pharmaceutical products. Even if it receives regulatory approval for any product candidates, profitability will depend on its ability to generate revenues from the sale of its products or the licensing of its technology.

The clinical development, manufacturing, sales and marketing of the Company's products are subject to extensive regulation by regulatory authorities in the United States, the United Kingdom, the European Union, Australia and elsewhere. These regulations vary in important, meaningful ways from country to country.

Despite the substantial time and expense invested in preparation and submission of a Marketing License Application or equivalents in other jurisdictions, regulatory approval is never guaranteed.

Success of future trials

Ongoing and future clinical trials of the Company's product candidates may not show sufficient safety or efficacy to obtain requisite regulatory approvals for commercial sale.

Phase I and Phase II clinical trials are not primarily designed to test the efficacy of a product candidate but rather to test safety and to understand the product candidate's side effects at various doses and schedules. Furthermore, success in preclinical and early clinical trials does not ensure that later large-scale trials will be successful nor does it predict final results. Acceptable results in early trials may not be repeated in later trials. Further, phase III clinical trials may not show sufficient safety or efficacy to obtain regulatory approval for marketing.

The Company may conduct lengthy and expensive clinical trials of its product candidates, only to learn that the product candidate is not an effective treatment or not sufficiently safe. A number of companies in the biotechnology industry have suffered significant setbacks in clinical trials, even after promising results in earlier trials. In addition, clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could require that the clinical trial be redone or terminated. In addition, failure to construct appropriate

clinical trial protocols could result in the test or control group experiencing a disproportionate number of adverse events and could require that a clinical trial be redone or terminated.

Key personnel and contractor reliance risk

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

To the extent the Company relies significantly on contractors, it will be exposed to risks related to the business conditions of its contractors.

Future funding requirements

The Company may require substantial additional financing in the future to sufficiently fund its operations, research and development. It has been incurring losses and will continue to do so as it expands its drug development programs. The Company's actual cash requirements may vary from those now planned and will depend upon many factors, including:

- the continued progress of its research and development programs;
- the timing, costs and results of clinical trials;
- the cost, timing and outcome of submissions for regulatory approval;
- the commercial potential of its product candidates; and
- the status and timing of competitive developments.

Significant changes in the state of affairs

As mentioned above, the Company sold its subsidiary company, Westcoast Surgical and Medical Supplies Pty Ltd (Westcoast), on 7 March 2018. This has resulted in a reduction in revenue for the current year. Westcoast's revenue was approximately $6,750,000 in the prior year and revenues for the 2018-19 year will be from other companies in the Group.

Significant events after balance date

i. Capital raising

On 2 July 2018, SUDA announced a renounceable rights issue (Rights Issue) offered on a one for one basis at $0.005 per share to raise up to $6,100,000 with one free attaching listed option (exercise price of $0.015 and expiry date of 31 July 2020) for every two new shares subscribed for under the Rights Issue. The Rights Issue was subject to a minimum subscription of $4,000,000, with commitments of approximately $2,100,000 received from convertible noteholders.

The Rights Issue closed on 26 July 2018 and was well supported by the Company's shareholders and new investors (including institutions and sophisticated investors) and closed heavily oversubscribed.

The Company raised $6,120,000 (before costs) and issued 1,224,141,800 shares and 612,070,900 listed options in accordance with the Prospectus timetable. The Company issued 20,000,000 options as capital raising costs. The new options are listed under the ASX code SUDOC.

Due to the overwhelming demand, the Company agreed to place a further 133,675,200 fully paid ordinary shares at $0.005 and attaching 66,837,600 SUDOC options to raise an additional $668,376 ("Placement").

As part of the capital raising, the Company secured interim funding for $200,000, of which $160,000 was drawn down. Two directors provided an amount of $40,000 which was repaid on completion of the capital raising. The Company also redeemed the secured convertible notes for $2,002,500 plus a redemption premium and interest to 31 July 2018.

ii. HC Berlin Pharma

The Company made its initial payment to the Receiver of HC Berlin Pharma as per the settlement agreement in September 2018 for €540,000 (approximately $880,000).

Likely developments and expected results

The Company's drug delivery business is in various stages of development and is adopting a staged business and marketing strategy as the Company moves along the growth path and remains abreast with developments in the pharmaceutical industry.

The Company intends to adopt steps to achieve financial, clinical, technical and regulatory risk reduction by combining the sale of certain assets and, in parallel, run in-house development of some projects and collaborate with partners on others.

Future license agreements and research collaborations represent key strategic assets both from a financial and knowledge point of view, helping to finance other in-house projects.

The initial focus is on a partnership or divesture of ArTiMist and development of its Midazolam and Anagrelide projects.

The Company's project pipeline intends to adopt a multi-pronged commercial strategy providing income streams in the short to medium-term and the potential for a big upside in the future.

The Board of Directors is of the opinion that the Company's current strategy and activities will form the basis on which to realise the Company's maximum potential value.

DIRECTORS' REPORT

Environmental legislation

The Group is currently not subject to any significant environmental legislation.

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Interests in the shares, options and convertible notes of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of unlisted options over ordinary shares	Number of listed options over ordinary shares	Number of convertible notes	Number of performance rights
Stephen Carter	13,566,667	7,500,000	6,083,333	-	-
Joseph Ohayon	5,306,667	4,000,000	2,403,333	-	-
David Phillips	-	-	-	-	-

There were no unissued ordinary shares of the Company under option.

There were no shares issued during or since the end of the year as a result of exercise of options.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of SUDA Pharmaceuticals Limited (the "Company") for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Key Management Personnel

Directors

Stephen Carter	Chief Executive Officer (Chairman)
Joseph Ohayon	Chief Financial Officer / Company Secretary
Michael Stewart	Chairman (Non-Executive) (resigned 10 April 2018)

Executives

Nick Woolf	Chief Business Officer (resigned 24 July 2018)
Dr Carol Worth	Chief Technical Officer
John Billingham	General Manager – Westcoast (until sale of Westcoast on 7 March 2018)

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

HR & Remuneration Committee

The HR & Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The HR & Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The methods implemented are discussed below.

The following lists the performance of the company since the 2014 financial year:

	2014	2015	2016	2017	2018
	$	$	$	$	$
Revenue	8,753,164	5,727,589	5,871,615	7,197,362	4,859,709
Net Loss	(2,060,850)	(3,378,331)	(2,286,813)	(1,238,309)	(5,459,278)
Share Price at year-end	0.05	0.028	0.020	0.019	0.008
Dividends Paid	0.00	0.00	0.00	0.00	0.00
Market capitalisation	51.31m	31.81m	22.83m	23.17m	9.89m

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 25 November 2010 when shareholders approved an aggregate remuneration of $200,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

The fixed remuneration component of the key management personnel is detailed in the table on page 26.

Variable Remuneration

The Directors considered that it was desirable to establish various employee incentive plans, in order to:

a. reward employees of the Company;

b. assist in the retention and motivation of employees of the Company; and

c. provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

Accordingly, on 26 September 2017 and ratified at the Annual General Meeting held on 28 November 2017, the Directors adopted the:

a. Employee Share Option Plan (Option Plan) under which Directors and executives and other employees may be offered the opportunity to be granted Options (Executive Long Term Incentive Plan); and

b. Tax Exempt Plan under which eligible employees may be issued up to $1,000 of Shares.

The plans are designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the current circumstances the Directors consider that the incentive plans are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as increased cash based remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The plans are designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

As Directors of the Company may receive securities in the Company under the Option Plan, prior shareholder approval will therefore be required before a Director or related party of the Company can participate in an issue of Options under the Option Plan. Directors will not participate in the Tax Exempt Plan.

Short-Term Incentive (STI) Plan

The objective of the short term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Actual payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the financial year are met.

Aspect	Plan Rules, Offers and Comments
Measurement period	The Company's financial year, i.e. from 1 July to the following 30 June, with a review after 6 months.
Eligible participants	Senior management and consultants that have worked with the Company for at least 2 years.
Performance conditions	The profit before income tax of the Group must exceed $2m.
Incentive pool	The incentive pool will be 4% of the profit before income tax.
Award opportunities	KMP's have been allocated a percentage of the pool, of which 75% of the award is directly linked to the financial performance of the Group and the remaining 25% is linked to KPIs and are at the CEO/Board discretion. The CBO has the opportunity to earn 1% of total sales value of a project.

Executive Long-Term Incentive Plan (LTIP)

Aspect	Plan Rules and Offers
Measurement Period	The LTI Plan is for the period to 10 December 2020.
LTI Offer	Options were offered under the Plan during the financial year with the relevant policies and Plan rules.
Eligible participants	Executive directors, non-executive directors and senior management are eligible for the LTI.
Performance conditions	The Directors are of the opinion that the performance conditions of Options should be linked to shareholder return and consider that the most appropriate measure is the market capitalisation of the Company. The market capitalisation on the date of approval of the Option Plan by the Board on 26 September 2017 was $25,000,000 ($MC_0$). The intention of the Directors is that the market capitalisation of the Company increase by 100% during the life of the Option Plan in order for the Directors to receive the full benefit of the Options. The performance conditions are also linked to continuous employment so that the Directors have to be employed by the company for a minimum of 12 months before any Options vest.
Terms of Options	Each Option will be granted to eligible employees under the Option Plan for nil consideration. The exercise price of an Option shall be 145% of the VWAP of Shares sold on ASX during the five trading days up to and including the grant date, or such other period as determined by the Board in its discretion.
Vesting	The Options will vest following satisfaction of the performance conditions or such other date as determined by the Board in its discretion.
Cashless Exercise Facility	Participants may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (Cashless Exercise Facility). By using the Cashless Exercise Facility, the participant will receive Shares to the value of the surplus after the exercise price has been set off.
Disposal restrictions	A participant may not transfer an Option granted under the Option Plan without the prior consent of the Board.

The aggregate of annual payments available for executives across the Group is subject to the approval of the Remuneration Committee.

The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

Employment Contracts

The details of the executives' employment contracts are:

Executive	Period of notice
Stephen Carter	3 months
Joseph Ohayon	3 months
Nicholas Woolf	3 months
Carol Worth	3 months
John Billingham	3 months

DIRECTORS' REPORT

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel remuneration for the years ended 30 June 2018 and 30 June 2017

	Short-term employee benefits			Post-employment benefits	Share-based payments			
	Salary & fees	Bonus	Other	Super-annuation	Options	Performance Rights	Total	Performance Related
30 June 2018	$	$	$	$	$	$	$	%
Directors								
Stephen Carter[1]	348,324	-	-	29,838	4,453	-	382,615	1.2%
Joseph Ohayon	230,833	-	-	21,929	2,374	-	255,136	0.9%
David Phillips[2]	10,000	-	-	950	-	-	10,950	0.0%
Michael Stewart[3]	54,444	-	-	5,172	4,453	-	64,069	6.9%
Executives								
Nick Woolf[4]	177,263	3,776	-	17,199	-	-	198,238	1.9%
Carol Worth	124,167	-	-	11,796	-	-	135,963	0.0%
John Billingham[5]	164,314	-	-	10,947	-	-	175,261	0.0%

Note 1: Includes backpay for 2 years from November 2015 to October 2017 totalling $69,991.

Note 2: Appointed 6 April 2018

Note 3: Resigned 10 April 2018

Note 4: Resigned 24 July 2018

Note 5: Westcoast sold 7 March 2018

	Short-term employee benefits			Post-employment benefits	Share-based payments			
	Salary & fees	Bonus	Other	Super-annuation	Options	Performance Rights	Total	Performance Related
30 June 2017	$	$	$	$	$	$	$	%
Directors								
Stephen Carter	255,000	-	-	24,225	-	-	279,225	0.0%
Joseph Ohayon	215,000	-	-	20,425	-	3,532	238,957	1.5%
Michael Stewart	70,000	-	3,600	6,650	-	-	80,250	0.0%
Executives								
Nick Woolf	163,000	4,021	-	15,867	-	2,569	185,457	3.6%
Carol Worth	114,846	-	-	10,910	-	-	-	0.0%
John Billingham	120,000	-	-	11,400	-	-	131,400	0.0%

Share-based payments granted as compensation to key management personnel during the current financial year

Share-based payments granted as compensation to key management personnel relate to the options noted below.

Option plans in existence during the financial year (related to KMP remuneration)

	Option grant date	Expiry date	Grant date fair value	Vesting date
ESOP	11 Dec 2017	10 Dec 2020	$51,388	Note (i)

Note (i): For details on the valuation of the options, including models and assumptions used, please refer to Note 14. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

Bonuses

Nick Woolf was paid a bonus based on 1% of the upfront fee on the signing of the licence agreement with Teva Pharmaceuticals.

Options granted, exercised or lapsed during the year

	Value of options granted at the grant date	Value of options exercised at the exercised date	Value of options lapsed at the date of lapse
	$	$	$
Directors			
Stephen Carter	20,285	-	-
Joseph Ohayon	10,818	-	-
David Phillips	-	-	-
Michael Stewart[1]	20,285[1]	-	-
Executives			
Nick Woolf	-	-	-
Carol Worth	-	-	-
John Billingham	-	-	-

Note 1: Options lapse 30 days following the date the Participant ceases to be employed or engaged by the Company

Performance Rights (PRs) granted, exercised or lapsed during the year

	Value of PRs granted at the grant date	Value of PRs exercised at the exercised date	Value of PRs lapsed at the date of lapse
	$	$	$
Directors			
Stephen Carter	-	-	-
Joseph Ohayon	-	-	81,265
David Phillips	-	-	-
Michael Stewart	-	-	-
Executives			
Nick Woolf	-	-	59,102
Carol Worth	-	-	-
John Billingham	-	-	-

Shareholdings of Key Management Personnel

	Balance at beginning of period	Granted as remuneration	On Exercise of Options or conversion of convertible note	Net Change Other	Balance at end of period or date of departure	Balance held nominally
30 June 2018	Number	Number	Number	Number	Number	Number
Directors						
Stephen Carter	-	-	-	1,400,000	1,400,000	1,400,000
Joseph Ohayon	-	-	-	500,000	500,000	500,000
David Phillips	-	-	-	-	-	-
Michael Stewart	24,411,890	-	-	588,110	25,000,000	25,000,000
Executives						
Nick Woolf	-	-	-	-	-	-
Carol Worth	40,000	-	-	-	40,000	40,000
John Billingham	1,156,673	-	-	-	1,156,673	1,156,673

	Balance at beginning of period	Granted as remuneration	On Exercise of Options or conversion of convertible note	Net Change Other	Balance at end of period or date of departure	Balance held nominally
30 June 2017	Number	Number	Number	Number	Number	Number
Directors						
Michael Stewart	24,411,890	-	-	-	24,411,890	24,411,890
Stephen Carter	-	-	-	-	-	-
Joseph Ohayon	-	-	-	-	-	-
Executives						
Nick Woolf	-	-	-	-	-	-
Carol Worth	40,000	-	-	-	40,000	40,000
John Billingham	1,156,673	-	-	-	1,156,673	1,156,673

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Optionholdings of Key Management Personnel

	Opening Balance	Granted as remu-neration	Options Exercised	Net Change Other	Balance at end of period or date of departure	Vested but not exercisable	Vested and exercisable	Options vested during year
30 June 2018	Number	Number	Number	Number	Number	Number	Number	Number
Directors								
Stephen Carter	-	7,500,000	-	-	7,500,000	-	-	-
Joseph Ohayon	-	4,000,000	-	-	4,000,000	-	-	-
David Phillips	-	-	-	-	-	-	-	-
Michael Stewart	-	7,500,000	-	-	7,500,000	-	-	-
Executives								
Nick Woolf	-	-	-	-	-	-	-	-
Carol Worth	-	-	-	-	-	-	-	-
John Billingham	-	-	-	-	-	-	-	-

30 June 2017	Opening Balance	Granted as remu-neration	Options Exercised	Net Change Other	Balance at end of period or date of departure	Vested but not exercis-able	Vested and exercis-able	Options vested during year
	Number	Number	Number	Number	Number	Number	Number	Number
Directors								
Stephen Carter	-	-	-	-	-	-	-	-
Joseph Ohayon	-	-	-	-	-	-	-	-
Michael Stewart	5,000,000	-	-	(5,000,000)	-	-	-	-
Executives								
Nick Woolf	-	-	-	-	-	-	-	-
Carol Worth	-	-	-	-	-	-	-	-
John Billingham	-	-	-	-	-	-	-	-

Performance Rights of Key Management Personnel

30 June 2018	Opening balance	Granted as remuneration	PRs exercised	Net change Other	Balance at end of period or date of departure	Vested but not exercis-able	Vested and exercis-able	PRs vested during year
	Number	Number	Number	Number	Number	Number	Number	Number
Directors								
Stephen Carter	-	-	-	-	-	-	-	-
Joseph Ohayon	2,750,000	-	-	(2,750,000)	-	-	-	-
David Phillips	-	-	-	-	-	-	-	-
Michael Stewart	-	-	-	-	-	-	-	-
Executives								
Nick Woolf	2,000,000	-	-	(2,000,000)	-	-	-	-
Carol Worth	-	-	-	-	-	-	-	-
John Billingham	-	-	-	-	-	-	-	-

30 June 2017	Opening balance Number	Granted as remuneration Number	PRs exercised Number	Net change Other Number	Balance at end of period or date of departure Number	Vested but not exercis-able Number	Vested and exercis-able Number	PRs vested during year Number
Directors								
Stephen Carter	4,069,231	-	-	(4,069,231)	-	-	-	-
Joseph Ohayon	2,750,000	-	-	-	2,750,000	-	-	-
Michael Stewart	2,712,820	-	-	(2,712,820)	-	-	-	-
Executives								
Nick Woolf	2,000,000	-	-	-	2,000,000	-	-	-
Carol Worth	-	-	-	-	-	-	-	-
John Billingham	-	-	-	-	-	-	-	-

Convertible Note holdings of Key Management Personnel

30 June 2018	Opening balance Number	Granted as remuneration Number	Received on exercise of options Number	Net change Other Number	Balance at end of period or date of departure Number	Balance held nominally Number
Directors						
Stephen Carter	50,000	-	-	-	50,000	50,000
Joseph Ohayon	20,000	-	-	-	20,000	20,000
David Phillips	-	-	-	-	-	-
Michael Stewart	50,000	-	-	100,000	150,000	150,000
Executives						
Nick Woolf	20,000	-	-	-	20,000	20,000
Carol Worth	-	-	-	-	-	-
John Billingham	-	-	-	-	-	-

30 June 2017	Opening balance Number	Granted as remuneration Number	Received on exercise of options Number	Net change Other Number	Balance at end of period or date of departure Number	Balance held nominally Number
Directors						
Stephen Carter	50,000	-	-	-	50,000	50,000
Joseph Ohayon	20,000	-	-	-	20,000	20,000
Michael Stewart	50,000	-	-	-	50,000	50,000
Executives						
Nick Woolf	-	-	-	20,000	20,000	20,000
Carol Worth	-	-	-	-	-	-
John Billingham	-	-	-	-	-	-

Transactions and balances with Key Management Personnel

	Consolidated	
	2018	2017
Key Management Personnel	$	$
Mr Michael Stewart – consulting services	6,250	3,600
Mr Michael Stewart – interest on convertible notes	8,088	6,500
Mr Michael Stewart – finance fees on funding	35,784	-
Mr Michael Stewart – drawdown and repayment of finance facility	850,000	-
Mr Stephen Carter – interest on convertible notes	4,000	6,500
Mr Joseph Ohayon – interest on convertible notes	1,600	2,600
Mr David Phillips – consulting fees	14,000	-
Mr Nicholas Woolf– interest on convertible notes	1,600	-
Balance on Convertible Notes		
Mr Michael Stewart	150,000	50,000
Mr Stephen Carter	50,000	50,000
Mr Joseph Ohayon	20,000	20,000
Mr Nicholas Woolf	20,000	20,000

END OF REMUNERATION REPORT

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors' meetings	Risk & Audit Committee	HR & Remuneration Committee	Nomination Committee
Number of meetings held:	8	2	1	1
Number of meetings attended:				
Stephen Carter	8	2	1	1
Joseph Ohayon	8	2	1	1
David Phillips (appointed 6/4/18)	2	-	1	1
Michael Stewart (resigned 10/4/18)	6	2	-	-

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 34 and forms part of this directors' report for the year ended 30 June 2018.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 22 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110: Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Corporate Governance

The Corporate Governance Statement can be found on the Company's website, www.sudapharma.com under the Corporate section.

Signed in accordance with a resolution of the Directors.

Stephen Carter
Executive Chairman
Perth 28 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Suda Pharmaceuticals Limited (previously Suda Ltd) for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
28 September 2018

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
Revenue	2	425,864	444,029
Interest income		2,529	23,728
Other income	2	62,628	110,903
Raw materials and consumables used		(185,621)	(56,990)
Employee benefits expense		(1,605,717)	(1,379,354)
Depreciation and amortisation expense	2	(157,460)	(97,577
Impairment of intangible assets	11	(559,939)	-
Finance costs		(177,030)	(223,382)
Other expenses	2	(4,583,337)	(970,998)
Loss before income tax expense		(6,778,083)	(2,149,641)
Income tax benefit	3	745,000	792,000
Loss after tax from continuing operations		(6,033,083)	(1,357,641)
Profit after tax from discontinued operations	5	573,805	119,332
Net Loss for the year		(5,459,278)	(1,238,309)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(5,459,278)	(1,238,309)
Loss and total comprehensive loss attributable to:			
Owners of the parent		(5,459,278)	(1,238,309)
Basic loss per share (cents per share)	6	(0.45)	(0.11)
Basic loss per share from continuing operations (cents per share)	6	(0.49)	(0.12)
Diluted earnings per share (cents per share)	6	(0.45)	(0.11)
Diluted earnings per share from continuing operations (cents per share)	6	(0.49)	(0.12)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	Consolidated 2018	Consolidated 2017
		$	$
Assets			
Current assets			
Cash and cash equivalents	7	98,125	1,769,812
Trade and other receivables	8	790,728	1,607,802
Inventories	9	97,971	1,110,718
Other assets		83,932	121,736
Total current assets		1,070,756	4,610,068
Non-current assets			
Property, plant and equipment	10	172,689	232,079
Intangible assets	11	15,398,790	15,173,396
Total non-current assets		15,571,479	15,405,475
Total assets		16,642,235	20,015,543
Liabilities			
Current liabilities			
Trade and other payables	12	1,811,936	1,360,689
Borrowings	13	2,023,412	-
Total current liabilities		3,835,348	1,360,689
Non-current liabilities			
Trade and other payables	12	1,316,000	-
Borrowings	13	26,171	1,802,500
		1,342,171	1,802,500
Total liabilities		5,177,519	3,163,189
Net assets		**11,464,716**	**16,852,354**
Equity			
Issued capital	14	57,204,713	57,138,713
Reserves		2,176,841	2,171,201
Accumulated losses		(47,916,838)	(42,457,560)
Total equity		**11,464,716**	**16,852,354**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated				
	Issued capital $	Accumulated losses $	Share-based payment reserve $	Minority interest acquisition reserve $	Total equity $
Balance as at 1 July 2016	55,716,942	(41,219,251)	704,255	1,404,267	16,606,213
Shares issued during the year	1,574,450	-	-	-	1,574,450
Share issue costs	(152,679)	-	-	-	(152,679)
Recognition of share-based payments expenses	-	-	62,679	-	62,679
Loss for the year attributable to members of the parent entity	-	(1,238,309)	-	-	(1,238,309)
Balance as at 30 June 2017	57,138,713	(42,457,560)	766,934	1,404,267	16,852,354
Balance as at 1 July 2017	57,138,713	(42,457,560)	766,934	1,404,267	16,852,354
Shares issued during the year	66,000	-	-	-	66,000
Recognition of share-based payments expenses	-	-	5,640	-	5,640
Loss for the year attributable to members of the parent entity	-	(5,459,278)	-	-	(5,459,278)
Balance as at 30 June 2018	57,204,713	(47,916,838)	772,574	1,404,267	11,464,716

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Receipts from customers		5,099,169	7,082,135
Receipts for R&D tax incentive		662,877	856,656
Payments to suppliers and employees		(8,178,172)	(8,667,742)
Interest received		2,529	23,727
Finance costs		(134,433)	(149,000)
Net cash outflows from operating activities	7	(2,548,030)	(854,223)
Cash flows from investing activities			
Payments for property, plant and equipment		(68,307)	(84,563)
Payments for intangible assets		(839,790)	(1,222,673)
Net proceeds from sale of subsidiary	5	1,584,440	-
Net cash inflows / (outflows) from investing activities		676,343	(1,307,236)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,500,000
Proceeds from borrowings	13	1,050,000	542,500
Repayment of borrowings	13	(850,000)	(470,000)
Payments for capital raising costs		-	(90,000)
Net cash inflows from financing activities		200,000	1,482,500
Net decrease in cash and cash equivalents		(1,671,687)	(678,959)
Cash and cash equivalents at the beginning of the year		1,769,812	2,448,771
Cash and cash equivalents at the end of the year	7	98,125	1,769,812

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Suda Pharmaceuticals Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia. The entity's principal activities are:

- Pharmaceutical development of drug delivery technology
- Medical devices and consumables distribution (subsidiary sold 7 March 2018)

b. Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issued but are not yet adopted for the year ended 30 June 2018. As a result of this review the Directors have determined that the following Standards and Interpretations will have a material effect on Group accounting policies in future financial periods, namely:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases

The Company has elected not to early adopt these Standards and Interpretations.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contacts with Customers is a new Standard introduced by AASB to replace existing revenue recognition guidance, AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions. AASB 15 applies to annual periods beginning on or after 1 January 2018. The new Standard is aimed at improving financial reporting of revenue and comparability to provide better clarity on revenue recognition on areas where existing requirements unintentionally created diversity in practice. AASB 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Standard introduces a 5-step approach to revenue recognition:

1. Identify the contract(s) with a customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when a performance obligation is satisfied or as a performance obligation is satisfied over time

Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks and rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

When applying AASB 15 for the first time, an entity shall apply the Standard in full for the current period. In respect of prior periods, the transition guidance grants entities an option to either apply AASB 15 in full to prior periods or to retain prior-period figures as reported under the previous standards, recognising the cumulative effect of applying AASB 15 to all contracts that had not yet been completed at the beginning of the reporting period as an adjustment to the opening balance of equity at the date of first-time adoption.

License agreements

For contracts with customers where the license agreements include performance obligation, adoption of AASB 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when the performance obligation is met which is line with current revenue recognition policy.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions involving the Legal Form of a Lease. AASB 16 removes the classification of leases as either operating leases or finance leases- for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a lease liability for the present value obligation and a 'right-of-use' asset. The right of use assets is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and deprecation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

This standard will primarily affect the accounting for the Group's operating lease. As at 30 June 2018, the Group has $167,265 of non-cancellable operating lease commitments, predominantly relating to a property lease. The Group is considering the available options to account for this transition but the Group expects a change in reported earnings before interest, tax, depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The lease standard is also expected a considerable impact on deferred tax balances. This will however be dependent on the lease arrangements in place when the new standard is effective. The Group has commenced the process of evaluating the impact of the new lease standard.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15. A lessee can choose to apply the standard using a full retrospective or a modified retrospective approach.

Other than the above, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no material change is necessary to Group accounting policies.

c. Statement of compliance

The financial report was authorised for issue on 28 September 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of SUDA Limited and entities controlled by the Group and its subsidiaries. Control is achieved when the Company:

- Has power of the investee;
- Is exposed, or has rights, to variable returns from its involvement in with the investee; and
- Has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

e. Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the

expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Capitalisation of internally developed project development

Distinguishing the research and development phases of a new project development and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Impairment of intangibles with indefinite useful lives and goodwill:

The Group determines whether intangibles with indefinite useful lives and goodwill and impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 11.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is either determined by an external valuer using a Binomial model, or internally using a Black-Scholes model, using the assumptions detailed in Notes 14 and 16.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Recognition of service and construction contract revenue

Determining when to recognise revenues from after-sales services requires an understanding of the customer's use of the related products, historical experience and knowledge of the market.

f. 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 ordinary course of business. This includes the continued development and commercialisation of the Group's current projects.

The consolidated entity has reported a net loss from operations for the period of $5,459,278 (2017: $1,238,309) and a net cash outflow from operations and investing activities for the year of $1,871,687 (2017: $2,161,459).

The Directors are of the opinion that the Group is a going concern for the following reasons:

i. Subsequent to the year end, the Group raised $6,120,709 of equity capital via an issue of 1,224,141,800 ordinary shares at $0.005 and 612,070,900 attaching listed options under a renounceable rights issue;

ii. The Company also agreed to place a further $668,376 of equity capital via a placement of 133,675,200 ordinary shares at $0.005 and 66,837,600 listed options as the rights issue was heavily oversubscribed.

g. Foreign currency translation

Both the functional and presentation currency of Suda Pharmaceutical Limited and its subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

NOTE 2: REVENUE AND EXPENSES

Accounting policies

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, and volume rebates.

Sale of goods

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Licence agreements

For contracts with customers where the license agreements include performance obligation, adoption of AASB 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when performance obligation is met which is line with current revenue recognition policy.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

Government grants

Grants, such as Export Market Development Grants (excluding Research and Development Tax Incentives – refer to Note 3), 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.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Revenue	Consolidated	
	2018	2017
	$	$
Sales revenue		
Sale of goods	425,864	444,029
Other Income		
Gain on disposal of property, plant and equipment	1,818	-
Other income	60,810	110,903
	62,628	110,903
Other Expenses		
Interest expense	177,030	223,450
Depreciation of non-current assets	98,460	97,577
Amortisation of intangible assets	59,000	-
Impairment of receivables	-	78,947
Write-off of obsolete stock	70,300	-
Share-based payment expense	5,640	6,101
Other expenses include:		
Legal settlement (note 12)	2,570,000	-
Legal fees	1,042,107	470,272
Professional fees	64,940	111,700
Operating lease rental expense	87,243	76,220

Revenue and expenses relating to discontinued operations

	Discontinued	
	2018	2017
	$	$
Revenue		
Sale of goods	4,433,846	6,753,333

NOTE 2: REVENUE AND EXPENSES (CONTINUED)

	2018	2017
	$	$
Expenses		
Cost of sales	3,590,647	5,420,937
Depreciation	25,113	26,670
Write down of inventory to net realisable value	23,124	63,276
Write-off of obsolete stock	133,673	-
Operating lease rental expense	136,386	128,584

NOTE 3: INCOME TAX

Accounting policy

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

SUDA and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

SUDA recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 3: INCOME TAX (CONTINUED)

Research and Development Tax Incentive

The Research and Development Tax Incentive is recognised at its fair value where there is a reasonable assurance that the tax incentive will be received and the Group will comply with all attached conditions.

Research and Development Tax Incentive

The Research and Development Tax Incentive is recognised at its fair value where there is a reasonable assurance that the tax incentive will be received and the Group will comply with all attached conditions.

Income tax recognised in profit or loss.
The major components of tax expense are:

	Consolidated	
	2018	2017
	$	$
Current tax	(745,000)	(680,000)
Under provision in respect of prior years	-	(112,000)
Total tax benefit	(745,000)	(792,000)

The prima facie income tax benefit on pre-tax accounting profit from operations reconciles to the income tax benefit in the financial statements as follows:

	Consolidated	
	2018	2017
	$	$
Net loss for the period	(6,204,278)	(2,030,309)
Prima Facie tax (benefit) on loss from ordinary activities before income tax at 27.5%	(1,706,176)	(558,335)
Add Tax effect of:		
Accounting gain on sale of subsidiary	(520,880)	-
Non-deductible expenses		
R&D Expenditure	470,977	429,885
Expenditure not allowed for income tax purposes	1,024,165	64,198
Research and development tax offset	(745,000)	(680,000)
Tax effect of temporary differences and tax losses not brought to account	731, 914	64,252
Unders/(overs) – R&D tax offset	-	112,000
Income tax benefit	(745,000)	(792,000)

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

Unrecognised deferred tax balances of Australian income tax consolidated group:		
• Unrecognised deferred tax asset – revenue losses	9,011,764	8,211,609
• Unrecognised deferred tax asset – capital losses	1,709,337	1,537,854
• Unrecognised deferred tax asset – other	281,246	247,159
• Unrecognised deferred tax equity	31,148	71,367
• Unrecognised deferred tax liabilities	(716,281)	(674,286)
Net unrecognised deferred tax asset	10,317,214	9,393,703

NOTE 4: SEGMENT REPORTING

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of SUDA.

Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The Group has 2 main types of products and services by segment:

i. SUDA: the pharmaceutical development segments and performs research and development to create new human pharmaceutical products by combining proven drugs with innovated, patented, delivery technologies.

ii. Malaria Research Company (MRC): pharmaceutical development segment for the treatment of malaria, i.e. ArTiMist™ project.

On 7 March 2018, the Group sold Westcoast Surgical & Medical Supplies Pty Ltd (Westcoast): the sales and logistics operation for medical devices and consumables. Westcoast is included as a Discontinued operation.

NOTE 4: SEGMENT REPORTING (CONTINUED)

Segment information

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the years ended 30 June 2018 and 30 June 2017.

	Continuing Operations		Discontinued Operation	Unallocated items	Consolidated
	SUDA	MRC	Westcoast		
30 June 2018	$	$	$	$	$
Revenue					
Sales to external customers	491,021	-	4,433,846		4,924,867
Inter-segment sales (i)	433,399	-	-		433,399
	924,420	-	4,433,846		5,358,266
Inter-segment sales eliminated					(433,399)
Total segment revenue					4,924,867
Segment net operating profit (loss) after tax	(6,049,486)	(45,130)	573,805	61,533	(5,459,278)
Interest revenue	2,529	-	2,606	-	5,135
Interest expense	(177,030)	-	(4)	-	(177,034)
Depreciation and amortisation	(98,460)	-	(25,113)	-	(123,573)
Segment assets	7,931,312	11,926,047	-	(635,061)	19,222,298
Inter-segment eliminations					(2,580,063)
Total assets					16,642,235
Capital expenditure	(73,783)	-	(31,851)	-	(105,634)
Other assets	(455,950)	(388,383)	-	-	(844,333)
Segment liabilities	5,168,007	1,940,268	-	-	7,108,275
Inter-segment eliminations					(1,930,756)
Total liabilities					5,177,519
Cash flow information					
Net cash flow from operating activities	(2,322,784)	(24,791)	(200,455)	-	(2,548,030)
Net cash flow from investing activities	(487,863)	(388,383)	1,552,589	-	676,343
Net cash flow from financing activities	200,000	-	-	-	200,000

i. Intersegment revenue is recorded at amounts equal to competitive market prices charged to external customers for similar goods and is eliminated on consolidation.

	Continuing Operations		Discontinued Operation	Unallocated items	Consolidated
	SUDA	MRC	Westcoast		
30 June 2017	$	$	$	$	$
Revenue					
Sales to external customers	444,029	-	6,753,333	-	7,197,362
Inter-segment sales (i)	871,856	-	-	-	871,856
	1,315,885	-	6,753,333	-	8,069,218
Inter-segment sales eliminated					(871,856)
Total segment revenue					7,197,362
Segment net operating profit (loss) after tax	(1,141,533)	(2,525)	119,332	(213,583)	(1,238,309)
Interest revenue	23,728	-	295	-	24,023
Interest expense	(223,382)	-	(68)	-	(223,450)
Depreciation and amortisation	(97,577)	-	(26,670)	-	(124,247)
Segment assets	11,521,050	11,540,877	2,034,070	(575,701)	23,876,944
Inter-segment eliminations					(4,504,753)
Total assets					20,015,543
Capital expenditure	(70,426)	-	(14,136)	-	(84,563)
Other assets	(542,104)	(680,569)	-	-	(1,222,673)
Segment liabilities	2,198,907	1,509,967	3,315,716	-	7,024,590
Inter-segment eliminations					(3,861,401)
Total liabilities					3,163,189
Cash flow information					
Net cash flow from operating activities	(1,296,239)	107,018	334,998	-	(854,223)
Net cash flow from investing activities	(826,114)	(466,986)	(14,135)	-	(1,307,235)
Net cash flow from financing activities	1,482,500	-	-	-	1,482,500

ii. Intersegment revenue is recorded at amounts equal to competitive market prices charged to external customers for similar goods and is eliminated on consolidation.

NOTE 4: SEGMENT REPORTING (CONTINUED)

Other segment information

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographical location based on the location of customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than shown.

	Consolidated	
	2018	2017
	$	$
China	-	417,713
Europe	425,864	-
USA	-	26,316
	425,864	444,029
From discounted operations		
Australia	4,436,452	6,753,333
Total revenue	4,862,316	7,197,362

Segment net operating profit

The executive management committee meets on a monthly basis to assess the performance of each segment by analysing the segment's net operating profit after tax. A segment's net operating profit after tax excludes non-operating income and expense such as dividends received, fair value gains and losses, gains and losses on disposal of assets and impairment charges. Income tax expenses are calculated as 27.5% (2017: 27.5%) of the segment's net operating profit.

Segment assets

In assessing the segment performance on a monthly basis, the executive management committee analyses the segment result as described above and its relation to segment assets. Segment assets are those operating assets of the entity that the management committee views as directly attributable to the performance of the segment. These assets include plant and equipment, receivables, inventory and intangibles and exclude available-for-sale assets, derivative assets, deferred tax assets, and pension assets.

Segment liabilities

Segment liabilities include trade and other payables and debt. The Group has a centralised finance function that is responsible for raising debt and capital for the entire operations. Each entity or business uses this central function to invest excess cash or obtain funding for its operations. The executive management committee reviews the level of debt for each segment in the monthly meetings.

The Group has a number of customers to whom it provides both products and services. The Group supplied a single external customer in the medical devices and consumables segment who accounted for 19% of external revenue (2017: 18%). The next most significant client accounts for 12% (2017: 9%) of external revenue.

NOTE 5: DISCONTINUED OPERATION

On 27 February 2018, the Company announced it had entered into a Share Sale and Purchase Agreement for the sale of Westcoast Surgical and Medical Supplies Pty Ltd (Westcoast). Westcoast was sold on 27 February 2018 with effect from 7 March 2018 and the subsidiary disposed of is reported in the financial statements for the year ended 30 June 2018 as a discontinued operation. Comparatives for the year ended 30 June 2017 have been amended.

	Consolidated	
	2018	2017
Consideration received	$	$
Cash	1,736,266	-
Total disposal consideration	1,736,266	-
Less: Westcoast loss for the year to date of disposal	(371,680)	-
Add: Westcoast accumulated losses to date of disposal leaving the Group	1,649,542	-
Less: Intercompany loan written off	(2,440,323)	-
Profit on disposal before income tax	573,805	-
Income tax expense	-	-
Profit on disposal after income tax	573,805	-
Net cash inflow on disposal:		
Cash and cash equivalents consideration received or receivable	1,736,266	-
Net cash and cash equivalents disposed of is	(151,826)	-
Net cash inflow on disposal	1,584,440	-

Financial performance from discontinued operation		
The financial performance presented for the period to 7 March 2018		
Revenue	4,436,452	6,753,629
Expenses	(4,808,132)	(6,634,297)
(Loss) / profit on operations	(371,860)	119,332
(Loss) / profit recognised on the re-measurement of fair value	-	-
(Loss) / profit before tax from discontinued operations	(371,680)	119,332
Tax benefit	-	-
(Loss) / profit for the year from discontinued operations	(371,680)	119,332

Cash flows from discontinued operation		
Cash flow information presented for the period to 7 March 2018		
Net cash flows from operating activities	(200,455)	334,998
Net cash flows from investing activities	(31,851)	(14,136)
Net cash flows from financing activities	-	-
Net cash flows	(232,306)	320,862

NOTE 6: EARNINGS/LOSS PER SHARE

Accounting policy

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Basic earnings/loss per share

	Consolidated	
	2018	2017
	Cents per share	Cents per share
Basic loss per share (cents per share)	(0.45)	(0.11)
Basic loss per share from continuing operations (cents per share)	(0.49)	(0.12)
Diluted loss per share (cents per share)	(0.45)	(0.11)
Diluted loss per share from continuing operations (cents per share)	(0.49)	(0.12)

Basic earnings/loss per share and Diluted earnings/loss per share

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

	Consolidated	
	2018	2017
	$	$
Loss	(5,459,278)	(1,238,309)
Loss from continuing operations	(6,033,083)	(1,357,641)

	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,221,660,754	1,155,909,911
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,221,660,754	1,155,909,911

NOTE 7: CASH AND CASH EQUIVALENTS

Accounting policy

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

	Consolidated	
	2018	2017
	$	$
Cash at bank and on hand	98,125	1,769,812

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one and seven months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2018	2017
	$	$
Cash and cash equivalents	98,125	1,769,812

NOTE 7: CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated	
	2018	2017
	$	$
Loss for the year	(5,459,278)	(1,238,309)
Profit on sale of discontinued operation	(573,805)	-
Share-based payment expense	5,640	74,450
Depreciation	98,460	124,247
Amortisation	59,000	78,947
Impairment of intangible assets	559,939	-
Write-off of obsolete stock / inventory write down	70,300	63,276
Write-off bad debts	72,499	-
Net (gain)/loss on disposal of property, plant and equipment	1,818	-
Change in net assets and liabilities		
(Increase)/decrease in assets:		
Trade and other receivables	42,403	(97,890)
Prepayments	(72,499)	73,195
Inventories	29,313	(41,816)
Increase/(decrease) in liabilities:		
Trade and other payables	2,569,091	123,719
Provisions	49,089	(14,042)
Net cash from operating activities	(2,548,030)	(854,223)

NOTE 8: TRADE AND OTHER RECEIVABLES

Accounting policy

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 60 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

	Consolidated	
	2018	2017
	$	$
Trade receivables (i)	143,501	1,026,170
Allowance for impairment	(97,773)	(97,773)
	45,728	928,397
R&D tax incentive receivable	745,000	679,405
	790,728	1,607,802

i. the average credit period on sales of goods and rendering of services is 45 days. An allowance has been made for estimated irrecoverable trade receivable amounts.

	Consolidated	
	2018	2017
Ageing of past due but not impaired	$	$
30 – 60 days	30,816	35,556
60 – 90 days	-	23,928
90 – 120 days	-	-
120 days +	-	106,501
Total	30,816	165,985

Movement in the allowance for doubtful debts

Balance at the beginning of the year	97,773	18,826
Impairment losses recognised on receivables	-	78,947
Balance at the beginning and end of the year	97,773	97,773

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the balance date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for impairment.

NOTE 9: INVENTORIES

Accounting policy

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

	Consolidated	
	2018	2017
	$	$
Finished goods – at cost/net realisable value	-	982,918
Raw materials – at cost/net realisable value	97,971	127,800
	97,971	1,110,718

Inventory write-downs and obsolete stock charged to cost of sales totalled $70,300 (2017: $63,276).

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold improvements	3 - 5 years
Plant and equipment	2 - 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Carrying value	Consolidated	
	Plant and equipment	Total
Gross carrying amount	$	$
Balance at 1 July 2016	616,603	616,603
Additions	84,563	84,563
Balance at 30 June 2017	701,166	701,166
Additions	105,634	105,634
Disposals	(239,818)	(239,818)
Balance at 30 June 2018	566,982	566,982

	Consolidated	
	Plant and equipment	Total
Accumulated depreciation and impairment	$	$
Balance at 1 July 2016	344,840	344,840
Depreciation expense	124,247	124,247
Balance at 30 June 2017	469,087	469,087
Depreciation expense	123,572	123,572
Disposals	(198,366)	(198,366)
Balance at 30 June 2018	394,293	394,293
Carrying value: 30 June 2018	172,689	172,689
Carrying value: 30 June 2017	232,079	232,079

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Consolidated	
	2018	2017
	$	$
Cost	566,982	701,166
Accumulated depreciation and impairment	(394,293)	(469,087)
Net carrying amount	172,689	232,079

Plant and equipment with a carrying amount of $172,689 (2017: $232,079) for the Group are pledged as securities for current and non-current liabilities as disclosed in Note 13.

NOTE 11: INTANGIBLE ASSETS

Accounting policy

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives when available for use. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired

asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Amortisation of intangible assets

The Directors are of the opinion that several of the Company's projects, namely SUD-001, SUD-002, SUD-003, SUD-004 and SUD-005 (with a combined carrying value of $3,412,663 at balance date), are available for licensing to pharmaceutical companies and the Company will commence amortising the carrying value as at 30 June 2018 on a straight-line method, over the greater of 10 years or the life of the patent applicable to that project, commencing 1 July 2018.

ZolpiMist, which is licensed to two companies, has been amortised in the reporting period on a straight-line method based over a useful life of 10 years.

	Development Costs	Total
	$	$
Gross carrying amount		
Balance at 1 July 2016	13,950,723	13,950,723
Additions	1,222,673	1,222,673
Balance at 30 June 2017	15,173,396	15,173,396
Balance at 1 July 2017	15,173,396	15,173,396
Additions	844,333	844,333
Amortisation	(59,000)	(59,000)
Impairment (iii)	(559,939)	(559,939)
Balance at 30 June 2018	15,398,790	15,398,790

The Board assesses each project at balance date:

i. ArTiMist

The Company had commissioned an independent valuation of the ArTiMist project in May 2012. This initial valuation forms the underlying basis for the impairment review and is updated on an annual basis to reflect any changes in assumptions used in the initial valuation.

Management prepares an internal model yearly on balance date for review and assessment by the Board.

ii. Other projects (including SUD001, SUD002, SUD003, SUD004 and Zolpimist).

Management prepares an internal model yearly on balance date for review and assessment by the Board.

iii. The assessment of recoverable amount for SUD-002 (Ondansetron) has resulted in an impairment loss being recognised of $193,013 and intellectual property relating to an acquisition in August 2013 has been fully impaired being recognised of $366,926. The impairment loss of $559,939 represents the write-down of those intangible assets to fair value less costs to sell. The impairment loss has been recognised the statement of profit or loss and other comprehensive income in the line item Impairment of intangible assets.

NOTE 12: TRADE AND OTHER PAYABLES

Accounting policy

Trade payables and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Employee leave entitlements

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

	Consolidated	
	2018	2017
Current	$	$
Trade payables (i)	352,561	1,100,055
Sundry payables and accrued expenses	164,725	220,884
Legal settlement (ii)	1,254,000	-
Interest payable (iii)	40,650	40,050
	1,811,936	1,360,989
Non-current		
Legal settlement (ii)	1,316,000	-

i. Trade payables are non-interest bearing and are normally settled on 30-45 day terms.

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) 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 is due by 30 September 2018 for €540,000 (approximately $880,000) with the remaining payments payable by 31 December 2021. The amount due has not been discounted to present values and the effect of this is not considered material.

iii. Interest payable is normally settled six-monthly throughout the financial year and relates to convertible notes (refer to Note 13).

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 17.

NOTE 13: BORROWINGS

Accounting policy

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

	Consolidated	
	2018	2017
Current	$	$
Secured		
Convertible Notes	2,002,500	-
Leases	20,912	-
Total secured borrowings	2,023,412	-

NOTE 13: BORROWINGS (CONTINUED)

	Consolidated	
	2018	2017
Non-current	$	$
Secured		
Convertible Notes	-	1,802,500
Leases	26,171	-
Total secured borrowings	26,171	1,802,500

During the current year, an additional $200,000 was raised under Convertible Note agreements and, as all Notes mature on 31 March 2019, the total balance has been disclosed as a current liability at balance date.

Fair value disclosures

Details of the fair value of the Group's borrowings are set out in Note 17.

Summary of borrowing arrangements

The key terms of the Convertible Notes are:

i. Convertible at $0.0238 per share
ii. Issue price at $1.00 each
iii. Interest rate at 8% paid semi-annually
iv. Maturity date is 31 March 2019
v. Security is a general security interest
vi. Redemption, if not converted at expiry, the Convertible Notes will be redeemed at 105% of the face value

Conversion may occur at any time between 1 April 2017 and 31 March 2019. Refer to Note 21 Events After The Reporting Period for details relating to the capital raising and redemption of the convertible notes that closed on 26 July 2018.

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

	Consolidated	
	2018	2017
Current	$	$
Floating charge		
Receivables	45,726	928,397
Inventories	97,971	1,110,717
Total current assets pledged as security	143,697	2,039,114
Non-Current		
Property, plant and equipment	172,689	232,079
Intangible assets	15,398,790	15,173,396
Total non-current assets pledged as security	15,571,479	15,405,475
Total assets pledged as security	15,715,176	17,444,589

Financing facilities available

At balance date, the following finance facilities had been negotiated and were available:

	Consolidated	
	2018	2017
	$	$
Total facilities Convertible notes	2,002,500	2,002,500
Facilities used at balance date Convertible notes	2,002,500	1,802,500
Facilities unused at balance date Convertible notes	-	200,000

Refer to Note 21 Events After The Reporting Period for details relating to the redemption of the convertible notes as part of the capital raising that closed on 26 July 2018.

Other borrowings during the year

During the current year, a former director, Michael Stewart, provided a loan facility whereby the Company was advanced a total of $850,000. This was repaid during the year.

NOTE 14: ISSUED CAPITAL

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

	Consolidated	
	2018	2017
	$	$
1,224,141,804 (2017: 1,219,858,520) fully paid ordinary shares	57,204,713	57,138,713

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Movement in ordinary shares on issue

	2018		2017	
	Number	$	Number	$
Balance at beginning of year	1,219,858,520	57,138,713	1,141,272,286	55,716,942
Shares issued during the previous year (net of costs)	-	-	78,586,234	1,421,771
Shares issued during the current year:				
- Settlement of interest on convertible notes	3,646,342	56,000	-	-
- Settlement of interest on convertible notes	636,942	10,000	-	-
Balance at end of year	1,224,141,804	57,204,713	1,219,858,520	57,138,713

Share options

The Company has two share based payment option schemes under which options to subscribe for the Company's shares have been granted to certain Directors, other Key Management and other employees, refer Note 16.

NOTE 14: ISSUED CAPITAL (CONTINUED)

Movement in options on issue

	2018		2017	
	Number	Exercise Price $	Number	Exercise Price $
Balance at beginning of year	10,000,000	0.04	5,000,000	0.072
Share options issued during the year (Note i)	19,000,000	0.0228	10,000,000	0.040
Share options expired during the year	-	-	(5,000,000)	0.072
Balance at end of year	29,000,000	0.0287	10,000,000	0.04

Note i: Share options were issued in relation to share issue costs.

There were 29,000,000 (2017: 10,000,000) share options outstanding at the end of the year with an weighted average exercise price of $0.0287 (2017: $0.04) and a weighted average remaining contractual life was 814 days (2017: 1,030 days).

The fair value of the equity-settled share options granted during the year related to an employee share option plan and is estimated as at the date of grant using the Monte Carlo Simulation model taking into account the terms and conditions upon which the options were granted.

	Value of options
30 June 2018	
Dividend yield (%)	0.00%
Expected volatility (%)	77.47%
Risk-free interest rate (%)	1.97%
Expected life of option (years)	3
Exercise price (cents)	2.28
Grant date share price (cents)	1.70

Refer to Note 21 Events After The Reporting Period for details relating to the capital raising that closed on 26 July 2018.

NOTE 15: RESERVES

Nature and purpose of reserves

Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 16 for further details of these plans.

Minority interest acquisition reserve

This reserve is used to record the differences described in note 1(d) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

NOTE 16: SHARE-BASED PAYMENT PLANS

Accounting policy

Equity settled transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

i. the Employee Share Option Plan (ESOP), which provides benefits to directors and senior executives;

ii. the Tax Exempt Plan under which eligible employees may be issued up to $1,000 of shares, excluding senior executives and directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the using a Monte Carlo Simulation model, further details of which are given in Note 14.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Suda Pharmaceuticals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/ loss per share, refer Note 6.

Employee Share Option Plan (ESOP)

On 26 September 2017, the Directors adopted the following plans:

i. Employee Share Option Plan (Option Plan) under which Directors and executives and other employees may be offered the opportunity to be granted Options;

ii. Tax Exempt Plan under which eligible employees may be issued up to $1,000 of Shares

NOTE 16: SHARE-BASED PAYMENT PLANS (CONTINUED)

The vesting of Options and Performance Rights under the terms of the Plans is dependent on both of the following performance conditions being satisfied:

i. Market capitalisation, and

ii. Continuous employment

The contractual life of each option granted is 3 years. Options can be settled by payment at the exercise price or a cashless exercise facility is available.

The expense recognised in the statement of comprehensive income in relation to share-based payments is disclosed in Note 2.

The following share-based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
				$	$	
Options	19,000,000	11 Dec 2017	10 Dec 2020	2.28 cents	51,388	Subject to performance conditions
Performance Rights	4,750,000	28 Nov 2014	27 Nov 2017	n/a	58,297	Subject to performance conditions
Options	5,000,000	12 May 2014	11 May 2017	7.2 cents	75,838	Subject to performance conditions
Perfomance Rights	6,782,051	12 May 2014	11 May 2017	n/a	185,150	Subject to performance conditions

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

The following table illustrates the number and weighted average exercise prices of and movements in share options, under the ESOP, issued during the year:

	2018		2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Outstanding at the beginning of year	-	-	5,000,000	0.072
Granted during the year	19,000,000	0.0228	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(5,000,000)	0.072
Outstanding at the end of year	19,000,000	0.0228	-	-
Exercisable at the end of year	-	-	-	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Movement in Performance Rights

	2018	2017
	Number	Number
Balance at beginning of year	4,750,000	11,532,051
Performance Rights expired during the year (27 November 2017)	(4,750,000)	(6,782,051)
Balance at end of year	-	4,750,000

NOTE 17: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

		Consolidated	
		2018	2017
	Note	$	$
Financial assets			
Cash and cash equivalents	7	98,125	1,769,812
Trade and other receivables	8	45,728	928,397
		143,853	2,698,209
Financial liabilities			
Trade and other payables	12	3,127,936	1,360,989
Borrowings	13	2,049,583	1,802,500
		5,177,519	3,163,489

NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and commodity price risk including foreign exchange forward contracts to hedge the exchange rate and commodity price risk arising on its production.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2018	2017	2018	2017
	$	$	$	$
GBP	3,944	-	336	2,110
EUR	2,703,809	24,505	-	1,291
USD	26,528	-	47,039	354,000
	2,734,281	24,505	47,375	357,401

Foreign currency sensitivity analysis

The Group is exposed to GB Pounds (GBP) Euros (EUR) and US Dollar (USD) currency fluctuations.

The following table details the Group's sensitivity to a 5% increase and decrease in the Australian dollar against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Consolidated	
	Profit	Equity
	$	$
Year ended 30 June 2018		
+/- 2% interest rates	(40,050)	40,050
+/- 5% in AUD / GBP	180	(180)
+/- 5% in AUD / EUR	135,190	(135,190)
+/- 5% in AUD / USD	(960)	960
Year ended 30 June 2017		
+/- 2% interest rates	(36,050)	36,050
+/- 5% in AUD / GBP	(106)	106
+/- 5% in AUD / EUR	1,161	(1,161)
+/- 5% in AUD / USD	(17,700)	17,700

This is mainly attributable to the exposure outstanding on USD, GBP and EUR currencies held at year end in the Group.

Interest rate risk management

The Company and the Group have minimised their exposure to interest rate risk as entities in the Group borrow funds at fixed interest rates.

The Company and Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTE 18: COMMITMENTS AND CONTINGENCIES

Property leases

The property leases are non-cancellable leases with either on a one-year term or a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that minimum lease payments shall be increased by the change in the consumer price index (CPI). An option exists to renew the leases at the end of the term for an additional term of one or three years. The leases allow for subletting of all lease areas.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2018	2017
	$	$
Within one year	95,580	173,110
After one year but not more than five years	71,685	309,975
	167,265	483,085

Development costs

As part of its ongoing project development, the company entered into an agreement on 31 July 2018 for $537,110 which will be payable over the next 18 months.

Legal claim

HC Berlin Pharma AG

The Company entered into a settlement agreement with the Receiver of HC Berlin Pharma AG on 28 June 2018 for a settlement amount of €1,620,000 (approximately $2,570,000) payable in instalments up to 31 December 2021. Under the terms of the agreement, if the Company does not meet the payment for each instalment within 10 calendar days after the due date of the instalment date, then the total original claim of €8,000,000 plus interest and costs less amounts paid to date becomes due and payable.

Guarantees

The parent entity has provided security to third parties in relation to the convertible notes. The security is for the term of the facility. The period covered by the security is to the date of redemption of the convertible notes which occurred on 26 July 2018. At the end of the reporting period, the balance on the convertible notes was $2,002,500 (refer to Note 13).

NOTE 19: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of SUDA Pharmaceuticals Limited and the subsidiaries listed in the following table.

	Country of incorporation	% Equity interest	
		2018	2017
Westcoast Surgical and Medical Supplies Pty Ltd [1]	Australia	-	100%
Malaria Research Company Pty Ltd	Australia	100%	100%
Eastland CN Nominees Pty Ltd	Australia	100%	100%
Suda Europe Ltd	United Kingdom	100%	100%
SUD 18 Pty Ltd [2]	Australia	100%	-

Note 1: Westcoast Surgical and Medical Supplies Pty Ltd was sold 7 March 2018.
Note 2: SUD 18 Pty Ltd was established 2 May 2018.

SUDA Pharmaceuticals Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Transactions with Key Management Personnel

Refer to Note 23 for details of transactions with key management personnel.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

NOTE 20: PARENT ENTITY DISCLOSURES

Accounting policy

The financial information for the parent entity, SUDA Limited, disclosed below has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTE 20: PARENT ENTITY DISCLOSURES (CONTINUED)

Financial position

	2018	2017
	$	$
Assets		
Current assets	1,070,604	2,612,889
Non-current assets	6,860,708	8,908,161
Total assets	7,931,312	11,521,050
Liabilities		
Current liabilities	3,825,836	396,407
Non-current liabilities	1,342,171	1,802,500
Total liabilities	5,168,007	2,198,907
Equity		
Issued capital	57,204,713	57,138,713
Reserves: Share-based payments	772,574	766,934
Accumulated losses	(55,213,982)	(48,583,504)
Total equity	2,763,305	9,322,143
Statement of profit or loss and other comprehensive income		
Total loss and total comprehensive loss	(6,630,478)	(1,141,533)

Guarantees

SUDA has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities of the parent entity

For details on commitments, see note 18.

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

Capital raising

On 2 July 2018, SUDA announced a renounceable rights issue (Rights Issue) offered on a one for one basis at 0.5 cents per share to raise up to $6,100,000 with one free attaching listed option (exercise price of $0.015 and expiry date of 31 July 2020) for every two new shares subscribed for under the Rights Issue. The Rights Issue was subject to a minimum subscription of $4,000,000, with commitments of approximately $2,100,000 received from convertible noteholders.

The Rights Issue closed on 26 July 2018 and was well supported by the Company's shareholders and new investors (including institutions and sophisticated investors) and closed heavily oversubscribed.

The Company raised $6,120,000 (before costs) and issued 1,224,141,800 shares and 612,070,900 listed options in accordance with the Prospectus timetable. The Company issued 20,000,000 options as capital raising costs. The new options are listed under the ASX code SUDOC.

Due to the overwhelming demand, the Company agreed to place a further 133,675,200 fully paid ordinary shares at $0.005 and attaching 66,837,600 SUDOC options to raise an additional $668,376 ("Placement").

As part of the capital raising, the Company secured interim funding for $200,000, of which $160,000 was drawn down. Two directors provided $40,000 which was repaid on completion of the capital raising. The Company also redeemed the secured convertible notes for $2,002,500 plus a redemption premium and interest to 31 July 2018.

NOTE 22: AUDITOR'S REMUNERATION

The auditor of SUDA is HLB Mann Judd.

	Consolidated	
	2018	2017
Auditor of the parent entity	$	$
Audit or review of the financial statements	56,000	56,000
Due diligence services	2,500	-
	58,500	56,000

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES

Details of Key Management Personnel

Directors

Stephen Carter	Executive Chairman
Joseph Ohayon	Chief Financial Officer / Company Secretary
Michael Stewart	Chairman (Non-Executive) resigned 10 April 2018
David Phillips	Non-Executive Director (appointed 6 April 2018)

Executives

Nick Woolf	Chief Business Officer
Carol Worth	Chief Technical Officer
John Billingham	General Manager - Westcoast Surgical & Medical Supplies (sold 7 March 2018)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES (CONTINUED)

Other transactions and balances with Key Management Personnel

	Consolidated	
	2018	2017
	$	$
Key Management Personnel		
Mr Michael Stewart – consulting services	6,250	3,600
Mr Michael Stewart – interest on convertible notes	8,088	6,500
Mr Michael Stewart – finance fees on funding	35,784	-
Mr Michael Stewart – drawdown and repayment of finance facility	850,000	-
Mr Stephen Carter – interest on convertible notes	4,000	6,500
Mr Joseph Ohayon – interest on convertible notes	1,600	2,600
Mr David Phillips – consulting fees	14,000	-
Mr Nicholas Woolf– interest on convertible notes	1,600	-
Balance on Convertible Notes		
Mr Michael Stewart	150,000	50,000
Mr Stephen Carter	50,000	50,000
Mr Joseph Ohayon	20,000	20,000
Mr Nicholas Woolf	20,000	20,000

The aggregate compensation made to Directors and other key management personnel of the Group is set out below:

Short-term employee benefits	1,113,121	945,467
Share-based payments	11,280	6,101
Post-employment benefits	97,831	89,477
	1,222,232	915,289

DIRECTORS' DECLARATION

1. 1. In the opinion of the directors of SUDA Pharmaceuticals Limited (the 'Company'):

    a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

        i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year then ended; and

        ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

    b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

This declaration is signed in accordance with a resolution of the Board of Directors.

Stephen Carter
Executive Chairman

_____

Dated 28 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report to the Members of Suda Pharmaceuticals Limited (previously Suda Ltd)

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Suda Pharmaceuticals Limited (previously Suda Ltd) ("the Company") and its controlled entities ("the Group"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Suda Pharmaceuticals Limited (previously Suda Ltd) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of their financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of Intangible assets Refer to Note 11 Intangible Assets	
Included within non-current assets as at 30 June 2018 is an intangible assets balance of $15,398,790. This balance is comprised of intellectual property acquired separately and internally generated intangibles for several	Our procedures included but were not limited to the following: • We obtained an understanding of the key controls associated with the preparation of the

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Key Audit Matter	How our audit addressed the key audit matter
projects, including ArTiMist with a carrying value of $11,290,835. In accordance with AASB 138 *Intangible assets*, the Group capitalises acquisition costs of intellectual property acquired separately and accounts for costs incurred after recognition relating to the research phase by expensing such costs or capitalising the development phase costs when the recognition criteria contained in AASB 138 are satisfied. The evaluation of the recoverable amount of these assets is considered a key audit matter as it has based upon a value-in-use calculation which required significant judgement in verifying the key assumptions supporting the expected discounted future cash flows of the intangible assets. Additionally, as this asset is the most significant balance in the statement of financial position, it is key to readers' understanding of the financial report.	models used to assess the recoverable amount of the intangibles; • We critically evaluating management's methodology in the value-in-use model and the basis for key assumptions such as discount rate; • We performed sensitivity analyses around the key inputs used in the cash flow forecasts that either individually or collectively would be required for assets to be impaired and considered the likelihood of such a movement in those key assumptions arising; • We reviewed the mathematical accuracy of the value-in-use model; • We compared the resulting value-in-use to the carrying value of the assets comprising the CGU; • We considered the results of independent technical reports obtained; • We compared key assumptions in forecast cash flows to historical results and, where these were materially different, we critically reviewed the basis for differing future expectations; • We assessed the appropriateness of the disclosures included in the relevant notes to the financial report; and • We considered impairment indicators under AASB 136 *Impairment of Assets*.
Settlement agreement with the receiver of HC Berlin Pharma Refer to Note 12 Trade and Other Payables Refer to Note 18 Commitments and Contingencies	
On 28 June 2018, the Company entered into a settlement agreement with the receiver of HC Berlin Pharma in relation to a claim that had been lodged with the Company. The agreed settlement requires the Company to pay an amount of €1.62 million in a series of instalments by 31 December 2021. The settlement is considered a significant transaction for the Group due to its financial impact, and as a result, is considered to be key to readers' understanding of the financial report.	Our procedures included but were not limited to the following: • We enquired with management, reviewed ASX announcements and minutes of Directors' meetings, to ensure that the settlement was accounted for appropriately; • We examined correspondence with the Receiver; • We obtained formal confirmation from the Group's external solicitors on the status of the matter; and • We examined the disclosures made in the financial report. •
Sale of Westcoast Surgical and Medical Supplies Pty Ltd Refer to Note 5 Discontinued Operation	
During the year, the Company entered into a Share Sale and Purchase Agreement whereby the purchaser acquired 100% of the shares of the Company's wholly-owned subsidiary, Westcoast Surgical & Medical Supplies Pty Ltd.	Our procedures included but were not limited to the following: • We read the Share Sale and Purchase Agreement to ensure that the key elements of the agreement had been considered when accounting for the transaction;

Key Audit Matter	How our audit addressed the key audit matter
The profit after tax from this discontinued operation recognised in the statement of profit or loss and other comprehensive income for the year ended 30 June 2018 was $573,805. The sale is considered a significant transaction for the Group and it is important to readers' understanding of the financial report.	• We reperformed the calculations of the profit on disposal by comparing the consideration received to the carrying value of the identified assets and liabilities; • We agreed the consideration received from the sale to the accounting records; and • We considered the disclosures made in the financial report to ensure they were compliant with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Suda Pharmaceuticals Limited (previously Suda Ltd) for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo

L Di Giallonardo
Partner

Perth, Western Australia
28 September 2018

ADDITIONAL SECURITIES EXCHANGE INFORMATION

The following information is current as at 4 September 2018:

1. Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number Ordinary
1 – 1,000	86
1,001 – 5,000	139
5,001 – 10,000	242
10,001 – 100,000	1,103
100,001 – and over	1,342
	2,912

b. The number of shareholdings held in less than marketable parcels is 1,652.

c. There were no substantial shareholders as at the reporting date.

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held Of Issued Ordinary Capital
1	Kamala Holdings Pty Ltd	82,300,000	3.19
2	Zerrin Investments PTY LTD	73,178,667	2.83
3	CS Third Nominees Pty Ltd	72,468,783	2.81
4	Scintilla Strategic Investments Limited	50,000,000	1.94
5	Mr Thomas Paul McGellin _ Ms Tanya Margaret Karal	48,814,323	1.89
6	Bill brooks Pty Ltd	47,431,261	1.84
7	Chelsea Investments Pty Ltd	47,320,698	1.83
8	Bamber Investments Pty Ltd	46,446,548	1.80
9	Termco Pty Ltd	34,453,333	1.33
10	Banlan Pty Ltd	34,127,469	1.32
11	Mr James Bradley Richardson	33,345,086	1.29
12	Onicas Investments Pty Ltd	30,000,000	1.16
13	Mr Peter Norman Dunn	30,000,000	1.16
14	Ms Chunyan Niu	25,000,000	0.97
15	Mr Bin Liu	25,000,000	0.97
16	Steve John Wicks	24,959,364	0.97
17	Foskin Pty Ltd	24,470,813	0.95
18	J P Morgan Nominess Australia Limited	24,006,426	0.93
19	Ms Giovannia Lina Gan	23,000,000	0.89
20	Mr Neil Stewart + Mrs Janet Stewart	21,533,333	0.83

ADDITIONAL SECURITIES EXCHANGE INFORMATION (CONTINUED)

2. The name of the company secretary is Joseph Ohayon.

3. The address of the principal registered office in Australia is Level 1, Unit 12, 55 Howe Street, Osborne Park, Western Australia 6017. Telephone (08) 6142 5555.

4. Registers of securities are held at the following addresses

Advanced Share Registry: 110 Stirling Hwy, Nedlands, WA 6009

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited. The stock code is SUD.

6. Unquoted Securities

Convertible Notes

2,002,500 convertible notes are on issue and are held by: Foskin Pty Ltd, J&L Stevenson, Termco Pty Ltd, T McGellin, Pivic Pty Ltd, Greanseas Investments Pty Ltd, M Quinsee, Chelsea Investments (WA) Pty Ltd, Zerrin Investments Pty Ltd, Weringa Nominees Pty Ltd, Continental Global Investments Ltd, R Parry, Banlan Pty Ltd, Bamber Investments Pty Ltd, Fano Pty Ltd, Arrisan Pty Ltd, J Richardson, Bill Brooks Pty Ltd, B Alimonti, M Duncan-Smith, N Stewart, Kamala Holdings Pty Ltd, Pearlcove Consulting Group Pty Ltd, J Ohayon and N Woolf

Options over Unissued Shares

10,000,000 options with an exercise price of $0.04 and 19,000,000 options under an ESOP with an exercise price of $0.024 at the reporting date.

The Company has listed options (listed 2 August 2018). The stock code is SUDOC.

7. Annual General Meeting

The Annual General Meeting of the Company will be held at 10:30am (WST) on 15 November 2018 at The Boulevard Centre, 99 The Boulevard, Floreat, WA.

SUDA
PHARMACEUTICALS LTD

Level 1, Unit 12, 55 Howe Street
Osborne Park, 6017

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F 08 9443 8858

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