



## Prospectus

Suda Pharmaceuticals Limited ACN 090 987 250

Non-renounceable pro rata entitlement offer of 1 New Share for every 1 Existing Share (and 1 New Option for every 3 New Shares issued) at an offer price of \$0.025 per New Share to raise approximately \$3.56 million (before the exercise of any New Options)

**Last date for acceptance and payment: 5.00pm (Sydney time) on Wednesday, 22 July 2020**

**If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document, you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.**

**This Prospectus may not be released to US wire services or distributed in the United States.**

**Lead Manager**



**Legal Adviser**



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## IMPORTANT NOTICES

### General

This Prospectus is dated 3 July 2020. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of any investment under this Prospectus. No New Shares or New Options will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires on 3 August 2021.

No person may give any information or make a representation about the Entitlement Offer, which is not in this Prospectus. Information or representations not in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Entitlement Offer.

This Prospectus provides information for investors to decide if they wish to invest in Suda. Read this document in its entirety. Examine the assumptions underlying the risk factors that could affect the financial performance of Suda. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Entitlement Offer does not take into account the investment objectives, financial situation or needs of particular investors.

### Australian and New Zealand residents only

The New Shares and New Options to be issued under this Prospectus are only offered to Eligible Shareholders, being Shareholders with a registered address in Australia or New Zealand at 7.00pm (Sydney time) on the Record Date.

The offer is available to Australian and New Zealand residents having a registered address in those jurisdictions. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law. Seek advice on and observe any restrictions. This Prospectus is not an offer in any place where, or to any person to whom, it would not be lawful to make the offer.

### Special notice to New Zealand Resident investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is chapter 8 *Corporations Act 2001* (Cth) (**Corporations Act**) and regulations made under that Act. In New Zealand, this is sub-part 6 of part 9 *Financial Markets Conduct Act 2013* and part 9 *Financial Markets Conduct Regulations 2014*.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between the currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial products market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers that potential investors may consult.

### Electronic prospectus

This Prospectus is available electronically at [www.sudapharma.com](http://www.sudapharma.com). The Entitlement and Acceptance Form attached to the electronic version of this Prospectus must be used within Australia or New Zealand. Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning the Company Secretary on +61 8 6142 5555. Applications for New Shares and New Options may only be made on the Entitlement and Acceptance Form attached to this Prospectus or in its paper copy form downloaded in its entirety from [www.sudapharma.com](http://www.sudapharma.com).

### Exposure period

No exposure period applies to this Prospectus by operation of the Corporations Act (in respect of the New Shares) and the ASIC Corporations (Exposure Period) Instrument 2016/74 (in respect of the New Options).

**Privacy**

The Company and the share registry collect, hold and use personal information received from you to communicate and provide services to you as a Shareholder. The Company may disclose information to its agents, service providers (such as the share registry) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that the Company holds about you (by contacting the share registry), how you can complain about privacy related matters and how the Company responds to complaints.

**Defined terms**

Capitalised terms used in this Prospectus are defined in the Glossary.

**Currency**

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

**Photographs and diagrams**

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY**

# Letter from the Chairman and Chief Executive Officer

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3 July 2020

Dear Shareholder

On behalf of your Board, it gives me great pleasure to offer you this opportunity to increase your investment in Suda through participation in this one for one non-renounceable pro rata issue of new Suda shares (**New Shares**) and one option for every three New Shares issued (**New Options**), at a price of \$0.025 per New Share (**Entitlement Offer**).

The Offer Price represents a 34.3% discount to the weighted average closing price of Suda over the past 15 trading days to 2 July 2020 and is open to Shareholders holding Shares on the Record Date of Wednesday, 8 July 2020.

Suda intends to raise approximately \$3.56 million (before direct offer costs) through the issue of approximately 142,254,397 Shares under the Entitlement Offer. In addition, if all of the available New Options are issued and exercised, Suda will raise approximately \$2.37 million.

The Board intends to use the proceeds of the Entitlement Offer for:

- 1 the development of the Company's anagrelide and the remaining OroMist assets;
- 2 potential acquisition and development of new assets; and
- 3 general working capital.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is attached to this Prospectus.

If you take up your Entitlement, you can also apply for additional Shares under a 'top-up' facility (refer to section 3.3 of this Prospectus for more information).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable.

The Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 22 July 2020.

Please read in full the details on how to submit your application, which are set out in this Prospectus. For further information about the Entitlement Offer, please call the share registry, Advanced Share Registry Services, on 08 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia), or visit the Company's website at [www.sudapharma.com](http://www.sudapharma.com).

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully



Mr Paul Hopper  
Chairman



Dr Michael Baker  
Chief Executive Officer and Managing Director

## 1 Investment overview

### 1.1 Summary offer details

Terms of offer	Details
Offer Price per New Share	\$0.025
Ratio	1 New Share for every 1 Existing Share
Total number of New Shares offered under this Prospectus	142,254,397
Total number of New Options offered under this Prospectus	47,418,132
Total number of Shares on issue following the Entitlement Offer (before the exercise of any New Options)	284,508,794
Total amount to be raised under the Entitlement Offer (before the exercise of any New Options)	\$3,556,360
Total number of Shares on issue following the Entitlement Offer (if all New Options are exercised)	331,926,926
Amount to be raised if all available New Options are issued and exercised	\$2,370,907
Market capitalisation at the Offer Price (before the exercise of any New Options)	\$7,112,720

### 1.2 Important dates

Event	Date
Prospectus date	Friday, 3 July 2020
Announcement of the Entitlement Offer	Friday, 3 July 2020
Ex date	Tuesday, 7 July 2020
Record Date for Entitlement Offer (7.00pm, Sydney time)	Wednesday, 8 July 2020
Prospectus and Entitlement and Acceptance Form despatched	Monday, 13 July 2020
Entitlement Offer opens	Monday, 13 July 2020
Offer closes (5.00pm, Sydney time)	Wednesday, 22 July 2020
New Shares quoted on deferred settlement basis	Thursday, 23 July 2020
Announcement of results of Entitlement Offer and under-subscriptions	Monday, 27 July 2020
Allotment of New Shares issued under the Entitlement Offer	Wednesday, 29 July 2020

Despatch of holding statements for New Shares issued under the Entitlement Offer	Thursday, 30 July 2020
Normal ASX trading for New Shares issued under the Entitlement Offer commences	Thursday, 30 July 2020

**All dates and times are subject to change and are indicative only. All times are to Sydney time. The Company, with the consent of the Lead Manager, reserves the right to vary these dates and times without notice. The last day to extend the Entitlement Offer is 17 July 2020. Suda may close the Entitlement Offer early, withdraw the Entitlement Offer, or accept late applications. In that event, the relevant Application Money (without interest) will be returned in full to Applicants.**

### 1.3 Purpose of the Entitlement Offer and use of funds

The purpose of the Entitlement Offer is to raise new funds for the following purposes:

Use of proceeds	Assuming the total amount raised under the Entitlement offer is \$1,800,000	Assuming the total amount raised under the Entitlement offer is \$3,556,360
Development of anagrelide technology and OroMist assets	\$981,694	\$1,926,853
General working capital	\$511,547	\$1,113,419
Potential acquisition and development of new assets	\$100,000	\$200,000
Capital raising fees	\$206,759	\$316,088
<b>Total funds raised</b>	<b>\$1,800,000</b>	<b>\$3,556,360</b>

If the Company does not raise the full amount of the offer, then use of proceeds will be scaled back as required.

### 1.4 Shareholding structure

Subject to the rounding up of fractional Entitlements and depending on the number of Existing Options that are exercised before the Record Date, the following table shows the shareholding structure of Suda on completion of the Entitlement Offer:

Existing Shares on issue as at 3 July 2020 (announcement of the Entitlement Offer)	142,254,397
Approximate New Shares to be issued under the Offer	142,254,397
Approximate total number of Shares after the Entitlement Offer	284,508,794
Approximate New Options to be issued under the Offer	47,418,132
Approximate total number of Options after the Entitlement Offer	101,562,469 <sup>1</sup>

<sup>1</sup> As noted in section 8.4, 27,956,286 options are due to expire on 31 July 2020.

## 1.5 Potential questions and answers

Question	Answer	Section
<b>Who is the issuer of this Prospectus?</b>	Suda Pharmaceuticals Limited ACN 090 987 250	Not applicable
<b>What is the Entitlement Offer?</b>	The Entitlement Offer is a non-renounceable pro rata entitlement offer of 1 New Share in Suda for every 1 Existing Share held by an Eligible Shareholder on the Record Date (and 1 New Option for every 3 New Shares issued).	section 3.1
<b>What is the Offer Price of the New Shares?</b>	The New Shares are being issued at \$0.025 per New Share.	section 3.1
<b>What rights and liabilities attach to the New Shares?</b>	The New Shares will rank equally in all respects with the Shares held by the Existing Shareholders. The rights and liabilities attaching to all Shares are set out in the Company's constitution.	sections 7.2 and 8.2
<b>What rights and liabilities attach to the New Options?</b>	<p>The key terms of the New Options include:</p> <ul style="list-style-type: none"> <li>(a) New Options will be issued on the basis of 1 New Option for every 3 New Shares issued under this Prospectus;</li> <li>(b) no issue price is payable for the New Options as they are issued together with any application by an Eligible Shareholder for New Shares;</li> <li>(c) the exercise price of each New Option is \$0.05; and</li> <li>(d) each New Option will have an expiration date that is 31 July 2022.</li> </ul> <p>The full details of the rights and liabilities attaching to the New Options are set out in the Annexure.</p>	section 8.3 and Annexure
<b>What is the Company's financial position?</b>	The Company's financial position is set out in detail in section 5 of this Prospectus.	section 5
<b>What risks are involved with an investment in the Company?</b>	<p>An investment in Suda is subject to both general and specific risks which you should consider before making a decision to apply for New Shares or in exercising any New Options.</p> <p>Key specific risks include:</p> <ul style="list-style-type: none"> <li>(a) the Company anticipates needing to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory;</li> <li>(b) if the Company does not obtain the necessary regulatory approvals it may be unable to commercialise its pharmaceutical products. Even if it receives regulatory</li> </ul>	section 6



Question	Answer	Section
	<p>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;</p> <p>(c) 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;</p> <p>(d) the Company's ability to achieve profitability is dependent on a number of factors including its ability to complete successful clinical trials and obtain regulatory approval for its products and successfully commercialise those products. There is no guarantee that the Company's products will be commercially successful;</p> <p>(e) the biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. To compete successfully the Company must deliver to the market cost effective products that meet important and unmet medical needs;</p> <p>(f) the Company may experience delay in achieving a number of critical milestones, securing further commercial partners, completion of clinical trials, obtaining regulatory approval (to commence sales) or reimbursement approvals (for sales growth), manufacturing, product launch and sales in one or more jurisdictions;</p> <p>(g) there is no guarantee that the Company will be able to find suitable industry partners or that it can negotiate attractive commercial terms for future licence agreements;</p> <p>(h) on many territories, products as those produced by the Company, must follow a formal reimbursement process in order to be commercially successful. The availability and timing of reimbursement may have an impact upon the uptake and profitability of products in some jurisdictions;</p> <p>(i) the Company has a significant amount of intangible assets recorded on its balance sheet. The Company annually tests the carrying value of these intangible assets for impairment. Any resulting impairment loss could have a material impact on the Company's financial position;</p> <p>(j) the Company's success depends to a significant extent upon its key management</p>	

Question	Answer	Section
	<p>personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel could have an adverse effect on the performance of the Company; and</p> <p>(k) the Company receives a portion of its revenue in foreign currency, predominately US dollars and Euros. There is a risk that adverse currency movements may negatively impact the Company.</p>	
<b>Is the Entitlement Offer underwritten?</b>	The Entitlement Offer is not underwritten.	section 3.4
<b>How do I participate in the Entitlement Offer?</b>	To participate in the Entitlement Offer, please complete the Entitlement and Acceptance Form attached to this Prospectus and return it to the Company with payment of the Application Money before Wednesday, 22 July 2020.	section 4 and Entitlement and Acceptance Form
<b>How do I calculate the Application Money payable if I wish to participate in the Entitlement Offer?</b>	The Application Money is calculated by multiplying the number of New Shares you wish to apply for by the Offer Price of \$0.025 per New Share.	section 4 and Entitlement and Acceptance Form
<b>Is commission payable to financial advisers or brokers?</b>	Participating organisations receive a handling fee of 4% (capped at \$142,254) for submitting a valid application form. This fee is paid by the Lead Manager.	Not applicable
<b>Further questions</b>	If you have questions about the Offer, please contact the Company Secretary on +61 8 6142 5555.	section 3.12

## 1.6 Important notice

This section is not intended to provide full details of the investment opportunity. Shareholders must read this Prospectus in full to make an informed investment decision. The New Shares and New Options offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares.

## 2 Suda Pharmaceuticals – the business

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### 2.1 Company overview

Suda Pharmaceuticals Limited is a global leader in reformulating and providing medication via the oral mucosa. Suda uses its proprietary OroMist® technology to develop low-risk oral sprays to reformulate current pharmaceuticals. Administering drugs through the oral mucosa (palate, cheeks, gum and tongue) has many potential benefits including reduced side effects, ease of use, faster response time and lower dosage.

The Company has an extensive knowledge of proven techniques that improve solubility including particle size reduction, novel solvent systems and solid dispersions as well as permeability enhancers and taste masking.

In January 2018, Suda entered into an IP Sale Agreement with Aluztra Bio Limited to have the IP for anagrelide assigned to Suda. The IP assigned to Suda was for the use of anagrelide for treating cancer. This was the initial step for Suda to enter the oncology space, working to develop an oral spray version of anagrelide for the use in treating patients that have solid tumours and high platelet levels. Increased platelet levels have been shown to occur in the background of a number of solid tumours and research has highlighted the benefits of targeting platelets in cancer therapy.

Suda is solidifying its focus on the central nervous system and oncology space with its current portfolio of assets.

- **CNS:** ZolpiMist (Insomnia, TGA approval anticipated Q4 2020) Sumatriptan (Migraine)
- **Oncology:** Anagrelide (solid tumours with increased platelet levels)

As announced June 1, 2020, Suda entered into a trading halt for the purpose of a material in-licensing transaction from a leading U.S. Cancer Research Institute. On Jun 25, 2020, Suda announced that the Company would no longer proceed with the transaction based on feedback from the ASX in relation to the transaction. In ASX's view, the transaction was of the nature that would require Suda to re-comply with Chapters 1 and 2 of the ASX Listing Rules for the purpose of Listing Rule 11.1.3. In response to Suda's application for in principle advice, the ASX advised Suda that there is a significant likelihood the ASX will exercise its discretion to decline Suda's readmission if it chooses to proceed with the transaction.

Suda has a Board and executive team that has experience in finding new biotechnology assets to acquire and develop. This will continue to form part of Suda's business strategy moving forward. Suda will continue to focus on the development of its core assets in the oral spray space, however, new technologies to be acquired may not require delivery using the oral spray formulation platform.

Suda also performs early stage development work for partners that are looking to create oral spray versions of their products. Current partners include Zelira Therapeutics, Cann Pharma Australia, Laboratorios Ordesa and Sanofi.

SUDA's intellectual property includes granted and pending patents, trademarks and proprietary know-how.

## 2.2 Board and management team

### **Mr Paul Hopper**

Non-Executive Chairman

Paul Hopper has international and ASX biotech capital markets experience and over 25 years' experience in the medical, healthcare & life sciences sectors, particularly in immuno oncology and vaccines. He is the former Chairman of Viralytics Ltd (acquired by Merck for \$500m in 2018), Founder and Director of Prescient Therapeutics Ltd, Founder of Imugene Ltd and Polynoma LLC, former Director of pSivida Corp, Somnosed Ltd and Fibrocell Science, Inc. Paul recently joined Scopus Biopharma Inc. as Co-Chairman and a director. Mr Hopper has founded, or technology seeded, four companies on the ASX with technologies he has licensed from Yale, University of Vienna Medical School, City of Hope Cancer Centre, Genentech, University of Sth Florida and Moffitt Cancer Centre.

Paul has deep experience in corporate governance, risk and strategy.

Paul Hopper is the chair of the HR and Remuneration Committee and a member of the Company's Risk & Audit Committee and Nomination Committee.

Mr Hopper was appointed Executive Chairman on 23 September 2019 and resumed as Non-Executive Chairman from 1 July 2020.

In the 3 years immediately before the end of the financial year, Paul Hopper served as a director of other ASX-listed companies.

### **Mr David Phillips**

Executive Director

Mr Phillips joined the board in April 2018 as a non-executive director before moving to an executive director in 2019. Mr Phillips has 35 years' experience in the healthcare industry, 23 of which were with Glaxo Wellcome and then GSK. After GSK Mr Phillips spent 12 years at board level as chief business officer of Argenta Discovery, The Automation Partnership and BioFocus (Galapagos NV). Mr Phillips re-joined GSK as Managing Partner in the corporate venture arm of SR One 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. At SR One, Mr Phillips was a member of the Investment Committee and reviewed over 30 opportunities in that role. Mr Phillips has been responsible for over 50 pharma/biotech deals and 10 M&A transactions. He leads the business development activities.

David Phillips is a member of the Company'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 David Simmonds**

Non-Executive Director

David Simmonds was a senior audit partner with Ernst & Young from 1989 to 2017. From 2008 to 2013, David led the Capital Markets desk in Australia with responsibility for overseeing or reviewing all Australian cross border fundraisings. As an audit partner, David was involved in several high-profile businesses including Ramsay Health Care Ltd, John Fairfax Holdings and Commonwealth Bank of Australia and also was audit partner for the Australian operations of the leading US technology companies Hewlett Packard, Sun Microsystems and Oracle. Until recently, David was also a member of the Board and chaired the Audit, Risk and Finance Committee of MS Research

Australia, the largest national not-for-profit body dedicated to funding and coordinating multiple sclerosis research in Australia.

David Simmonds is chair of the Company's Risk & Audit Committee and a member of the Nomination Committee and HR & Remuneration Committee.

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

**Dr Michael Baker**

Chief Executive Officer and Managing Director

Michael Baker joined the Company in January 2020 and joined the board 1 July 2020. Prior to joining Suda, Dr Baker was at the leading Australian life science fund, Bioscience Managers, where he was based from 2017. As an Investment Manager, he was responsible for deal sourcing from networks, conferences, universities and research institutes. He also conducted the due diligence to shortlist investment opportunities and played an active role managing portfolio companies.

Before that, Michael Baker was a project manager and a member of the senior leadership group at Hexima Limited which specialises in developing agricultural and pharmaceutical products. He was a senior manager and his role was to lead and motivate a team of 4-8 research scientists and drive project development, ensuring timely completion of milestones, including helping guide a drug candidate from discovery to clinical trials.

**Mr Joseph Ohayon**

Chief Financial Officer & Joint Company Secretary

Joseph Ohayon joined the company in July 2010 as the Chief Financial Officer and in March 2011 he took over the role of Company Secretary. He has over 30 years experience in financial roles including 18 years within health-related industries. Joseph qualified as a Chartered Accountant in the UK and graduated with a Masters of Business Administration in International Business from Murdoch University in 2007.

### **3 Details and effect of the Entitlement Offer**

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#### **3.1 Overview**

The Entitlement Offer is a non-renounceable offer of New Shares at \$0.025 per New Share to raise about \$3.56 million (before direct offer costs including fees paid to the Lead Manager, advisers and to providers of specific services to cover share registry, printing and postage costs).

The Board intends to use the proceeds of the Entitlement Offer for:

- (a) the development of the Company's anagrelide and the remaining OroMist assets;
- (b) potential acquisition and development of new assets; and
- (c) general working capital.

Eligible Shareholders who are on Suda's share register on the Record Date are entitled to acquire 1 New Share for every 1 Existing Share held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The offer price of \$0.025 per New Share represents a discount of approximately 37.5% to the closing price of Shares on 2 July 2020 (being the last trading day before announcement of the Entitlement Offer).

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Prospectus. Eligible Shareholders may subscribe for all or part of their Entitlement.

Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in Suda further diluted.

Eligible Shareholders should be aware that an investment in Suda involves risks. The key risks identified by Suda are set out in section 0 of this Prospectus.

#### **3.2 Effect of Entitlement Offer on control of the Company**

The Directors do not anticipate that the Entitlement Offer will have any material impact on the control of the Company.

#### **3.3 Issue of additional Shares under the Top Up Facility**

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility.

There is no guarantee that those Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. The number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors, after consultation with the Lead Manager, reserve the right to allot and issue New Shares under the Top Up Facility at their discretion, but it is intended that all Eligible Shareholders who apply for Top Up Shares will receive their pro rata entitlement to any available Top Up Shares.

The Company may allocate all, or a lesser number, of Shares for which an application has been made under the Top Up Facility. If applications are scaled back, there may be a different application of the scale-back policy to each Applicant.

### **3.4 Underwriting**

The Entitlement Offer is not underwritten.

### **3.5 Eligible Shareholders**

This Prospectus is being sent to Shareholders with registered addresses in Australia or New Zealand only. This Prospectus does not constitute an offer to issue the New Shares or the New Options in any place in which, or to any person to whom, it would not be lawful to make that offer.

The Company is of the view that it is unreasonable to make an offer to issue the New Shares and the New Options to Ineligible Shareholders having regard to:

- (a) the number of Ineligible Shareholders to whom offers to issue the New Shares and the New Options would otherwise be made;
- (b) the number and value of the New Shares and the New Options that would otherwise be offered for issue to Ineligible Shareholders; and
- (c) the cost of complying with the laws, and any requirements of any regulatory authority, of the places where the New Shares and the New Options would otherwise be offered for issue.

### **3.6 Non-renounceable**

The rights to the New Shares and the New Options are non-renounceable. Therefore, you cannot trade Entitlements on ASX and you cannot transfer or otherwise dispose of them.

### **3.7 Shortfall facility**

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the completion of the Top Up Facility and the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion. If issued, Shortfall Shares will be issued at a price not less than the Offer Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are later taken up as Shortfall Shares.

Subject to Shareholder approval being obtained for the issuance pursuant to the Listing Rules, the Directors have indicated their intention to subscribe for Shortfall Shares up to an aggregate amount of \$40,000.

### **3.8 Financial position**

The effect of the Entitlement Offer on the financial position of the Company is set out in section 5.

### **3.9 Taxation considerations**

The taxation consequences of an investment in the Company depend upon your particular circumstances. You should make your own enquiries about the taxation consequences of an investment in the Company. If you are in doubt about the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

### **3.10 Foreign selling restrictions**

No action has been taken to register or qualify the New Shares, New Options, or the Entitlement Offer in any jurisdiction outside Australia and New Zealand, or otherwise to permit a public offering of the New Shares or New Option outside Australia and New Zealand.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Each Applicant warrants and represents that they:

- (a) are an Australian or New Zealand citizen or resident in Australia or New Zealand;
- (b) are located in Australia or New Zealand at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person; and
- (c) will not offer or sell the New Shares or New Options in the United States or in any other jurisdiction outside Australia or New Zealand, or to a United States person, except in transactions exempt from registration under the US *Securities Act 1933* as amended, and in compliance with all applicable laws in the jurisdiction in which the New Shares and New Options are offered and sold.

### **3.11 Withdrawal**

The Company reserves the right to withdraw the Entitlement Offer, at any time before the allotment of New Shares. If the Entitlement Offer does not proceed, the Application Money is refunded. No interest is paid on any Application Money refunded because of the withdrawal of the Entitlement Offer.

### **3.12 Enquiries**

If you have questions about the Offer, please contact the Company Secretary on +61 8 6142 5555.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 8 9389 8033.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.



## 4 How to apply

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### 4.1 Shareholders' choices

The number of New Shares to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the attached Entitlement and Acceptance Form.

Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 4.2);
- (b) take up part of their Entitlement, in which case the balance of their Entitlement lapses (refer to section 4.3); or
- (c) allow their Entitlement to lapse (refer to section 4.4).

Ineligible Shareholders may not take up any of their Entitlements.

Suda may reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (Sydney time) on Wednesday, 22 July 2020** (however, that date may be varied by Suda, in accordance with the Listing Rules).

### 4.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with a cheque for your Application Money in accordance with section 4.6 for the amount shown on the Entitlement and Acceptance Form to the share registry so that it is received no later than **5.00pm (Sydney time) on Wednesday, 22 July 2020** at the address set out below:

Post:  
Advanced Share Registry  
PO Box 1156  
Nedlands WA 6909

Delivery:  
Advanced Share Registry  
110 Stirling Highway  
Nedlands, WA 6009

Alternatively, you may take up all of your Entitlement by payment of the Application Money through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (Sydney time) on Wednesday, 22 July 2020**.

If you pay through BPAY and do not return the Entitlement and Acceptance Form, amounts received by Suda in excess of the Offer Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares under the Top Up Facility as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors may allot and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If you wish to advise or change your banking instructions with the share registry you may do so by going to [www.advancedshare.com.au](http://www.advancedshare.com.au) and following the instructions.

#### **4.3 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under section 4.2.

Alternatively, you may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If you pay through BPAY and Suda receives an amount that is less than the Offer Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

#### **4.4 Allow your Entitlement to lapse**

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

#### **4.5 Consequences of not accepting your Entitlement**

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, any New Shares and New Options that you would have otherwise been entitled to under the Entitlement Offer may be acquired by Eligible Shareholders under the Top Up Facility.

No party is anticipated to acquire a relevant interest in voting Shares exceeding 20% as result of the Entitlement Offer or any Entitlement Offer shortfall.

#### **4.6 Payment**

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of \$0.025 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Money. Cheques must be drawn in Australian currency on an Australian bank and made payable to 'Suda Pharmaceuticals Limited – Entitlement Offer' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Money through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not send cash by mail. Receipts for payment will not be issued.

#### **4.7 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Prospectus and cannot be withdrawn.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be taken to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares or New Options under the Entitlement Offer; and
- (b) acknowledge that the New Shares and New Options have not been, and will not be, registered under the *US Securities Act of 1933* or under the laws of any other jurisdiction outside Australia or New Zealand.

#### **4.8 Validity of Entitlement and Acceptance Forms**

An Entitlement and Acceptance Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus.

By completing and lodging an Entitlement and Acceptance Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus before completing the Entitlement and Acceptance Form.

The Company does not accept a completed Entitlement and Acceptance Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Entitlement and Acceptance Form has been altered in any way.

#### **4.9 Brokerage and Stamp Duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

#### **4.10 Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this Prospectus or any Entitlement and Acceptance Form in any country outside Australia or New Zealand, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional or professional investors in other countries that Suda has approved as being a country in which investors are eligible to participate, as well as any other country to the extent Suda may determine it is lawful and practical to make the Entitlement Offer.

#### **4.11 Information Availability**

Eligible Shareholders can obtain a copy of this Prospectus from Suda's website at [www.sudapharma.com](http://www.sudapharma.com) or by calling the share registry on 08 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) at any time from 8.30am to 5.00pm (Sydney time) until the Closing Date. Shareholders who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus will not include

an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the share registry.

## 5 Financial information

### 5.1 Historical and pro forma consolidated balance sheet as at 31 December 2019

This section contains a summary of the historical financial information for Suda as at 31 December 2019 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 December 2019 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**). The Financial Information has been prepared to illustrate the effect of the Entitlement Offer.

	31 Dec 2019 Historical	Entitlement Offer	31 Dec 2019 Pro forma Historical
	\$		\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,388,521	3,240,272	5,628,793
Trade and other receivables	340,491		340,491
Inventories	21,801		21,801
Other current assets	65,693		65,693
<b>TOTAL CURRENT ASSETS</b>	<b>2,816,506</b>	<b>3,240,272</b>	<b>6,056,778</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	423,908		423,908
Right-of-use assets	95,078		95,078
Intangible assets	4,764,965		4,764,965
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,283,951</b>		<b>5,283,951</b>
<b>TOTAL ASSETS</b>	<b>8,100,457</b>	<b>3,240,272</b>	<b>11,340,729</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,175,651		1,175,651
Lease liabilities	68,891		68,891
Borrowings	26,389		26,389
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,270,931</b>		<b>1,270,931</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	510,352		510,352
Lease liabilities	33,438		33,438
Borrowings	7,656		7,656
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>551,446</b>		<b>551,446</b>
<b>TOTAL LIABILITIES</b>	<b>1,822,377</b>		<b>1,822,377</b>

<b>NET ASSETS</b>	<b>6,278,080</b>	<b>3,240,272</b>	<b>9,518,352</b>
<b>EQUITY</b>			
Issued capital	67,385,981	3,240,272	70,656,253
Reserves	2,303,384		2,303,384
Accumulated losses	(63,411,285)		(63,411,285)
<b>TOTAL EQUITY</b>	<b>6,278,080</b>	<b>3,240,272</b>	<b>9,518,352</b>

## 5.2 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the Prospectus, as if those events or transactions had occurred as at 31 December 2019.

## 5.3 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the following significant transactions occurred as at 30 June 2019:

*There were no material transactions since 31 December 2019:*

*The Entitlement Offer:*

the issue of 142,254,397 New Shares under the Entitlement Offer, expected to raise gross proceeds of \$3,556,360 less estimated offer costs of \$316,088.

Due to the nature of the pro forma adjustments, they do not represent the actual or prospective financial position of Suda.

## 5.4 Pro forma cash flow statement as at 31 December 2019

The Company's pro forma historical cash position at 31 December 2019 adjusted for the Entitlement Offer is derived from actual cash as follows:

Cash as at 31 December 2019	2,388,521
Gross proceeds of the Entitlement Offer	3,556,360
Offer costs of the Entitlement Offer	(316,088)
Pro forma historical cash balance	<u>5,628,793</u>

## **6 Risk factors**

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### **6.1 Factors influencing success and risk**

#### **Introduction**

This section identifies the major risks the Board believes are associated with an investment in Suda.

The Suda business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of Suda and the value of an investment in the Company. There can be no guarantee that Suda will achieve its stated objectives or that any forward looking statements will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on Suda's operating performance and profits, and the market price of the Shares.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying the risk factors that could affect the financial performance of Suda;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **6.2 Specific investment risks**

#### **Future funding risks**

Whilst the Directors believe that the funds raised through the Offer may be sufficient for the Company's short-term objectives, the Company's ability to continue on a going concern basis will depend upon securing income through licence or other agreements. Whilst the Directors are confident that these will occur, there is a risk that they will not.

Furthermore, there is risk that 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:

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

Without revenue from commercialization the Company is reliant upon raising further funds through issuing securities. There is a risk that the Company may not raise further funds on terms advantageous to existing Shareholders, or at all.

The Company will be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

### **Regulatory and licensing risks**

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.

### **Commercialisation of products**

The Company's ability to achieve profitability is dependent on a number of factors including its ability to complete successful clinical trials and obtain regulatory approval for its products and successfully commercialise those products. There is no guarantee that the Company's products will be commercially successful.

There are many reasons why initially promising products fail to be successfully commercialised. For example, clinical trials may be suspended for product stability, safety or efficacy reasons, following development it may prove difficult or impossible to manufacture the product on a large scale, or during the period of development competitors (including those with greater resources) may emerge with competing or alternative treatments.



## **Competition**

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. To compete successfully the Company must deliver to the market cost effective products that meet important and unmet medical needs. The Company's products may compete with existing alternative treatments that are already available to end-users. In addition, a number of companies, both in Australia and overseas, may be pursuing the development of products that target the same conditions that the Company is targeting. Some of these companies may have, or develop, technologies that may be perceived to be superior to the Company's own technology, including by generic or biosimilar versions of the Company's products. The Company may face competition from parties who have substantially greater resources than it.

## **Risk of delay**

The Company may experience delay in achieving a number of critical milestones, securing further commercial partners, completion of clinical trials, obtaining regulatory approval (to commence sales) or reimbursement approvals (for sales growth), manufacturing, product launch and sales in one or more jurisdictions. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

## **Dependence on commercial partners**

There is no guarantee that the Company will be able to find suitable industry partners or that it can negotiate attractive commercial terms for future licence agreements.

The success of the Company's partnering arrangements may depend on resources devoted to them by itself or its industry partners. Collaborative agreements may be terminable by the Company's partners. Non-performance, suspension or termination of relevant agreements is likely to have a material and adverse impact on the Company's business, financial condition and results of operations.

The Company has five licence agreements and three feasibility agreements with pharmaceutical companies and whilst the agreements outline obligations on both parties, the Company cannot guarantee that the other party to the agreements will meet all of their obligations.

## **Dependence on development partners**

For the anagrelide program, the Company is working with numerous internationally based providers for preclinical research. Suda is dependent on these research service providers to continue to deliver their services to Suda.

The Company is working on three feasibility studies. There is no guarantee that the feasibility studies will generate required data to progress to a full development and licence agreement and, also, if the company does meet required data, there is no guarantee the other party will elect to continue the development.

## **Reimbursement**

In many territories, products such as those being developed by the Company, must follow a formal reimbursement process in order to be commercially successful. The availability and timing of reimbursement may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising the Company's technology may be shown to cause adverse events, not to be effective, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

The regulatory environment is subject to change as many western countries pursue health sector cost reforms. These changes may increase the costs associated with obtaining and maintaining regulatory approvals and reimbursement for the Company's products. The risk remains despite the fact that the Company has conducted economic modelling and retained expert consultants to assist with regulatory approval and reimbursement processes.

### **Asset Value Impairment**

The Company has a significant amount of intangible assets recorded on its balance sheet. The Company annually tests the carrying value of these intangible assets for impairment. The estimates and assumptions about results of operations and cash flows made in connection with impairment testing could differ from future actual results of operations and cash flows. In addition, future events could cause the Company to conclude that the asset values associated with a given operation have become impaired. Any resulting impairment loss could have a material impact on the Company's financial position.

### **Reliance on Key Personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel could have an adverse effect on the performance of the Company. In the event that there is a loss of key personnel, the Company may not be able to locate or employ executives with suitable qualifications and experience.

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

### **Currency risks**

The Company receives a portion of its revenue in foreign currency, predominately US dollars and Euros. The Company is also indebted to HC Berlin Pharma receiver for €580,000 payable by 31 December 2021. There is a risk that adverse currency movements may negatively impact the Company.

### **Global Pandemic Risk**

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

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

- delays or disruptions in supply chain for materials required for research and/or clinical trials;
- delays in the completion of research due to infection of key research personnel;
- delays enrolling patients into clinical trials;
- interruption or delays in the operations of regulatory bodies, including the U.S. Food and Drug Administration or Therapeutic Goods Administration, which may impact approval timelines; and
- reduced ability to engage with the medical, pharmaceutical industry and investor communities due to the cancellation of conferences and travel bans, which may impact the ability to attract collaborators, potential industry partners and investors.

## **6.3 General investment risks**

### **Share market investments**

The price of the Shares might rise or fall and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will exist for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares and the ability of the Company to raise capital in the future.

### **General economic conditions**

Suda's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

### **Accounting standards**

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the Directors' and Suda's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Suda's financial statements.

### **Tax risks**

Changes to the rate of taxes imposed on Suda (including in overseas jurisdictions in which Suda operates now or in the future) or tax legislation generally may affect Suda and its Shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to Suda's interpretation may lead to an increase in Suda's tax liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. Suda is not responsible either for tax or tax penalties incurred by investors. All potential investors in the Company are urged to obtain independent tax advice on the consequences of subscribing for Shares under this Prospectus.

### **Litigation**

There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, to the best of the Directors' knowledge, no litigation, mediation, conciliation or administrative proceeding taking place, pending or threatened against the Company.

## **6.4 Cautionary statement**

Statements in this Prospectus may be forward looking statements.

Forward looking statements can be identified by the use of forward looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to

have a reasonable basis. They are based on, among other sources, the examination of historical operating trends, data in the Company's records and other data available from third parties. There can be no assurance, however, that the Directors' expectations, beliefs or projections will give the results projected in the forward looking statements. Investors should not place undue reliance on these forward looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward looking statements are discussed earlier in this section.

## **7 Material agreements**

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### **7.1 Key documents**

The Board considers that certain agreements relating to Suda are significant to the Entitlement Offer, the operations of Suda or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

### **7.2 Constitution**

The following is a summary of the major provisions of the Company's constitution:

#### **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

#### **Dividends**

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time: (i) declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or (ii) determine that a dividend is payable, fix the amount and time for payment.

#### **Future issues of securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

#### **Transfer of Shares**

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

#### **Meetings and notices**

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

#### **Liquidation rights**

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

#### **Variation of rights**

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act

## **Election of directors**

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

## **Indemnities**

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

## **Winding up**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

## **Shareholder liability**

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

## **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **Listing Rules**

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

### **7.3 Lead Manager Mandate**

The Company has engaged Baker Young Limited pursuant to the terms of the Lead Manager Mandate as the Lead Manager for the Offer and for the placement of any Shortfall Shares that arise as a result of the Offer.

Baker Young Limited will receive the following fees for its lead manager and offer management services:

- (a) a lead manager fee of 2% (plus GST) of the gross amount raised under the Offer or the placement of any Shortfall Shares that arise as a result of the Offer;

- (b) a shortfall placement fee of 4% (plus GST) of the gross amount raised under the placement of any Shortfall Shares that arise as a result of the Offer;
- (c) 4,000,000 options with an exercise price of \$0.05 and an expiry date of 31 December 2022. These options shall be issued pursuant to this Prospectus; and
- (d) a management fee of \$6,000 (plus GST) per month for a period of six months.

Baker Young Limited will also be reimbursed for any out of pocket expenses. The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this type.

#### **7.4 Documents available for inspection**

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus:

- (a) the constitution of Suda; and
- (b) the consents to the issue of this Prospectus.

## 8 Additional information

### 8.1 Continuous reporting and disclosure obligations

This Prospectus is a 'transaction specific prospectus' issued under section 713 Corporations Act as a prospectus for the issue of continuously quoted securities and options to acquire continuously quoted securities.

In general terms, a transaction specific prospectus is only required to contain information about the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information about all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Company is subject to regular reporting and disclosure obligations because it is a 'disclosing entity' for the purposes of the Corporations Act. Additionally, as a listed company, Suda is subject to the Listing Rules which require disclosure to ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of its Shares.

Copies of ASX announcements are available on the ASX website or the Company's website at [www.sudapharma.com](http://www.sudapharma.com).

The Company's ASX announcements since 31 December 2019 to the date of this Prospectus are set out below.

Date	Announcements
06/01/2020	Appendix 3B
06/01/2020	Change of Director's Interest Notice
08/01/2020	Interview With Michael Baker
20/01/2020	Newsletter January 2020
23/01/2020	Interviews With Michael Baker
31/01/2020	Appendix 4C - quarterly
26/02/2020	Investor Presentation
26/02/2020	Half Yearly Report and Accounts
11/03/2020	Interview With Michael Baker
23/03/2020	SUDA Signs Additional Licence With Mitsubishi Tanabe
30/03/2020	ArTiMist Program On Hold
31/03/2020	Letter To Shareholders
30/04/2020	Appendix 4C - quarterly
15/05/2020	ZolpiMist Update
20/05/2020	Anagrelide Cancer Patent For Japan
27/05/2020	Anagrelide Project Update
01/06/2020	Pause in Trading
01/06/2020	Trading Halt
05/06/2020	Suspension from Official Quotation
25/06/2020	Market update
25/06/2020	Reinstatement to official quotation



Date	Announcements
29/06/2020	SUDA Appoints Dr Baker as Director
01/07/2020	Joint Company Secretary and Change of Registered Address

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The information in the Annual Report, the Half Yearly Report and the ASX announcements described in the table above may be of interest to investors and their financial advisers as these documents contain information regarding the Company's financial position and operations that investors may consider relevant to any decision to apply for New Shares and New Options under the Entitlement Offer.

The Directors rely upon section 712(3) Corporations Act with the inclusion by reference of:

- (a) the Annual Report and the Half Yearly Report; and
- (b) the Company's ASX announcements since 31 December 2019 set out in the table above, for the purposes of section 711 Corporations Act.

The Company will give free of charge, to any person who requests it before the Record Date, a copy of the Annual Report or the Half Yearly Report and any continuous disclosure notices lodged by the Company from 31 December 2019 to the date of this Prospectus.

## 8.2 Rights attaching to New Shares

The rights attaching to the New Shares, which are the same as the Existing Shares, are set out in the Company's constitution and summarised in section 7.2 of this Prospectus.

## 8.3 Rights attaching to New Options

The rights attaching to the New Options are summarised in the Annexure to this Prospectus.

## 8.4 Existing Options

Existing Options	Exercise price	Vesting date	Expiry date
460,000 unlisted options	\$0.57	Subject to performance criteria and continuous employment	10/12/2020
240,000 unlisted options	\$0.1825	79,200 vested, 79,200 vest 29 Jan 2021, 79,200 vest 29 Jan 2022	30/01/2022
520,000 unlisted options	\$0.1475	Vested	14/05/2022
520,000 unlisted options	\$0.1575	Vested	14/05/2022
560,000 unlisted options	\$0.1675	14 May 2021	14/05/2022

Existing Options	Exercise price	Vesting date	Expiry date
1,200,000 unlisted options	\$0.085	Vested	01/01/2024
800,000 unlisted options	\$0.0917	30 June 2021	01/01/2024
800,000 unlisted options	\$0.0976	30 June 2022	01/01/2024
27,956,286 listed options	\$0.3675	Vested	31/07/2020
20,688,051 listed options	\$0.375	Vested	30/06/2021

The Board considers it is unlikely that any Existing Options will be exercised before the Record Date. However, if any Existing Options are exercised before the Record Date, any proceeds raised will be applied to the general working capital of Suda.

## 8.5 Litigation

To the best of the Directors' knowledge and belief, no litigation, mediation, conciliation or administrative proceeding is taking place, pending or threatened against the Company.

## 8.6 Consents and disclaimers of responsibility

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and the statement included in this Prospectus with the consent of that party, as specified below.

Baker Young Limited has given, and has not withdrawn, its written consent to be named as Lead Manager to the Entitlement Offer in the form and context in which it is named.

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

Advanced Share registry has given, and not withdrawn, its written consent to be named as share registrar in the form and context in which it is named.

## 8.7 Interests of Lead Manager

Other than as set out elsewhere in this Prospectus:

- (a) the Lead Manager has not, and has not had in the two years before lodgement of this Prospectus, any interest in:
  - (i) the formation or promotion of Suda;
  - (ii) the offer of the New Shares and New Options; or
  - (iii) any property proposed to be acquired by Suda in connection with the formation or promotion of Suda or the offer of the New Shares and New Options; and

- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to the Lead Manager for services rendered by it in connection with the formation or promotion of Suda or the offer of the New Shares and New Options.

## **8.8 Interests of experts and advisers**

Except as set out in this Prospectus:

- (a) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has any interest or has had any interest during the last two years:
  - (i) in the formation or promotion of Suda;
  - (ii) in property acquired or proposed to be acquired by Suda in connection with its formation or promotion or the offer of the New Shares and New Options, or
  - (iii) the offer of the New Shares and New Options; and
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus in connection with the services provided by the person in connection with the:
  - (i) formation or promotion of Suda, or
  - (ii) offer of the New Shares and New Options.

Baker Young Limited has acted as Lead Manager to the Entitlement Offer. Baker Young Limited will be paid a management fee of a maximum of \$213,382 for these services.

McCullough Robertson has acted as legal adviser to the Company for the Entitlement Offer and has undertaken due diligence enquiries and provided legal advice on the Entitlement Offer. McCullough Robertson will be paid an amount of \$50,000 for these services.

## **8.9 Substantial Shareholders**

No Shareholders currently have a substantial holding in Suda.

## **8.10 Interests of Directors**

Other than as set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director of Suda has, or has had in the two years before lodgement of this Prospectus, any interest in:
  - (i) the formation or promotion of Suda;
  - (ii) any property acquired or proposed to be acquired by Suda in connection with the formation or promotion or the offer of the New Shares and New Options; or
  - (iii) the offer of the New Shares and New Options, and

- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of Suda either:
- (i) to induce him or her to become, or to qualify him or her as, a Director, or
  - (ii) otherwise for services rendered by him or her in connection with the formation or promotion of Suda or the offer of the New Shares and New Options.

### Shareholdings

The Directors or their associates have a beneficial interest in the following Shares and Existing Options at the date of this Prospectus:

Director	Shareholder	Existing Shares	Existing Options
Mr Paul Hopper	Moreglade Pty Ltd as trustee for the Hopper Super Fund	280,000	1,600,000
Mr David Simmonds	Not applicable	Nil	Nil
Mr David Phillips	Not applicable	Nil	Nil
Dr Michael Baker	Not Applicable	Nil	2,800,000

Mr Hopper, being the only director who currently holds Shares in the Company, intends to apply for his full entitlement under the Entitlement Offer.

### Payments to Directors

The constitution of Suda provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by the Shareholders in general meeting, with that sum to be divided among the Directors as they agree.

The maximum aggregate amount which has been approved by the Shareholders for payment to the non-executive Directors is \$200,000 per annum. The current chairman fee is \$80,000 per annum for the Chairman and \$40,000 per annum for each of the non-executive and executive directors, excluding the CEO.

#### 8.11 Expenses of the Entitlement Offer

The total estimated expenses of the Entitlement Offer payable by the Company including ASX and ASIC fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be \$316,088.

#### 8.12 Allotment

Suda will apply within seven days from the date of this Prospectus for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than five Business Days after the close of the Entitlement Offer.

Application Money will be held by Suda on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Money.

It is the responsibility of Applicants to work out the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

### **8.13 CHESS**

The Company will apply for the New Shares to participate in CHESS. An Applicant who is issued New Shares under this Entitlement Offer will receive a shareholding statement instead of a share certificate. It sets out the number of New Shares issued to the successful Applicant.

The shareholding statement also provides details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the share registry. Further statements are given to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee for them.

### **8.14 Electronic Prospectus**

This Prospectus is available in electronic form at [www.sudapharma.com](http://www.sudapharma.com). Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by Suda free of charge until the Closing Date.

The Entitlement and Acceptance Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Entitlement and Acceptance Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus before completing the Entitlement and Acceptance Form.

Suda will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered in any way.

While Suda believes that it is extremely unlikely that during the period of the Entitlement Offer the electronic version of the Prospectus will be altered in any way, Suda cannot give any absolute assurance that this will not occur. Any investor in doubt about the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from Suda or a financial adviser.

### **8.15 Privacy**

Eligible Shareholders may be asked to give personal information to Suda directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to provide facilities and services to Eligible Shareholders and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the *Privacy Act 1988* (Cth). The Company's privacy policy sets out how Shareholders may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Shareholders can complain about privacy related matters and how the Company responds to complaints.

### **8.16 Authorisation**

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated 3 July 2020



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**Paul Hopper**  
Chairman

## 9 Glossary

In this document:

<b>Annual Report</b>	means the annual report of the Company for the financial year ended 30 June 2019 which includes audited financial statements for the financial year ended 30 June 2019 and the auditor's report, which was lodged with ASX and ASIC on 24 September 2019.
<b>Applicant</b>	means a person or entity who submits an Entitlement and Acceptance Form.
<b>Application Money</b>	means the money received by the Company under the Entitlement Offer, being the Offer Price multiplied by the number of New Shares applied for by an Eligible Shareholder.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of directors of the Company.
<b>Business Day</b>	means a business day as defined in the Listing Rules.
<b>CHESS</b>	means Clearing House Electronic Subregister System, operated by ASX Settlement.
<b>Closing Date</b>	means the date on which the Entitlement Offer closes, being Wednesday, 22 July 2020, or another date nominated by the Company, in consultation with the Lead Manager, subject to the Listing Rules.
<b>Company or Suda</b>	means Suda Pharmaceuticals Limited ACN 090 987 250.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Eligible Shareholder</b>	means a Shareholder as at the Record Date who is not an Ineligible Shareholder.
<b>Entitlement</b>	means the right to subscribe for New Shares and New Options under the Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	means a Shareholder's personalised entitlement and acceptance form accompanying this Prospectus.
<b>Entitlement Offer</b>	means the non-renounceable pro rata entitlement offer to Eligible Shareholders to subscribe for 1 New Share for every 1 Existing Shares of which the Shareholder is the registered holder on the Record Date (and 1 New Option for every 3 New Shares issued), at the Offer Price, under this Prospectus.
<b>Existing Options</b>	means the Options already on issue in Suda and referred to in section 8.4 of this Prospectus.
<b>Existing Shareholders</b>	means the holders of Shares before the date of this Prospectus.
<b>Existing Shares</b>	means the Shares already on issue in Suda as at the Record Date.

<b>Half Yearly Report</b>	means the report of the Company for the half year ended 31 December 2019 which includes reviewed financial statements for the financial year ended 31 December 2019 and the auditor's review report, which was lodged with ASX and ASIC on 26 February 2020.
<b>Ineligible Shareholder</b>	means a Shareholder with an address in the Company register of Shareholders outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing Shares or Options to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
<b>Lead Manager</b>	means Baker Young Limited.
<b>Lead Manager Mandate</b>	means the mandate agreement entered into between the Company and the Lead Manager on 15 May 2020.
<b>Listing Rules</b>	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>New Options</b>	means new options in the Company issued under this Prospectus.
<b>New Shares</b>	means the Shares issued by Suda under this Prospectus, including (as the context requires) the shortfall from the Entitlement Offer issued as Top Up Shares or Shortfall Shares.
<b>Offer Price</b>	means \$0.025 per New Share.
<b>Prospectus</b>	means this prospectus.
<b>Record Date</b>	means 7.00pm (Sydney time) on Wednesday, 8 July 2020.
<b>Shareholders</b>	means shareholders in Suda.
<b>Shares</b>	means fully paid ordinary shares in Suda.
<b>Shortfall Shares</b>	means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer, together with those New Shares to which any Ineligible Shareholders would otherwise have been entitled.
<b>Top Up Facility</b>	means the facility described in section 3.3 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
<b>Top Up Shares</b>	means extra Shares a Shareholder may apply for in excess of their Entitlement under the Top Up Facility.
<b>Us or we</b>	means the Company.
<b>You</b>	means the investors under this Prospectus.



# Corporate directory

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## **Company**

Suda Pharmaceuticals Limited ACN 009 098 250  
Level 3, 62 Lygon Street  
Carlton, VIC 3053  
+61 8 6142 5555  
[www.sudapharma.com](http://www.sudapharma.com)

## **Directors**

Mr Paul Hopper (Non-Executive Chairman)  
Dr Michael Baker (Chief Executive Officer and  
Managing Director)  
Mr David Simmonds (Non-Executive Director)  
Mr David Phillips (Executive Director)

## **Company Secretary**

Mr Joseph Ohayon and Mr Phillip Hains

## **Share Registry**

Advanced Share Registry Services  
110 Stirling Hwy  
Nedlands, WA 6009  
+61 8 9389 8033  
[www.advancedshare.com.au](http://www.advancedshare.com.au)

## **Lead Manager to the Entitlement Offer**

Baker Young Limited  
Level 6, 121 King William Street  
Adelaide, SA 5000  
[www.bakeryoung.com.au](http://www.bakeryoung.com.au)

## **Lawyers to the Entitlement Offer**

McCullough Robertson  
Level 11  
66 Eagle Street  
Brisbane QLD 4000  
[www.mccullough.com.au](http://www.mccullough.com.au)

# Annexure

## New Option terms

<b>Eligibility</b>	New Options to be issued to Eligible Shareholders who take up New Shares under this Prospectus.
<b>Grant of New Options</b>	To be issued on the basis of 1 New Option for every 3 New Shares issued under this Prospectus.
<b>Exercise of New Options</b>	<p>Each New Option is exercisable immediately on issue. The New Options may be exercised at any time before their expiry date, wholly or in part, by delivering a duly completed form of notice of exercise together with a cheque for the exercise price. Suda will issue one Share for each New Option exercised.</p> <p>Holders of New Options may only exercise a minimum of \$3,000 of New Options on any particular occasion, unless the Holder has, in total, less than \$3,000 of New Options, in which case they must exercise all their New Options at the same time.</p> <p>The exercise of each New Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).</p>
<b>Terms of Shares issued</b>	Any Shares issued as a result of exercising a New Option will be issued on the same terms and rank in all respects on equal terms, with existing Shares.
<b>Quotation of Shares issued</b>	Application for official quotation of Shares allotted and issued as a result of the exercise of the New Options will be made within three Business Days from the date of issue of the Shares.
<b>Expiration of New Options</b>	Each New Option will expire on 31 July 2022.
<b>Issue price of New Options</b>	No issue price is payable for the New Options as they are issued together with any application by an Eligible Shareholder for New Shares.
<b>Exercise price of New Options</b>	\$0.05 upon exercise to acquire each Share.
<b>Option register</b>	New Options will be registered in the name of a Shareholder in an option register maintained by the share registry. The share registry will issue holding statements that evidence the number of New Options held by the Shareholder. No option certificates will be issued.
<b>Reconstruction of capital</b>	If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of Suda the option terms will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
<b>No adjustment for pro rata issue of Shares</b>	There will be no adjustment to the terms of the New Options if there is a pro rata issue of Shares.
<b>Adjustment for bonus shares or stock dividends</b>	If there is a bonus or cash issue of Shares, the number of Shares issued upon exercise of the New Options will be adjusted as specified in Listing Rule 6.22.3.

<b>New issues of Shares</b>	The New Options do not confer a right to participate in new issues of Shares unless the New Options have been exercised on or before the record date for determining entitlements to the issue.
<b>Notice of adjustments</b>	Suda will give written notice to the New Option holder of any adjustment of the exercise price of the New Options and any increase or decrease in the number of New Options.
<b>Dividend rights</b>	While they remain unexercised, the New Options will not give a holder an entitlement to receive any dividends declared and paid by Suda for Shares.
<b>Applicable law</b>	Each New Option is issued subject to: (a) the Corporations Act; (b) the Listing Rules; and (c) the Company's constitution.
<b>US law restrictions</b>	The New Options and the New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

Sub-Register	
HIN / SRN	
Number of Fully Paid Shares held on 8 July 2020	
Entitlement to New shares on the basis of 1 New Share for every 1 existing Share held	
Number of free attaching one (1) Option for every 3 New Shares issued	
Amount payable on acceptance at \$0.025 per New Share	

For a non-renounceable pro rata offer to Eligible Shareholders of 1 new Share for every 1 Existing Share held on the Record Date, at an issue price of \$0.025 per new Share, together with 1 New Option for every 3 New Shares Issued to raise up to approximately \$3,556,360 (before costs) (**Entitlement Offer**).


**NON-RENOUNCEABLE ENTITLEMENT ISSUE CLOSING 5:00PM (SYDNEY TIME) ON 22 JULY 2020 (UNLESS IT IS LAWFULLY EXTENDED).**

To the Directors

**SUDA PHARMACEUTICALS LIMITED**

- I/We the above mentioned, being registered on 8 July 2020 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned New Shares in accordance with the enclosed Prospectus;
- I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of New Shares allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.

ENTITLEMENT			
(A)	(B)	(C)=(A)+(B)	(D)
Number of New Shares applied for (being not more than the Entitlement shown above)	Number of additional Shares (Shortfall Shares) applied for (in excess of the Entitlement shown above)	Total New Shares applied for	Amount Payable (C) * \$0.025
			A\$

METHOD OF ACCEPTANCE					
You can apply for New Shares and make your payment utilising either cheque/bank draft or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.					
<input type="checkbox"/>	Please enter cheque or bank draft details	Drawer	Bank	Branch	Amount
					\$
OR					
<input type="checkbox"/>			You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.		

CONTACT DETAILS	
Name:	<input type="text"/>
Telephone:	<input type="text"/>
Email:	<input type="text"/>

NOTE: Cheques should be made payable to **"SUDA PHARMACEUTICALS LIMITED"**, crossed **"NOT NEGOTIABLE"** and forwarded to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909 to arrive no later than 5.00pm (Sydney Time) on 22 July 2020

**PLEASE REFER OVERLEAF FOR INSTRUCTIONS**

# SUDA PHARMACEUTICALS LIMITED

REGISTERED OFFICE: The CFO Solution, Level 3, 62 Lygon Street, Carlton VIC 3053  
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, WA 6009

## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to accept.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each New Share is \$0.025
4. Please complete the Entitlement and Acceptance Form overleaf.

## APPLICATION INSTRUCTIONS

### Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY®. By making your payment using either BPAY® or by cheque/bank draft, you confirm that you agree to all the terms and conditions of the SUDA PHARMACEUTICALS Limited Entitlement Offer as outlined on this Entitlement and Acceptance Form and within the accompanying Prospectus.

Your cheque/bank draft should be made payable to “SUDA PHARMACEUTICALS LIMITED” in Australian currency, crossed “NOT NEGOTIABLE” and drawn on an Australian branch of a financial institution. Please complete cheque/bank draft details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s)/bank draft(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of New Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for Shortfall Shares.

### Contact Details

Please enter your contact details where requested overleaf. These details will only be used if the Share Registry has a query regarding this Entitlement and Acceptance Form.

### Lodgement of Application

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return this Entitlement and Acceptance Form however you are encouraged to return it to the Share Registry for reconciliation purposes – in that case you can post or send by facsimile (details below). Your payment must be received by no later than 5.00pm (Sydney Time) on 22 July 2020 Applicants should be aware that their own financial institution may implement earlier cut off times about electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque/bank draft, your Application must be received by the Share Registry by no later than 5.00pm (Sydney Time) on 22 July 2020. You should allow sufficient time for this to occur. Please return your Entitlement and Acceptance Form with cheque/bank draft attached.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by the Share Registry, as registrar for the securities' issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to the Share Registry's related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by the Share Registry, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Share Registry. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by the securities' issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Share Registry, using the details provided on this form.

**If you have any enquiries concerning this Entitlement and Acceptance Form, please contact the Share Registry on telephone 1300 113 258 for overseas holders (+618) 9389 8033 or fax (+618) 6370 4203.**



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### Hand Delivered

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