



Lens over SUDA's Operational Highlights in 1H FY20

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By

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Continuing its practice of delivering solid operational results, oro-mucosal drug delivery firm SUDA Pharmaceuticals Ltd ([ASX:SUD](#)) has recently declared results for the half-year period ended 31st December 2019. The Company continued to focus on attracting world-class pharmaceutical partners, securing three new agreements during the period.

About SUDA Pharmaceuticals Ltd

SUDA is engaged in reformulating existing billion-dollar drugs for oral delivery via its unique platform technology – OroMist™. The Company is eyeing large target markets, including insomnia (\$4b by 2026), migraine (\$9b by 2026), medical grade cannabis (\$66b by 2025) and cancer (\$424b for solid tumours by 2027). Notably, the Company has faster path to market as it can leverage a drug's prior safety and efficacy data which can save time and development costs.

Let's gaze through the key developments reported by SUDA during the half-year:

Secured Three New Agreements

During the period, the Company signed three new agreements with Cann Pharmaceutical Australia Ltd (CPA), [Laboratorios Ordesa, S.L. and Sanofi-Aventis Groups](#).

Agreement with Cann Pharmaceutical Australia Ltd (CPA)

In October 2019, the Company finalised a Product Development, Licence and Supply Agreement with CPA, to develop a novel oral spray of pharmaceutical-grade cannabinoid derivatives for treating motion sickness, drug resistant epilepsy and melanoma across the globe.

The key terms of the agreement included an upfront fee of \$200,000, of which \$100,000 is associated with milestones, commercial milestone payments, development milestone fees and royalties on commercial sales.

Both the companies will determine product development costs (to be funded by CPA) following the completion of feasibility study, fully funded by CPA.

Co-Development Deal with Laboratorios Ordesa, S.L.

In December 2019, the Company entered into a feasibility and option agreement with Ordesa, a Spanish pharmaceutical firm that focuses on health, nutrition and well-being. Both of them intend to co-develop a significant consumer product for the paediatric market which could, potentially benefit from:

- the OroMist® technology's superiority in terms of less drug being required and speed of onset of action.
- a better patient delivery route.

Feasibility Agreement with Sanofi-Aventis Groupe

Sanofi and SUDA entered into an agreement in December 2019 to investigate the feasibility of OroMist® Technology and Sanofi's selected active ingredient. Under the agreement, SUDA will undertake a fully funded feasibility study, whose outcomes will pave the way for further collaboration with Sanofi.

Appointed New CEO – Mr Michael Baker

Following the resignation of SUDA's former CEO, Mr Stephen Carter, the Company appointed its new CEO, Mr Michael Baker in November 2019, whose term commenced on 2nd January 2020.

He joined SUDA with an extensive set of experience, including working for a leading life science fund of Australia, Bioscience Managers since 2017.

Completed Share Consolidation

The Company finalised the [consolidation of its share capital](#) following the approval of its shareholders at the Annual General Meeting held on 12th November 2019. The share consolidation was conducted on a one for twenty-five basis, as a result of which the shares and options in the Company were converted as follows:

Securities	Number of securities on issue (pre-consolidation)	Number of securities on issue (post-consolidation)
Fully-paid Ordinary Shares	3,556,371,635	142,254,397
Listed Options – SUDOC	698,908,634	27,956,286
Listed Options – SUDOD	517,206,121	20,688,051
Unlisted Options - various	27,500,000	1,100,000

Source: Company's Report (26th February 2020)

Review of Financial Performance

SUDA reported a revenue of \$369.8k for the half-year period ended 31st December 2019. The Company reported a loss before income tax of \$7.7 million, which included an impairment loss for its ArTiMist® project for \$5.34 million. The Company's Board continues to assess alternatives for the ArTiMist® project.

Subsequent to the half-year, the Company issued 2.8 million unlisted options to Mr Michael Baker and 1.6 million unlisted options to Mr Paul Hopper, Executive Chairman, under the ESOP pursuant to resolution of shareholders at the Annual General Meeting.

SUDA's 2020 Focus
<ul style="list-style-type: none"> • Global Expansion of ZolpiMist™ (Teva, Mitsubishi) • Development of Anagrelide towards Phase I clinical trials • Continue work on the assets from its partnerships <ul style="list-style-type: none"> • Strides (Migraine) • Sanofi (Confidential) • Ordesa (Confidential) • Zelira Therapeutics (Medical Grade Cannabis) • Cann Pharma (Medical Grade Cannabis) • Bring in additional assets • Manage costs

*In a nutshell, SUDA delivered a considerable operational performance during the half-year, in line with its product development goals. The Company seems to be ideally positioned to achieve its 2020 objectives, backed by its robust **OroMist® technology** and highly efficient management team.*

SUD traded at \$0.058 on the ASX on 4 March 2020 (1:44 PM AEDT).

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