



PALLA PHARMA

ASX ANNOUNCEMENT

Thursday 17th October 2019

PAL announces Fully Underwritten Capital Raising

Palla Pharma Limited (ASX: PAL) (**PAL**) announces that it is conducting a placement to institutional investors to raise approximately \$8.4 million (**Placement**), and an accelerated pro rata non-renounceable entitlement offer to raise approximately \$22.7 million (**Entitlement Offer**) together forming the **Capital Raising** to raise a total \$31.1 million. The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Capital raising is fully underwritten.

The Capital Raising is being offered at \$0.70 per share.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 2 new PAL ordinary shares for every 5 existing PAL shares (**Entitlement**) held at 7:00pm (AEDT) on Monday, 21 October 2019 (**Record Date**).

Shares issued under the Capital Raising will be fully paid and rank equally in all respects with existing PAL ordinary shares.

Jarrod Ritchie CEO stated: "This raising represents an exciting opportunity for the company to strengthen its balance sheet, reduce debt and importantly position PAL for future growth through expansion of both its Australian and Norwegian operations."

PAL has been advised by Arnold Bloch Leibler and KPMG. Morgans Corporate Limited and Shaw and Partners Limited have joint lead managed and underwritten the Capital Raising.

Institutional Offer

Eligible institutional shareholders will be invited to participate in the Placement and the Institutional Entitlement Offer (collectively referred to as the **Institutional Offer**) which will take place from today, Thursday, 17 October 2019 to Friday, 18 November 2019. Eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements cannot be traded on the market.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer at a price of \$0.70 per share. The Retail Entitlement Offer opens on Wednesday, 23 October 2019 and closes at 5.00pm (Melbourne time) on Monday, 11 November 2019.

Further details about the Retail Entitlement Offer will be outlined in a retail offer booklet (**Information Booklet**), which PAL expects to lodge with the ASX on Monday, 21 October 2019 in advance of the dispatch date of Wednesday, 23 October 2019. In deciding whether to participate in the Retail Entitlement Offer, Eligible Retail Shareholders should read the Information Booklet carefully. Additional information can be found in the investor presentation lodged with the ASX. The Information Booklet, and accompanying personalised Entitlement and Acceptance Form will contain instructions on how to apply.

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For Eligible Retail Shareholders who wish to take up all or part of their Entitlement, payment must be made via BPAY® or a cheque sent with the completed Entitlement and Acceptance Form. Payment must be received before the Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Monday, 11 November 2019.

The Retail Entitlement Offer is underwritten by Morgans Corporate Limited and Shaw and Partners Limited. Details of the underwriting of the Retail Entitlement Offer are set out in the Information Booklet.

For more information please contact:

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About Palla Pharma Limited:

Palla Pharma Limited (ASX:PAL) is a vertically integrated opiate manufacturer from poppy straw growing through to tableting production. Palla Pharma has developed an innovative, efficient and environmentally sustainable opiate manufacturing process based on a novel water-based extraction technology. The company is one of six licensed opiate producers globally, and one of three fully integrated suppliers from opiate extraction through to tableting production delivering on its strategy to secure access to regulated downstream narcotics markets by leveraging its production cost advantage.

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