



PALLA PHARMA

ASX ANNOUNCEMENT

Monday 18th November 2019

By E-mail

Market Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Sir/Madam

Replacement Appendix 3B

We attach a replacement Appendix 3B in relation to the issue of new ordinary shares in Palla Pharma Limited (ACN 107 872 453) (ASX:PAL) (**PAL**) which occurred today pursuant to the retail entitlement offer announced on Thursday, 17 October 2019.

This replaces the Appendix 3B lodged earlier today and includes further particulars excluded from the earlier version, however the total number of shares issued today and total number of shares on issue remain unchanged.

Yours sincerely,

Jaime Pinto
Company Secretary
Palla Pharma Limited

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Palla Pharma Ltd

ABN

26 107 872 453

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 17,936,604 New Shares issued today in connection with the ANREO described in an announcement lodged with ASX on 17 October 2019 (" ASX Announcement "). |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The New Shares will rank equally in all respects with existing fully paid ordinary shares in Palla Pharma Ltd (" PAL "). |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	New Shares will rank equally in all respects with existing fully paid ordinary shares in PAL.
5	Issue price or consideration	\$0.70 per New Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The net proceeds of the ANREO will be used by PAL to: • raise capital to fund the expansion of sites in Australia and Norway; and • reduce debt with Washington H. Soul Pattinson.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	17,936,604 under the ANREO.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Please see Annexure 1
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The issue date of New Shares is Monday 18 November 2019.

+ See chapter 19 for defined terms.

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8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>125,947,977 fully paid ordinary shares including 17,936,604 New Shares issued today under the retail component of the ANREO, in addition to the 12,000,000 New Shares issued under the Placement on 24 October 2019 and 14,925,779 New Shares under the Institutional component of the ANREO on 24 October 2019.</td><td>Fully paid ordinary shares</td></tr></table>	Number	⁺ Class	125,947,977 fully paid ordinary shares including 17,936,604 New Shares issued today under the retail component of the ANREO, in addition to the 12,000,000 New Shares issued under the Placement on 24 October 2019 and 14,925,779 New Shares under the Institutional component of the ANREO on 24 October 2019.	Fully paid ordinary shares
Number	⁺ Class					
125,947,977 fully paid ordinary shares including 17,936,604 New Shares issued today under the retail component of the ANREO, in addition to the 12,000,000 New Shares issued under the Placement on 24 October 2019 and 14,925,779 New Shares under the Institutional component of the ANREO on 24 October 2019.	Fully paid ordinary shares					
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>Nil</td><td>Nil</td></tr></table>	Number	⁺ Class	Nil	Nil
Number	⁺ Class					
Nil	Nil					
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	PAL's dividend policy will apply to the New Shares in the same way it will apply to existing fully paid ordinary PAL shares.				

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the ⁺ securities will be offered	2 New Share for every 5 PAL Shares
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares.

⁺ See chapter 19 for defined terms.

15	+Record date to determine entitlements	7:00pm (AEDT) on Monday 21 October 2019.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number of New Shares
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Under the Retail Entitlement Offer, all countries other than Australia and New Zealand. Such shareholders will be sent a letter in relation to the Entitlement Offer for their information only.
19	Closing date for receipt of acceptances or renunciations	The closing date for acceptances under the Institutional Entitlement Offer is 5pm Friday 18 October 2019. The closing date for acceptances under the Retail Entitlement Offer is 5pm (AEST) 11 November 2019.
20	Names of any underwriters	Morgans Corporate Limited Shaw and Partners Limited
21	Amount of any underwriting fee or commission	Underwriting Fee of 4% of gross proceeds under the placement and entitlement offer Management fee of 1% of gross proceeds under the placement and entitlement offer
22	Names of any brokers to the issue	Nil
23	Fee or commission payable to the broker to the issue	Nil

+ See chapter 19 for defined terms.

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24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Nil
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus is being prepared for the ANREO. A retail offer booklet with a personalised entitlement and acceptance form was lodged with ASX on Monday 21 October 2019 and dispatched to eligible shareholders on Wednesday 23 October 2019.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Issue date	The issue date of New Shares is Monday 18 November 2019.

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not applicable	
39	+Class of +securities for which quotation is sought	Not applicable	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Not applicable	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	Not applicable	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		Not applicable	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:Date: 18 November 2019
(Company secretary)
Print name: **Jaime Pinto**

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	81,085,594
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	32,862,383
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	113,947,977

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15
Multiply “A” by 0.15	17,092,196
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	12,000,000
“C”	12,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	17,092,196
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	12,000,000
Total [“A” x 0.15] – “C”	5,092,196

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not applicable
Step 2: Calculate 10% of “A”	
“D”	Not applicable
Multiply “A” by 0.10	Not applicable
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	Not applicable
“E”	Not applicable

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	Not applicable
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Not applicable
Total [“A” x 0.10] – “E”	Not applicable

+ See chapter 19 for defined terms.