



PALLA PHARMA

## ASX ANNOUNCEMENT

Wednesday 1 April 2020

### UK Acquisition Update

On 10 February 2020, Palla Pharma Limited (ASX:PAL) announced that it had entered into an option agreement with a major UK customer to acquire its business as part of PAL's strategy to continue to move further down the opiate supply value chain, with the option expiring on 31 March 2020.

As part of this announcement PAL confirmed it had acquired four (4) marketing authorisations (MA's) relating to the manufacture of opiate based finished dosage formulations for sale in the United Kingdom. Since then PAL has acquired a further three (3) marketing authorisation which in total accounts for approximately 70% of the acquisition target's revenue.

PAL has elected not to exercise the option as outlined in February; despite this PAL is in advanced negotiations with the owners and senior creditors and while hopeful of reaching agreement, there remains material differences between the parties with respect to valuation.

These negotiations are expected to conclude imminently, and PAL will provide a further update when a conclusion has been reached.

This announcement has been authorised for release by the Chairman and CEO of Palla Pharma Limited.

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#### For more information please contact:

**Jarrod Ritchie**  
Chief Executive Officer  
Palla Pharma Limited  
+61 3 9301 0800

**Brendan Middleton**  
Chief Financial Officer  
Palla Pharma Limited  
+61 3 9301 0800

**Adrian Mulcahy**  
Investor Relations  
Market Eye  
+61 438 630 422  
[ir@pallapharma.com](mailto:ir@pallapharma.com)

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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 unique 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.