



Announcement Summary

Entity name

PALLA PHARMA LIMITED

Announcement Type

New announcement

Date of this announcement

Friday February 26, 2021

The Proposed issue is:

☒ An accelerated offer

☒ A placement or other type of issue

Total number of +securities proposed to be issued for an accelerated offer

| ASX +security code | +Security description | Maximum Number of +securities to be issued |
|--------------------|-----------------------|--|
| PAL | ORDINARY FULLY PAID | 28,000,000 |

Trading resumes on an ex-entitlement basis (ex date)

Tuesday March 2, 2021

+Record date

Tuesday March 2, 2021

Offer closing date for retail +security holders

Monday March 22, 2021

Issue date for retail +security holders

Monday March 29, 2021

Total number of +securities proposed to be issued for a placement or other type of issue

| ASX +security code | +Security description | Maximum Number of +securities to be issued |
|--------------------|-----------------------|--|
| PAL | ORDINARY FULLY PAID | 8,000,000 |

Proposed +issue date

Monday March 8, 2021



Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

PALLA PHARMA LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

26107872453

1.3 ASX issuer code

PAL

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Friday February 26, 2021

1.6 The Proposed issue is:

☒ An accelerated offer

☒ A placement or other type of issue

1.6b The proposed accelerated offer is

Accelerated non-renounceable entitlement offer (commonly known as a JUMBO or ANREO)



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

PAL : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

PAL : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in the offer (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

Has the offer ratio been determined?

☒ Yes



| | |
|--|---|
| The quantity of additional +securities to be issued | For a given quantity of +securities held |
|--|---|

2

9

What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum number of +securities proposed to be issued (subject to rounding)

28,000,000

Offer price details for retail security holders**Has the offer price for the retail offer been determined?**☒ Yes**In what currency will the offer be made?**

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.50000

Offer price details for institutional security holders**Has the offer price for the institutional offer been determined?**☒ Yes**In what currency will the offer be made?**

AUD - Australian Dollar

What is the offer price per +security for the institutional offer?

AUD 0.50000

Oversubscription & Scale back details**Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?**☒ Yes**Describe the limits on over-subscription**

Individual security holders who take up their entitlement can elect to participate in a top up facility in respect of retail entitlements not taken up by eligible security holders

Will a scale back be applied if the offer is over-subscribed?☒ Yes**Describe the scale back arrangements**

Where there is an oversubscription of New Shares, a scale back will be determined at the Board's absolute discretion.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?☒ Yes



Part 3D - Timetable

3D.1a First day of trading halt

Friday February 26, 2021

3D.1b Announcement date of accelerated offer

Friday February 26, 2021

3D.2 Trading resumes on an ex-entitlement basis (ex date)

Tuesday March 2, 2021

3D.5 Date offer will be made to eligible institutional +security holders

Friday February 26, 2021

3D.6 Application closing date for institutional +security holders

Monday March 1, 2021

3D.8 Announcement of results of institutional offer

(The announcement should be made before the resumption of trading following the trading halt)

Tuesday March 2, 2021

3D.9 +Record date

Tuesday March 2, 2021

3D.10a Settlement date of new +securities issued under institutional entitlement offer

Friday March 5, 2021

3D.10b +Issue date for institutional +security holders

Monday March 8, 2021

3D.10c Normal trading of new +securities issued under institutional entitlement offer

Monday March 8, 2021

3D.11 Date on which offer documents will be sent to retail +security holders entitled to participate in the +pro rata issue

Friday March 5, 2021

3D.12 Offer closing date for retail +security holders

Monday March 22, 2021

3D.13 Last day to extend retail offer close date

Wednesday March 17, 2021

3D.16 Entity announces results of retail offer, including the number and percentage of +securities taken up by existing retail +security holders.

Thursday March 25, 2021



3D.19 +Issue date for retail +security holders

Monday March 29, 2021

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

☒ Yes

3E.1a Who is the lead manager/broker?

Morgans Corporate Limited ABN 32 010 539 607

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

1% of the entitlement offer proceeds

3E.2 Is the proposed offer to be underwritten?

☒ Yes

3E.2a Who are the underwriter(s)?

Morgans Corporate Limited ABN 32 010 539 607

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

Fully underwritten

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

3% of the entitlement offer proceeds

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

- PAL is removed from the official list of ASX
 - S&P/ASX 300 index falls by 10% or more;
 - ASX refuses to grant quotation to the shares issued under the Placement/Entitlement Offer;
 - PAL alters its capital structure without the consent of the Underwriters;
 - PAL withdraws any component of the capital raising;
 - an insolvency event occurs;
 - the directors cease to be satisfied that the safe harbour provisions in the Corporations Act apply;
 - a material adverse change occurs;
 - a force majeure event occurs;
 - PAL or its affiliates, directors or officers engage in fraudulent activity;
 - a director or senior manager is charged with an indictable offence;
 - a term of the underwriting agreement is breached;
 - ASIC or another government agency commences a prosecution of PAL, its directors or employees.
- There are a number of additional termination events, each of which will be specified in the retail offer booklet

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

☒ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No



3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

N/a

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

Reduce existing debt
Improve the working capital position to take advantage of high margin growth opportunities in UK and Europe arising from the purchase of Marketing Authorisations
Costs of conducting the Capital Raising

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

☒ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

☒ No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

Under the institutional entitlement offer, all countries other than Australia, New Zealand, Hong Kong, Singapore, United Kingdom and the Netherlands.

Under the retail entitlement offer, all countries other than Australia and New Zealand.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

☒ Yes

3F.5a Please provide further details of the offer to eligible beneficiaries

The Company intends to send a notice to eligible nominees.

3F.6 URL on the entity's website where investors can download information about the proposed issue

<https://events.miraqle.com/PAL-offer>

3F.7 Any other information the entity wishes to provide about the proposed issue

N/a

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

☒ No



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

PAL : ORDINARY FULLY PAID

Number of +securities proposed to be issued

8,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.50000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes



Part 7C - Timetable

7C.1 Proposed +issue date

Monday March 8, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ No

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ Yes

7E.1a Who is the lead manager/broker?

Morgans Corporate Limited ABN 32 010 539 607

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

1% of the placement proceeds

7E.2 Is the proposed issue to be underwritten?

☒ Yes



7E.2a Who are the underwriter(s)?

Morgans Corporate Limited ABN 32 010 539 607

7E.2b What is the extent of the underwriting (ie the amount or proportion of the proposed issue that is underwritten)?

Fully underwritten

7E.2c What fee, commission or other consideration is payable to them for acting as underwriter(s)?

3% of the placement proceeds

7E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated.

- PAL is removed from the official list of ASX
 - S&P/ASX 300 index falls by 10% or more;
 - ASX refuses to grant quotation to the shares issued under the Placement/Entitlement Offer;
 - PAL alters its capital structure without the consent of the Underwriters;
 - PAL withdraws any component of the capital raising;
 - an insolvency event occurs;
 - the directors cease to be satisfied that the safe harbour provisions in the Corporations Act apply;
 - a material adverse change occurs;
 - a force majeure event occurs;
 - PAL or its affiliates, directors or officers engage in fraudulent activity;
 - a director or senior manager is charged with an indictable offence;
 - a term of the underwriting agreement is breached;
 - ASIC or another government agency commences a prosecution of PAL, its directors or employees.
- There are a number of additional termination events, each of which will be specified in the retail offer booklet.

7E.3 Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed issue?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

N/a

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Reduce existing debt
Improve the working capital position to take advantage of high margin growth opportunities in UK and Europe arising from the purchase of Marketing Authorisations
Costs of conducting the Capital Raising

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

N/a