



PALLA PHARMA

ASX ANNOUNCEMENT

Tuesday, 2 March 2021

Palla Pharma successfully completes Placement and Institutional component of Entitlement Offer, raising approximately \$12.24 million

Palla Pharma Limited (ASX: PAL) (**PAL**) is pleased to announce the successful completion of an approximately \$4 million placement to institutional investors (**Placement**) and the approximately \$8.2 million institutional component of the 2 for 9 accelerated pro rata non-renounceable entitlement offer (**Institutional Entitlement Offer**, and together with the Placement, the **Institutional Offer**) of new shares in PAL (**New Shares**). The Institutional Offer forms part of the fully underwritten \$18 million Capital Raising announced to the ASX on Friday 26 February 2021.

New Shares subscribed for under the Institutional Offer will be allotted on Monday, 8 March 2021 and will commence trading on the ASX on that day.

The proceeds of the Institutional Offer will be used to:

- reduce PAL's existing debt;
- improve the PAL's working capital position to allow it to take advantage of high margin growth opportunities in UK and Europe arising from the PAL's purchase of Marketing Authorisations; and
- cover the costs of conducting the Capital Raising.

Morgans Corporate Limited have lead managed and underwritten the Capital Raising, including the Institutional Offer.

Institutional Offer Details

- The Institutional Entitlement Offer had a take up rate of approximately 93.9% by eligible institutional shareholders. The institutional shortfall was allocated to a range of existing and new institutional and high net worth investors.
- All New Shares offered under the Institutional Offer were issued at the offer price of \$0.50 per New Share (**Offer Price**).
- Approximately 24.4 million New Shares subscribed for under the Institutional Offer are expected to commence trading on Monday, 8 March 2021.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**), which is expected to raise approximately \$5.8 million, will open on Friday, 5 March 2021 and close at 5pm (AEDT) on Monday, 22 March 2021.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date will have the opportunity to subscribe for 2 New Shares for every 9 existing PAL shares held at 7pm (AEDT) on Tuesday, 2 March 2021 (**Record Date**) at the Offer Price.

Palla Pharma Limited

PO Box 2139 Melbourne, VIC 3001, Australia

T +61 3 9301 0800 / F +61 3 9301 0899 / W pallapharma.com / E info@pallapharma.com

In deciding whether to participate in the Retail Entitlement Offer, eligible retail shareholders should carefully read the retail offer booklet (**Information Booklet**), which was lodged with the ASX on Friday, 5 March 2021 and available to view on the Capital Raising website: <https://events.miracle.com/PAL-offer>. PAL will send letters to eligible retail shareholders on Friday, 5 March 2021 containing their login details to access the Capital Raising website (<https://events.miracle.com/PAL-offer>) for the purposes of downloading the Information Booklet.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Information Booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement.

Additional information can be found in the investor presentation lodged with the ASX.

Key dates for the Retail Entitlement Offer are:

Event	Date
Record Date for the Entitlement Offer	7.00pm on Tuesday, 2 March 2021
Despatch of Information Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders	Friday, 5 March 2021
Retail Entitlement Offer opens	Friday, 5 March 2021
Retail Entitlement Offer closes	Monday, 22 March 2021
Allotment of New Shares under the Retail Entitlement Offer	Monday, 29 March 2021
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Tuesday, 30 March 2021
Despatch of holding statements	Wednesday, 31 March 2021

Shareholder enquiries

Retail shareholders who have questions in relation to the Retail Entitlement Offer should call 1300 794 935.

Further information in relation to the equity raising can be found in the market release and investor presentation lodged with the ASX on Friday, 26 February 2021.

For more information please contact:

Simon Moore

Chairman
Palla Pharma Limited
+61 3 9301 0800

Brendan Middleton

Interim CEO
Palla Pharma Limited
+61 3 9301 0800

Adrian Mulcahy

Investor Relations
Market Eye
+61 438 630 422
ir@pallapharma.com

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.

This ASX announcement was authorised for release by PAL's Board of Directors