



PALLA PHARMA

9 December 2021

By E-mail: ListingsComplianceMelbourne@asx.com.au

Ms Melissa Kostopoulos
Compliance Adviser, Listings Compliance (Melbourne)
ASX Limited

Dear Ms Kostopoulos

Palla Pharma Limited (PAL): Price Query

We refer to your letter of 9 December 2021.

PAL responds to your questions, adopting your numbering, as follows:

- 1 PAL is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities. As disclosed in the Investor Presentation of 30 September 2021, PAL is currently conducting a review of its strategy and operations and will release the results of the review as soon as possible.
- 2 PAL believes that some (but not all) of the recent trading in its securities may be as a result of a shareholder seeking to realise its investment following a change in portfolio manager. PAL notes that, given the generally small number of shares traded, any sale by a shareholder of a sizeable parcel of shares can have a material impact on the price at which shares trade.
- 3 PAL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 4 PAL's responses to your questions as set out in this letter have been authorised and approved by the Chairman of the Board.

Yours sincerely

Mark Licciardo
Company Secretary



9 December 2021

Reference: 44041

Mr Mark Licciardo
Company Secretary
c/- Mertons Corporate Services
Level 7, 330 Collins Street
Melbourne Victoria 3000

By email: markl@mertons.com.au

Dear Mr Licciardo

Palla Pharma Limited ('PAL'): Price - Query

ASX refers to the following:

- A. The change in the price of PAL's securities from a high of \$0.34 at close of trading yesterday to a low of \$0.20 today.
- B. The significant increase in the volume of PAL's securities traded today.

Request for information

In light of this, ASX asks PAL to respond separately to each of the following questions and requests for information:

- 1. Is PAL aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

If the answer to question 1 is "yes".

- (a) Is PAL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in PAL's securities would suggest to ASX that such information may have ceased to be confidential and therefore PAL may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 2. If the answer to question 1 is "no", is there any other explanation that PAL may have for the recent trading in its securities?
 - 3. Please confirm that PAL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 - 4. Please confirm that PAL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PAL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00PM AEDT Thursday, 9 December 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PAL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PAL to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in PAL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PAL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PAL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that PAL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Regards

Melissa Kostopoulos
Compliance Adviser, Listings Compliance (Melbourne)