



PALLA PHARMA

ASX ANNOUNCEMENT

Wednesday 26 May 2021

Palla Pharma Limited announces new CEO, Mr Giles Moss

Palla Pharma Limited (**Company**) (**ASX: PAL**) is pleased to announce that Mr Giles Moss has been appointed as the new Chief Executive Officer (**CEO**) of the Company and will assume the role on September 1, 2021.

Giles brings over 30 years of commercial leadership and significant operational experience in the pharmaceutical industry to this role. Over his career, Giles has established a well-deserved reputation as both a strategic problem solver and strong business builder.

Palla Pharma Chairman Simon Moore commented "I am excited to announce Giles Moss's appointment as CEO of Palla Pharma. Giles has a truly unique mix of skills and experience which are ideally suited to leading Palla Pharma as it seeks to realise the potential of its flexible fully integrated business model."

In his current role of Vice President and General Manager Europe at GW Pharmaceuticals, Giles has been central to the rapid successful ex-US launch of a new highly regulated orphan medicine for epilepsy. Since 2016, Giles has built-out the core international functions and the commercial organisation across Europe .

Prior to his role at GW Pharmaceuticals, Giles held roles as General Manager, or accountable for regional P&Ls, in 24 countries across Europe and Asia Pacific. He has also held several key global and regional leadership roles including Vice President Region 1, Europe and prior to that being Head of CNS Global Marketing and Medical Affairs.

Giles's early career allowed him a broad pharmaceutical industry experience; starting as a sales representative and moving through marketing and management roles at BMS, Sandoz and SmithKline Beecham whilst operating in multiple therapeutic areas including neurology, cardiology, oncology, infectious diseases and psychiatry.

Mr Moss said, "I am looking forward to the opportunity to lead Palla Pharma at this pivotal time. Palla is well placed to meet the need for essential opioid-based pain relief products in both the established markets of Europe and the United Kingdom and also those regions where pain relief is in short supply. And as a farm-gate to pharmacy producer, Palla's ability to extract value at all levels of production throughout the supply chain, is unmatched in the industry."

Giles is a UK Pharmacist, and holds a Bachelor of Science degree in Pharmacy from Manchester University and an MBA from Henley the Management College, UK. He is married with two children.

The material terms of Mr Moss' employment arrangements are detailed in the Schedule.

This announcement has been authorised for release by the Board of Palla Pharma Limited.

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Palla Pharma Limited

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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.

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SCHEDULE

The materials terms of Mr Moss' employment arrangements are set out as follows:

Position	Chief Executive Officer
Commencement Date	No later than 1 September 2021 (Commencement).
Location	Mr Moss will be based in the United Kingdom.
Term	No fixed term. Ongoing until terminated by either party in accordance with the employment contract.
Total Remuneration Package	GBP 295,000 per annum (inclusive of employer pension contributions), less applicable tax and social security (TRP).
Short Term Incentive	Eligible to receive a performance-based cash payment of between 50% and 75% of TRP for FY2021, pro-rated to 4/12 th of a full year award, conditional upon the satisfaction of performance targets.
Long Term Incentive	<p>Under the current Long Term Incentive Plan, the Company will grant Mr Moss 8,095,669 Share Appreciation Rights (SARs) in the Company, such number being equal to 5% of the total underlying share capital of the Company, with an opening price of A\$0.50 per share (Opening Price). The SARs are subject to two vesting conditions, both of which must be satisfied in order for the relevant SARs to vest and be exercised. The first vesting condition is determined in tranches as follows (First Vesting Condition):</p> <ul style="list-style-type: none">• 404,783 SARs (5%) – Commencement.• 404,783 SARs (5%) – expiry of six months after Commencement.• 404,783 SARs (5%) – expiry of one year after Commencement.• 404,783 SARs (5%) – expiry of two years after Commencement.• 404,783 SARs (5%) – expiry of three years after Commencement.• 1,214,350 SARs (15%) - upon the Company achieving a Targeted Share Price of A\$1.00 per share,• 1,214,350 SARs (15%) - upon the Company achieving a Targeted Share Price of A\$1.50 per share.• 2,023,920 SARs (25%) - upon the Company achieving a Targeted Share Price of A\$2.00 per share.• 809,567 SARs (10%) - upon the Company achieving a Targeted Share Price of A\$2.50 per share.

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	<ul style="list-style-type: none">• 809,567 SARs (10%) - upon the Company achieving a Targeted Share Price of A\$3.00 per share. <p>The Targeted Share Price is calculated as the Company's Volume Weighted Average Price for a 60 day trading period.</p> <p>Mr Moss must be employed by the Company when the relevant First Vesting Condition is satisfied. The second vesting condition applies to each tranche, namely the expiry of three years after Commencement (Second Vesting Condition). Mr Moss is not required to be employed when the Second Vesting Condition is satisfied. If the SARs vest and are exercised in accordance with the terms of the applicable plan rules, each SAR is an entitlement to the economic value of the difference between the 20-trading day VWAP of a share calculated as at the Vesting Date of the relevant SAR (Closing Price) and the Opening Price, which may be settled, at the Board's discretion and subject to shareholder approval if necessary, in the form of shares issued at the Closing Price.</p>
Sign-on Bonus	<p>The initial 10% of the SARs (set out above) granted by the Company are by way of a sign-on bonus.</p> <p>In addition, Mr Moss is eligible to receive a cash payment of GBP 50,000 as a once-off sign-on bonus, paid as follows:</p> <ul style="list-style-type: none">• GBP 10,000 upon signing the employment contract.• GBP 20,000 upon Commencement.• GBP 20,000 six months after Commencement.
Annual leave	<p>Mr Moss is entitled to accrue up to six weeks' annual leave for each calendar year of service.</p>
Notice period	<p>Either party may terminate the employment by providing six months' notice.</p>
Post-Employment Restraints	<p>Non-compete restraints in place for up to six months following cessation of employment. Non-solicit restraints in place for up to 12 months following cessation of employment.</p>