



PALLA PHARMA

26 February 2021

By E-mail Melissa.Kostopoulos@asx.com.au

Market Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Melissa

Section 708AA notice - issue of Palla Pharma Limited shares without a prospectus

We attach the Entitlement Offer Cleansing Notice in relation to the issue of new ordinary shares in Palla Pharma Limited (ACN 107 872 453) (ASX:PAL) (**PAL**) in relation to the announcement of an fully underwritten accelerated non-renounceable pro rata entitlement offer today, Friday, 26 February 2021.

Yours sincerely

Mark Licciardo
Company Secretary
Palla Pharma Limited



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By E-mail Melissa.Kostopoulos@asx.com.au

Market Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Melissa

Notice under section 708AA(2)(f) of the Corporations Act 2001

This notice is given by Palla Pharma Limited (ACN 107 872 453) (ASX:PAL) (**PAL**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as notionally modified by the *Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (Act)*.

PAL has today announced a fully underwritten accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 2 new fully paid PAL shares (**New Share**) for every 9 existing PAL shares held as at 7:00pm (AEDT) on Tuesday, 2 March 2021 at an issue price of \$0.50 per New Share to raise approximately \$14 million (**Entitlement Offer**).

The Entitlement Offer comprises a retail component, to be offered to retail shareholders with a registered address in Australia or New Zealand (**Eligible Retail Shareholders**) and an institutional component, to be offered to institutional shareholders in Australia and New Zealand.

A retail offer booklet (**Information Booklet**) in relation to the retail component of the Entitlement Offer will be lodged with the ASX on Friday, 5 March 2021 and will be available to view at the Entitlement Offer website: <https://events.miracle.com/PAL-offer>. PAL will send letters to Eligible Retail Shareholders on Friday, 5 March 2021 containing login details to access the Entitlement Offer website: <https://events.miracle.com/PAL-offer>.

PAL confirms that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, PAL has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to PAL; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no “excluded information” of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7)(d) of the Act; and

- (e) the potential effect of the issue of New Shares will have on the control of PAL, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. However, given:
- (i) the structure of the Entitlement Offer as a pro rata issue;
 - (ii) the current level of holdings of substantial holders (based on substantial holding notices that have been given to PAL and lodged with ASX on or prior to the date of this notice); and
 - (iii) although the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may result in an increase in the voting power in PAL by the underwriter of the Entitlement Offer (or eligible institutional investors who may be allocated New Shares via the bookbuild process to be conducted by the underwriter), it is not expected that such issued of New shares will have a material effect on the control of PAL.

The issue of New Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of PAL, other than as set out in the investor presentation announced to ASX on Friday, 26 February 2021.

Yours sincerely



Mark Licciardo
Company Secretary
Palla Pharma Limited

This announcement has been approved for release by the Board of Directors.

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.