



PALLA PHARMA

ASX ANNOUNCEMENT

Wednesday 23 September 2020

Tasmania property sale

Palla Pharma Limited (ASX:PAL), a fully integrated opiate manufacturer and supplier to the global pain relief market, has entered into a binding contract of sale of its property located in Tasmania, where its former manufacturing facility was based, for \$2,980,000.

Since the relocation of its manufacturing operations to Melbourne in 2015, the Tasmania premises has been partially utilised for in-season poppy straw storage before the straw is freighted to Melbourne. With Tasmania remaining an important poppy growing region for PAL, as part of the transaction a long-term lease has been agreed with the purchaser for a portion of the premises to be used for seasonal poppy straw storage on normal commercial lease terms.

The transaction is expected to complete in November 2020 and result in the recognition of a gain on sale of approximately \$1m, with the sale proceeds used to reduce debt.

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

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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.

Palla Pharma Limited

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