



PALLA PHARMA

ASX ANNOUNCEMENT

Thursday 25 March 2021

Palla Pharma successfully completes Retail Entitlement Offer

Further to the announcement made by Palla Pharma Limited (**PAL**) on Tuesday, 2 March 2021 regarding the successful completion of its placement to institutional investors (**Placement**) and institutional component of the 2 for 9 accelerated pro rata non-renounceable entitlement offer (**Institutional Entitlement Offer**), PAL is pleased to announce the successful completion of the retail component of the Entitlement Offer (**Retail Entitlement Offer**) (the Placement, Institutional Entitlement Offer and Retail Entitlement Offer are collectively referred to as the **Capital Raising**).

The proceeds of the Capital Raising 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.

Summary of the Retail Entitlement Offer

The Retail Entitlement Offer closed at 5:00pm (AEST) on Monday, 22 March 2021. PAL received valid applications from eligible retail shareholders under the Retail Entitlement Offer (**Eligible Retail Shareholders**) for approximately 11.6 million shares (**New Shares**), representing a participation rate of approximately 53.8%. Applications by eligible shareholders for additional new shares under the top-up facility were accepted in full.

Approximately 5,358,765 million New Shares not taken up under the Retail Entitlement Offer will be allocated to sub-underwriters of the Retail Entitlement Offer, which include a combination of new and existing institutional and high-net-worth sophisticated investors.

Eligible Retail Shareholders should confirm the actual number of New Shares allocated and issued to them before trading in such shares, and the sale by any Eligible Retail Shareholder of New Shares prior to receiving their holding statement is at their own risk.

New Shares to be issued under the Retail Entitlement Offer will rank equally with existing PAL shares in all respects from the date of issue.

The New Shares issued as part of the Retail Entitlement Offer are expected to commence trading on Tuesday, 30 March 2021.

Commenting on the Capital Raising, PAL Chairman Simon Moore said:

"The Board and Management of Palla Pharma are very appreciative of the continued strong support of both their retail and institutional shareholders. The Company is focussed on the execution of its growth plans and will update the market on its progress in due course."

Palla Pharma Limited

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Morgans Corporate Limited have managed and underwritten the Capital Raising.

Further information

Further information on the Offer is set out in the Investor Presentation lodged with the ASX on Friday, 26 February 2021.

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.

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