



PALLA PHARMA

ASX ANNOUNCEMENT

Tuesday 4 May 2021

Palla Pharma Formal Product Launch and Production Partnership Update

UK Market Product Launch

Further to the ASX announcements of 17 & 19 March 2021, Palla Pharma Limited (ASX:PAL) ("the Company"), a fully integrated opiate manufacturer and supplier to the global pain relief market, is pleased to announce that it has formally launched its Co-Codamol 30/500 caplet in the UK market. This product is the first to be launched by Palla Pharma after receipt of the final approvals of its Marketing Authorisation (MA) by the MHRA in late February. The response from customers in the UK market has been very positive. Further products will follow over the coming months with a co-dydramol finished dose formulation expected to be launched in Q3 based upon receipt of all necessary regulatory approvals in accordance with normal approval timelines.

Production Partnership Update

As announced at the release of the 2020 Full Year Results in February, Palla Pharma has settled all outstanding legal issues with its largest API customer, M&A Pharmachem, and together have entered into a long-term production partnership. The production partnership involves Marketing Authorisation Licences, Contract Manufacturing and API Supply agreements which together have the effect of securing Palla Pharma both access to significant manufacturing capacity at M&A's UK facility (at a minimum, capacity equivalent to 25% of the Company's Norwegian facility capacity), further enhancing Palla Pharma's ability to service customers in the world's largest codeine-based pain management market, and significant long term API sales volumes (at a minimum, 4 metric tonnes per annum).

Importantly, the production partnership enhances Palla Pharma's ability to reliably supply the UK market with significant product volumes from two geographically separate sources of manufacture and allows the Company to progress its plans to enter the European market with the knowledge that it will be able to assure European customers access to significant product volumes. Palla Pharma anticipates being able to access product produced under the production partnership in Q3 based upon receipt of all necessary regulatory approvals in accordance with normal approval timelines.

The registration, validation, and approval processes for the other 5 Marketing Authorisations owned by Palla Pharma are on-going and updates will be provided in due course.

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

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PALLA PHARMA

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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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