



PALLA PHARMA

ASX ANNOUNCEMENT

26 November 2021

SALE AND LEASEBACK OF COOLAROO SITE

Highlights

- **\$33.1 million sale and leaseback of Coolaroo manufacturing site**
- **Sale and Lease contracts signed and settlement proceeds received**
- **18-month lease arrangement with option for a further six months, allows continued Palla access to the site**
- **Palla has repaid all outstanding shareholder loans from the sale proceeds**
- **Palla retains access to \$5 million of undrawn capacity under its existing credit facility**

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 entered into a sale and leaseback agreement of its manufacturing site in Coolaroo, Melbourne.

The Company received \$33.1 million for the site before transaction costs and expenses resulting in an estimated book gain on the transaction of \$21.0 million.

Execution of the sale contract and financial settlement occurred simultaneously.

Palla has now repaid all drawn shareholder loans and has agreed with its lender to retain access to \$5 million of undrawn capacity under its existing credit facility.

Palla will have continued access to the Coolaroo site under an attractive 18-month lease arrangement and has the option to extend the lease term for a further six months.

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

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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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