

9 March 2022

Update to shareholders

Palla Pharma Limited (In Liquidation) (ASX:PAL) | ACN 107 872 453 ('the Company')

Liquidation of the Company and exemption from Financial Reporting Obligations and Annual General Meetings

We refer to the appointment of Craig Shepard and Bryan Webster as Administrators of the Company on 17 December 2021 pursuant to Section 436A of the *Corporations Act 2001* (Cth) ('the Act').

At the Second Meeting of Creditors of the Company held on 9 March 2022, it was resolved pursuant to Section 439C(c) of the Act that the Company be wound up.

Accordingly, the Company is taken, because of the application of Section 446A to have passed a special resolution under Section 491 of the Act that the Company be wound up voluntarily.

Please note that pursuant to Section 499(2A)(b) of the Act, Craig Shepard and Bryan Webster are the duly appointed Liquidators of the Company.

We advise we intend to rely on the exemption set out in ASIC Corporations (Externally-Administered Bodies) Instrument 2015/251 ('the Instrument') in relation to the Company's financial reporting obligations under Part 2M.3 of the Act, including but not limited to Sections 315(1), 315(4), 316, 319(1) and 320(1) of the Act.

As the Company is a public company and is required to hold an annual general meeting in accordance with Section 250N of the Act, we advise that we intend to rely on the exemption set out in the Instrument and not hold an annual general meeting.

Next update

We anticipate providing a further update to the market, including any potential return to shareholders, over the coming weeks once the asset realisation process has progressed.

Member queries

The Company continues to have arrangements in place to respond, free of charge, to members' and creditors' queries in relation to the consequences and progress of the external administration. Relevant information will also be posted on KordaMentha's website in the Creditors Information section.

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