



PALLA PHARMA

Market Eye Virtual conference

“Addressing global health challenges through innovation”

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ASX: PAL

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GLOBAL HEALTH CHALLENGE DEFINED

Access to pain relief is not universal

Severe undertreatment reported in more than 150 countries, both developing and industrialised.

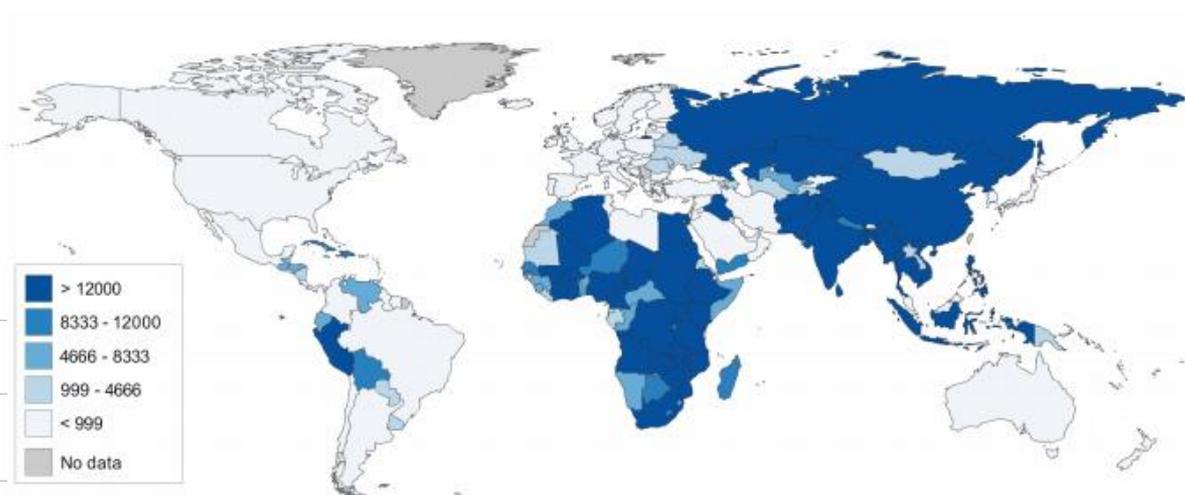
Equivalent to 80% of the world's population.

Annually, at least 6 million people suffer from lack of access to controlled medications.

Most are pain patients, but also other conditions are involved.

The impact of impaired access to these medications is significant.

UNTREATED DEATHS IN PAIN IN 2010. Source: www.GAPRI.org



GLOBAL HEALTH CHALLENGE CONTINUED...

Industry response needed to meet increased access to Opiates

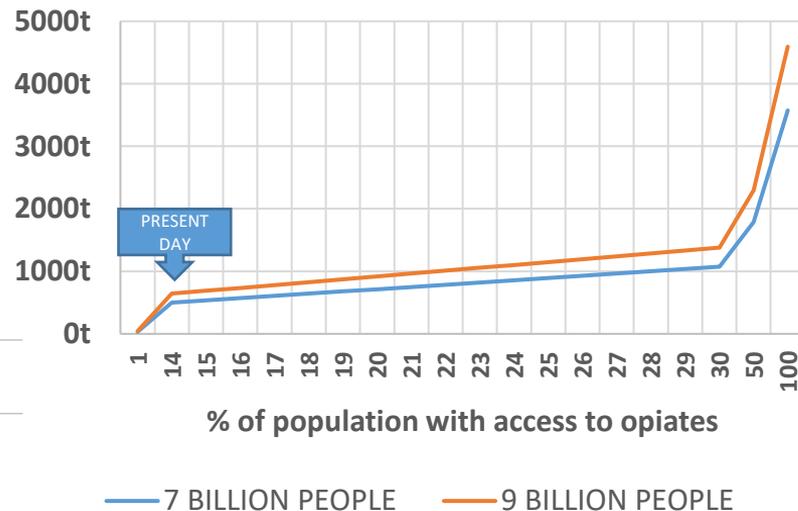
World Health Organisation estimates only 14% of the world's population has access to opiates generating a demand of 500tn of the main opiate alkaloids

Those countries who have access are largely in US, Canada, Europe and Oceania

Greatest population growth is expected in those countries with little access to opiates presently (e.g. Sub-Saharan Africa has negligible access and population is expected to double from 1bn to 2bn by 2050)

As a simple rule of thumb a 1% increase in access will generate and additional 35tn of demand

Predicted increase in population by 2050 and 22% of the population having access (up from 14%) would double global demand



PALLA PHARMA AT A GLANCE

Fully integrated opiate manufacturer from farm gate to tablet production

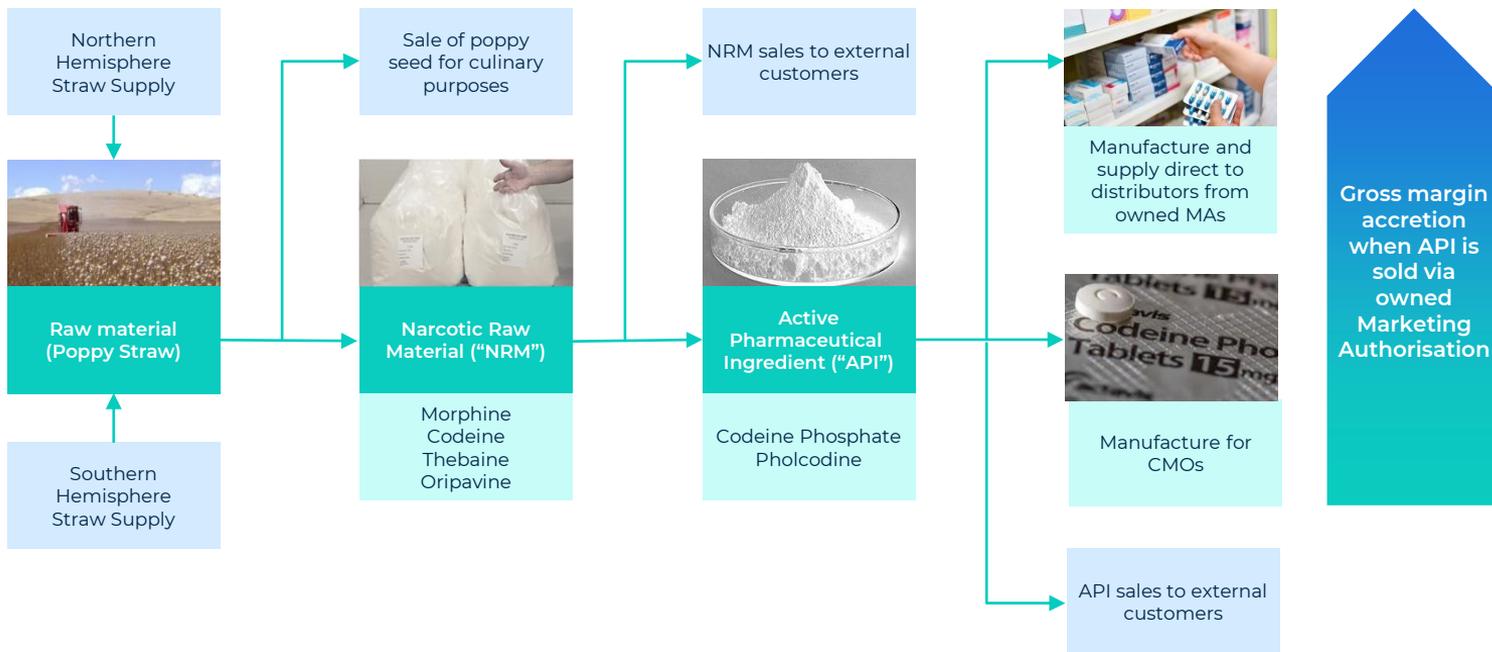
Lowest cost producer of Narcotic Raw Material (NRM), the highest cost input for opiate based Active Pharmaceutical Ingredient (API) and Finished Dosage Formulation (FDF) products

Manufacturer of opiate-based tablets for Contract Manufacturing Organisations (CMO) or direct to distributors from owned Marketing Authorisations (MAs)

Rapidly growing global supplier of opiate-based pain relief medicines with plans for high-value anti-addiction products

FULLY INTEGRATED GLOBAL SUPPLY CHAIN

Diversified straw supply; fully integrated operations now with ownership of MAs



Accretive gross margin for the group as NRM moves to higher value products through the supply chain

MAs ACQUIRED

Significant uplift in Margin and revenue when selling opiate in a MA

For every 1kg of Codeine Phosphate in our own MA we generate approximately A\$ 1200 in revenue compared to approx. A\$ 500/kg when sold as an API

Palla is currently completing documentation of 30/500mg Tablet and Caplet targeting the most significant market opportunity

First sales under Codeine Phosphate 30/500mg Tablet and Caplet to commence in Q4 2020

Following the successful validation and MHRA approval for these two MAs, Palla will focus on validation and sales under its remaining 5 MAs and start to develop new MAs

The initial focus is on the UK market, with other European markets to follow, targeting France and Spain in FY21

1. 30/500mg Codeine Phosphate Caplet
 2. 30/500mg Codeine Phosphate Tablet
 3. 8/500mg Codeine Phosphate Tablet
 4. 10/500mg Dihydrocodeine Tablet
 5. 20/500mg Dihydrocodeine Tablet
 6. 30/500mg Dihydrocodeine Tablet
 7. 30mg Dihydrocodeine tablets
-

€802m EUROPEAN CODEINE PHOSPHATE MARKET

Palla enters UK, the largest European CPO related MA market; First sales to occur in Q4 2020

Palla owns 3 UK registered MAs for Codeine Phosphate combinations in both Caplet and Tablet form: 30/500mg Caplet, 30/500mg Tablet and 8/500mg Tablet

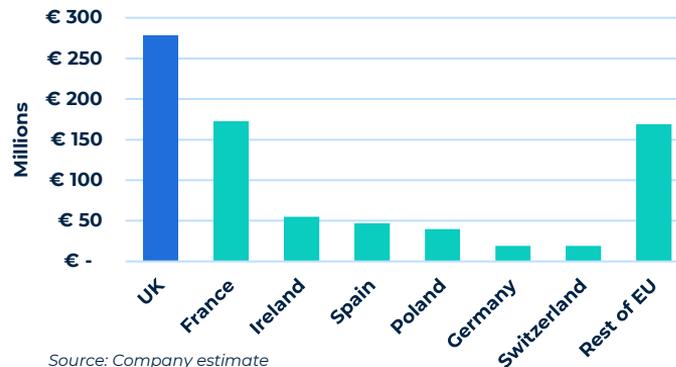
These MAs account for approx. 10% of the €278m UK market for codeine and dihydrocodeine tablet sales

Targeting to enter other European markets using these MAs in FY21, including France and Spain

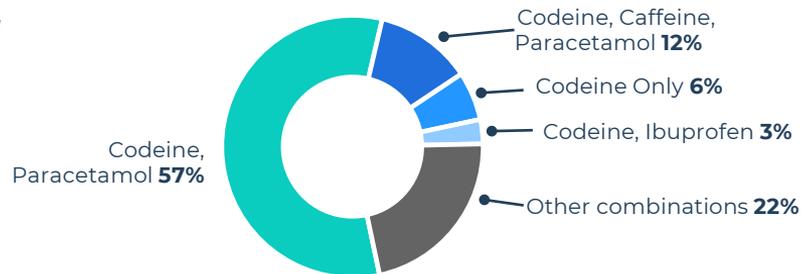
Palla now owns MAs for the most popular form of Codeine in EU

Codeine, Paracetamol accounts for 57% (€455m) of the EU market

Ongoing trials to enter the second biggest product group, Codeine, Caffeine and Paracetamol, accounting for 12% of EU market



Source: Company estimate



Source: Company estimate

STRATEGIC INITIATIVES

How Palla Pharma is delivering on its strategic objectives

Develop strong foundation for growth



- Lowest cost producer NRM globally; continue to develop and refine production processes **(complete)**
- Globally diversified poppy straw supply chain with dual hemisphere supply strategy **(complete)**
- Fully integrated supplier provides multiple channels to market **(acquired MA's in FY20)**
- Highly experienced management team **(appointed two FDF UK based Sales Directors)**



Penetrate existing markets



- One of six licensed NRM producers globally; one of three fully integrated suppliers
- Exploit lowest cost to produce competitive advantage and reliability of supply through diversified poppy straw sourcing strategy **(complete)**
- Secure long-term supply agreements **(ongoing)**



Development of new products



- Develop suite of opiate-based API's **(FY20/21)**
- Target anti-addiction API's **(FY21)**
- Obtain marketing authorisations to expand opiate based Finished Dosage capability **(acquired MA's in FY20)**
- Continue to explore market consolidation and downstream value-add acquisition opportunities **(ongoing)**



Continue to explore and develop new markets



- Significant unmet demand in developing countries with 92% of global supply consumed by 15% of the global population
- Strong population growth demographics in developing countries with lack of access to pain medication
- Activating existing and referral relationships with agents in Africa and Asia **(continuing to develop – first sales into Africa and Asia in FY19)**

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