

ASX ANNOUNCEMENT

2 MAY 2024



US reschedules *cannabis*



Little Green Pharma Ltd (ASX: LGP, "**LGP**" or the "**Company**") is pleased to announce media reports that sources in the US Drug Enforcement Administration ("**DEA**") have confirmed the DEA will recommend reclassifying cannabis from Schedule I, to Schedule III: <https://apnews.com/article/marijuana-biden-dea-criminal-justice-pot-f833a8dae6ceb31a8658a5d65832a3b8>

The move follows recommendations by the Department of Health and Human Services ("**HHS**") to the DEA in August 2023 and effectively recognises the medical benefits of cannabis.

The implications of the proposed rescheduling include:

- the removal of s280E taxes which tax cannabis operators at their gross margin level (vs. net income)
- potential momentum for other pro-cannabis legislation at the Federal level and increased institutional interest in US cannabis stocks.

The rescheduling of cannabis in the US would represent the most significant change in global cannabis regulation ever and follows on the heels of Germany's recent decision to legalise cannabis last month.

The news has resulted in a re-rating of North American cannabis companies with the MJ ETF ("US ETF to target the global cannabis industry") and the MSOS ETF ("ETF with dedicated cannabis exposure focusing exclusively on U.S. companies, including multi-state operators") both increasing by over 25%. This sector re-rating is expected to flow through to other cannabis companies including LGP given the historical mirroring of the North American markets¹ as seen in the following graphs:

¹ See ASX release dated 31 January 2024

Graph showing LGP's share price mirroring the MJ and MSOS ETF prices over past 5 years



Graph showing rerating potential based on recent divergence of LGP share price and the cannabis ETFs



ENDS
BY ORDER OF THE BOARD

Alistair Warren
Company Secretary

For further information please contact:

Alistair Warren
Company Secretary
Little Green Pharma
E: a.warren@lgp.global
T: +61 8 6280 0050

Paul Long
Chief Executive Officer
Little Green Pharma
E: p.long@lgp.global
T: +61 8 6280 0050



About Little Green Pharma

Little Green Pharma is a global, vertically integrated and geographically diverse medicinal cannabis business with operations from cultivation and production through to manufacturing and distribution.

The Company has two global production sites for the manufacture of its own-branded and white-label ranges of GMP-grade medicinal cannabis products, being a Danish production facility with a potential nameplate capacity of over 30 tonnes of cannabis biomass per annum and a West Australia premium indoor GMP production facility specialising in premium hand-crafted cannabis strains.

Little Green Pharma products comply with all required Danish Medicines Agency and Therapeutic Goods Administration regulations and testing requirements. With a growing range of products containing differing ratios of active ingredients, Little Green Pharma supplies medical-grade cannabis products to Australian, European and overseas markets.

The Company has a strong focus on patient access in the emerging global medicinal cannabis market and is actively engaged in promoting education and outreach programs, as well as participating in clinical investigations and research projects to develop innovative new delivery systems.

For more information about Little Green Pharma go to: www.littlegreenpharma.com

Help us be Green

LGP investors are encouraged to go paperless and receive Company communications, notices and reports by email. This will ensure efficient communication during COVID-19 while also helping to reduce our costs and environmental footprint.

To easily update your communication preferences, visit: www.computershare.com.au/easyupdate/lgp