

20 APRIL 2021

# LGP AGREES DANISH DISTRIBUTION AGREEMENT WITH BALANCIAL

## ASX ANNOUNCEMENT

### Highlights:

-  Little Green Pharma signs five-year distribution agreement with Denmark-based Balancial for the supply of medicinal cannabis oil and flower products at a fixed price
-  The Agreement restricts Balancial from manufacturing or supplying similar medicinal cannabis oil or flower products until it has purchased at least 20,000 units from LGP
-  The Agreement represents the achievement of another milestone in the Company's strategy of growing its market share in key European medicinal cannabis markets

Little Green Pharma Ltd (ASX: LGP, "LGP" or the "Company") is pleased to announce a non-exclusive distribution agreement ("Agreement") with Balancial Danmark ApS ("Balancial") for the sale and distribution of LGP-branded cannabis oil and flower medicines ("Products") in Denmark.

The Agreement represents the achievement of another milestone in the Company's strategy of growing its market share in key European medicinal cannabis markets. The Company's entry into the Danish market follows Germany, the UK, and France as key European jurisdictions into which LGP has materially progressed the establishment of distribution pathways.

Commenting on the Agreement, Little Green Pharma Managing Director, Fleta Solomon, said "LGP is pleased to announce another agreement for the distribution of LGP products into a prospective EU medicinal cannabis marketplace, and looks forward to collaborating with Balancial to help service our future Danish customers."



## Material terms of the Agreement

The Agreement is a non-exclusive agreement for the supply and distribution of LGP Products in Denmark for a period of five years commencing on the delivery of the first shipment of Products. LGP will supply and export the Products to Balancial in Denmark on a CIF (Incoterms) delivery basis.

The Agreement is subject to certain conditions precedent, including requiring LGP to hold all approvals to export the Products into Denmark and enter into a GMP Quality Agreement with Balancial.

Key terms of the Agreement are as follows:

- until Balancial has purchased 20,000 units of Products, it may not manufacture or supply any medicinal cannabis oil or flower products in Denmark that are the same or substantially similar to the Products, including any such medicines which have the same active ingredient ratios;
- there is no minimum purchase quantity, however, each purchase order placed must be for at least 2,000 units each;
- LGP is not obligated to fulfil orders received from Balancial unless it has confirmed acceptance of the purchase order;
- the prices for the Products are fixed for the duration of the Agreement; and
- Balancial must pre-pay 100% of the first shipment prior to delivery and pre-pay 50% of each subsequent confirmed purchase order.

## Denmark medicinal cannabis market

Following a unanimous vote, in January 2018 Denmark commenced a 4-year pilot medicinal cannabis trial. Under the Danish pilot scheme, prescriptions are reimbursed at a rate of 50%, up to 10,000 kroner (US\$1,500) per year, with terminally ill patients receiving full reimbursements.<sup>1</sup> Since introduction, patient count and prescription volumes have been growing rapidly and exceeding expectations.<sup>2</sup> As at February 2020, the market was expected to have a Total Addressable Market (TAM) of €0.5bn, representing 120,000 people or approximately 2% of the population, at maturity.<sup>3</sup>

## Balancial

Balancial is a Denmark-based company that imports and distributes medical cannabis. Collaborating with top producers, their ambition is to expand their distribution primarily through Denmark and the Nordic region by providing the highest quality medical cannabis products to patients.

ENDS



Alistair Warren  
Company Secretary



1. The European Cannabis Report (5th Ed., Feb 2020)

2. The European Cannabis Report (5th Ed., Feb 2020)

3. Going global: An international cannabis primer (Canaccord Genuity, January 2020)

---

**For further information please contact:**

**Alistair Warren**  
**Company Secretary**  
Little Green Pharma

E: [alistair@lgpharma.com.au](mailto:alistair@lgpharma.com.au)

T: +61 8 6280 0050

**Fleta Solomon**  
**Managing Director**  
Little Green Pharma

E: [fleta@lgpharma.com.au](mailto:fleta@lgpharma.com.au)

M: +41 782 260 200

**About Little Green Pharma**

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

The Company has an indoor cultivation facility and manufacturing facility in Western Australia for the production of its own-branded range of GMP-grade medicinal cannabis products.

Little Green Pharma products comply with all required 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 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](http://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](http://www.computershare.com.au/easyupdate/lgp)

**ENDS**

A handwritten signature in dark ink, appearing to read "Alistair Warren".

---

**Alistair Warren**  
Company Secretary

