

2 MAY 2022

LGP SIGNS KEY UK SUPPLY AGREEMENT

Highlights

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- A circular inset image showing a globe of the Earth, with the continents of North and South America visible. The globe is set against a blue sky background with white clouds.
-  LGP signs three-year agreement for distribution of LGP-branded oils and flower products to Sana Life Sciences across the United Kingdom and Crown dependencies
 -  Agreement for non-exclusive supply of LGP's Classic Oils and Desert Flame medicines as well as an LGP-branded balanced flower product currently in development
 -  Mutual exclusivity for LGP 10:10 Classic Oil and equivalent ratio oils, subject to minimum annual exclusivity purchase commitments ramping up over the three-year term
 -  LGP grants Sana right of first offer in connection with future distribution of LGP products under LGP Global QUEST Initiative
 -  Agreement represents annual revenue opportunity of A\$1.44m (£820,000¹) post-ramp up for exclusive oil product alone², with first revenue expected in late Q2 or early Q3 CY2022.
 -  Key plank in LGP strategy to distribute LGP-branded products in the EU and UK

Little Green Pharma Ltd (ASX: LGP, “LGP” or the “Company”) is pleased to announce the entry into a medicinal cannabis distribution agreement (“Agreement”) with Sana Life Sciences Ltd (“Sana”) for the supply of LGP-branded Classic Oils, Desert Flame flower, and a further balanced flower product currently in development, for distribution in the United Kingdom and UK crown dependences (“Territory”).

¹GBP:AU 0.57 (as at 28 April 2022)

²Revenue opportunity in third year of agreement assuming Sana purchases the minimum quantity of product to maintain exclusivity throughout the year





Under the Agreement, the parties grant each other mutual exclusivity in the Territory for the supply or distribution of LGP 10:10 Classic Oil and medicinal cannabis oils with the same or similar ratios, subject to Sana meeting certain minimum exclusivity purchase thresholds per annum.

With a potential revenue opportunity of A\$1.44m (£820,000¹) per annum in the third year just for the 10:10 oil, together with additional revenues from sales of the remaining oils and flower ranges, the Agreement represents a key step in LGP’s twin strategy of selling its own LGP-branded sales into the UK and EU while developing and supplying client-specific white-label strains for clients across Europe.

Material terms of the Agreement

- ✔ Term is 3 years from first import with extension by agreement
- ✔ Minimum purchase orders for flower products between 10- and 20-kilograms post ramp-up and 500 oil units per shipment
- ✔ Sana to provide purchase orders to confirm supply – first purchase order expected end CYQ2 or early Q3
- ✔ Sana must purchase units valued at between \$431,000 (£246,000) and \$1.44m (£820,000¹) per year to maintain exclusivity for LGP 10:10 Classic Oil in the Territory and may not purchase any medicinal cannabis oils with the same or similar active ingredient ratios
- ✔ Product pricing is fixed with volume discounts
- ✔ Sana has right of first offer for the distribution of any LGP products under LGP’s Global QUEST Initiative
- ✔ LGP may pass on 50% of any increases in cost of production above 110% of its production costs as at date of Agreement



¹GBP:AU 0.57 (as at 28 April 2022)

³GBP:AU 0.57 (as at 28 April 2022)

ENDS

BY ORDER OF THE BOARD

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

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

Fleta Solomon
Chief Executive Officer
Little Green Pharma
E: f.solomon@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 21,500m² cultivation and 4,000m² GMP manufacturing facility capable of producing over 30 tonnes of medicinal cannabis biomass per annum located in Denmark (EU) and an indoor cultivation and manufacturing facility located in Western Australia capable of producing ~3 tonnes of medicinal cannabis biomass per annum.

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