

ASX ANNOUNCEMENT

7 DECEMBER 2023

LGP to capitalise as France integrates medicinal cannabis into healthcare system

Company's 2021 French strategy success



- LGP to significantly benefit from new laws governing two-stage post-French Pilot medicinal cannabis supply in France
- First stage is a 9-month transitional period covered by a €10m budget during which LGP and two other suppliers have an exclusive right to supply
- Second stage is a bespoke, subsidised public access regime for medicinal cannabis products meeting certain product registration requirements
- LGP and its distribution partners to capitalise on first mover advantage following their continuous supply to the Pilot since 2021 and long-established relationships with existing patient, hospital prescriber, and pharmacy networks
- France represents one of the largest potential medicinal cannabis markets in Europe with a Total Addressable Market of €5.6 billion (A\$9.3 billion)¹

Little Green Pharma Ltd (ASX: LGP, "**LGP**" or the "**Company**") is poised to significantly capitalise on a major amendment to the French health security bill, paving the way for a substantial transformation in how medicinal cannabis is integrated into the French healthcare system.

In 2021, LGP and leading French pharmaceutical distributors, Intsel Chimos and Centre Lab, were appointed as primary supplier and distributor of LGP's 1:20 THC:CBD and CBD50 medicinal cannabis oils for a two-year French pilot of medicinal cannabis products in the treatment of certain clinical conditions ("**Pilot**").² Both 1:20 THC:CBD and CBD50 medicinal cannabis oil products were produced at LGP's Australian operations.

¹ EUR = 1.66549 AUD

² Refer to ASX announcement dated 27 January 2021

Following its initial success, the Pilot was extended for a third year until March 2024³ with LGP and Intsel Chimos re-appointed as primary CBD oil supplier for both products.⁴



With the program nearing the end of the extension period, the French Government has signed into law an amendment to the *Projet de loi de financement de la Sécurité sociale* (Social Security Financing Order) ("**PLFSS**") which supports the post-Pilot supply of medicinal cannabis from March 2024.

The Amendment confirms up to a 9-month transitional period ("**Transitional Period**") followed by a bespoke, subsidised public access regime for an indefinite period ("**Supply Authorisation Period**").

During the Transitional Period, an exclusive supplier pool of only the existing suppliers engaged in the Pilot program – LGP, Aurora and Panaxia – will be entitled to supply patients with medicinal cannabis.

The Supply Authorisation Period will see the establishment of a subsidised public access regime for medicinal cannabis in France, providing improved accessibility to French patients. An overview of the Transitional and Supply Authorisation Periods is provided below:

<p>FIRST STAGE Transitional Period</p>	<p>A €10 million (A\$16.6 million)¹ budget has been approved for the supply of medicinal cannabis to existing Pilot patients (estimated to be 2,000 at end of Pilot)</p> <p>The currently proposed wholesale pricing for oil products would be up to €0.136 / mg CBD and up to €0.25 / mg THC representing a potential sales price of \$566 (€340)¹ for the Company’s 50ml CBD50 and \$247 (€148.50)¹ for its 50ml Classic 1:20</p> <p>Only existing Pilot suppliers (LGP, Panaxia and Aurora) would be entitled to supply Pilot patients with products from the Pilot</p>
<p>SECOND STAGE Supply Authorisation Period</p>	<p>Suppliers can only supply medicinal cannabis products to patients in France following receipt of a unique ‘Authorisation for Use’ approval ("Supply Authorisation"). These Supply Authorisations are anticipated to be for a 5-year term plus 5-year renewal periods</p> <p>Supply Authorisations will require applicants to submit a dossier that aligns with the specifications outlined in the upcoming decree scheduled for release early next year ("Decree") and obtain validation from the French Health regulator</p> <p>Supply Authorisation holders will be based only in Europe and required to supply products to French-based distributors for distribution and educational services</p> <p>With the Amendment now signed into law, it is expected the Decree setting out fixed product pricing, patient reimbursement rates and the product registration pathway for the Supply Authorisation Period will also be published during first quarter of CY2024</p>

³ Refer to December Quarterly ASX release dated 16 January 2023.

⁴ Refer to ASX announcement dated 8 May 2023

Little Green Pharma CEO Paul Long said the legislation was significant for LGP as it maintained the Company's substantial first-mover advantage and was anticipated to substantially bolster the Company's already strong revenue stream from European operations.

"Our active involvement as a continuous supplier to the French Pilot program positions the Company to be the major player after the Transitional Period," Mr Long said. *"This will involve us submitting a technical dossier that will adhere to upcoming specifications, expected to be released before the conclusion of the Pilot program."*

"Our previous experience in France enables us to streamline the evaluation process, given that our technical details are already known to the regulatory authorities, and that our products' safety and efficacy have been conclusively demonstrated over the past few years."

"Importantly, the amendment specifies exclusive access to supplying the French market will be granted solely to European registered companies who have a partnership with a French Pharmaceutical Establishment."

"With our Danish entity fulfilling the necessary European Supply Authorisation requirements for France, LGP, along with our distribution partners Intsel Chimos and Centre Lab, is extremely well positioned to capitalise on long-established relationships with existing patient, hospital prescribers and pharmacy networks during the transitional phase and beyond," he added.



Mr Long said the strategic pathway also positioned LGP favourably for potential market registration in the future, leveraging its extensive experience in supplying cannabis-based products in France.

"We undoubtedly took a calculated risk back in 2021 to pursue this French Pilot opportunity, but with the implementation of a limited transitional period and a medicinal cannabis market that will provide a subsidy to patients, we are the best positioned company in the world to capitalise on what we believe could become one of largest medical cannabis prescribing countries in the world," he said.

Mr Long noted that while LGP was excited to be at the forefront of the French market, it was worth noting the Company's ambitions were greater than any single market.

"Our continuing strategy to break into a number of highly lucrative European markets really sets LGP apart from our Australian peers," he said.

"From early in our infancy, we recognised that real growth potential lies in Europe where stringent standards and regulations offer companies like LGP a remarkable competitive advantage over our counterparts."

ENDS

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be "Alistair Warren". The signature is fluid and cursive, written over a horizontal line.

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