

JUNE 2023

# QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Record quarterly revenue and cash receipts

Seven new products launched

French Trial tender success consolidates first mover advantage

Reset well positioned for imminent demerger

Long term debt reduced by over 60%

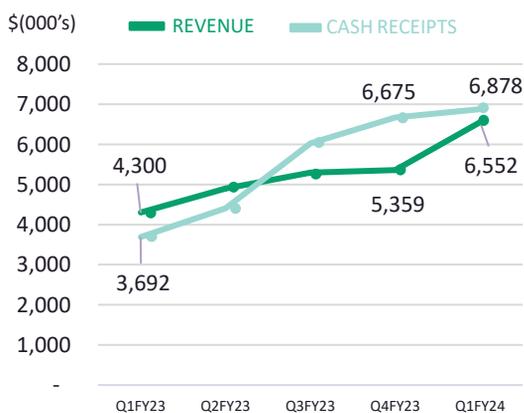
Cash in bank of \$8.7 million



Little Green Pharma Ltd (ASX: LGP, “LGP” or the “Company”) is pleased to provide its activities report and Appendix 4C for the quarter ending 30 June 2023.<sup>1</sup>

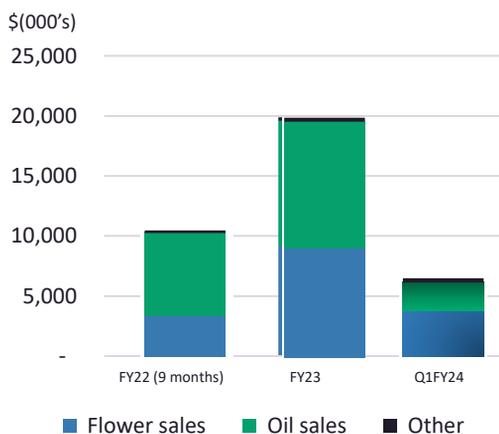
## Quarterly revenue & cash receipts

- Revenue up 22% to \$6.5 million (unaudited), up 53% from first quarter FY23
- Cash receipts up 3% to \$6.9 million, up 86% from first quarter FY23



## Sales by category (unaudited)

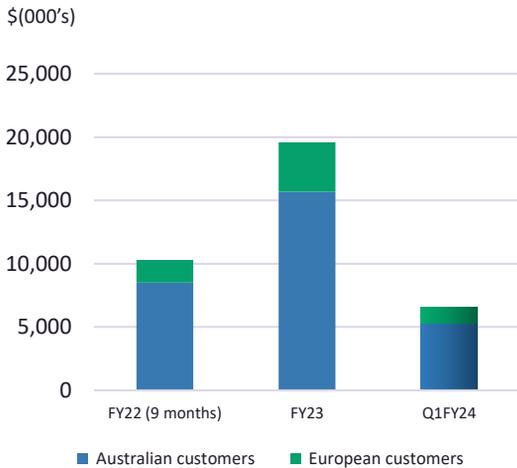
- \$3.8 million in inhalation product sales
- \$2.4 million in oil sales
- \$0.3 million other



<sup>1</sup>The graphs in this document are unaudited and reflective of past performance data only. Investors should not consider past performance to be indicative of future performance

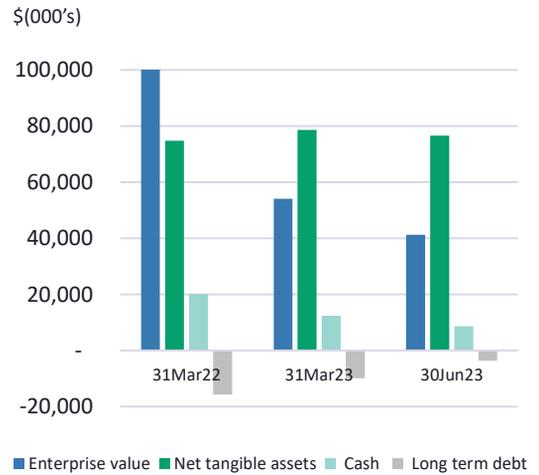
## Revenue by segment

- \$5.3 million sales in Australia (unaudited)
- \$1.2 million sales in Europe (unaudited)
- Six distributors now selling LGP products in Europe in the four largest countries in EU and the UK

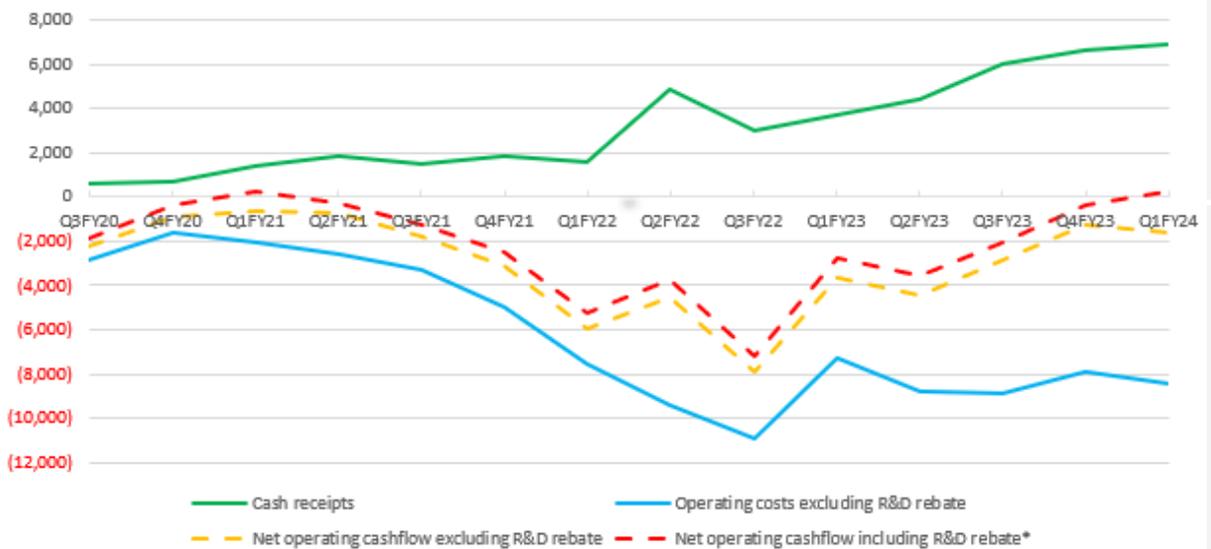


## EV, NTA, cash & long term debt

- Company debt reduced by over 60%
- Remaining \$4.1 million Canopy Growth debt repaid
- Reduction in long term debt by \$1.9 million following sale of two surplus properties
- 30 June 2023 cash in bank \$8.7 million



## Quarterly cashflow from operations



\* The R&D rebates have been averaged over the financial year to which they relate (the Company recognised an R&D rebate receivable of \$3.2 million at 31 March 2023 relating to Australian expenditure incurred during the 31March 2023 financial year). The Company did not have a Q4 FY2022 due to the change in financial year.

## New products *update*

- LGP introduced its long-awaited CBD200 isolate cannabis oil as well as two new cannabis flower products, Safari Sunset THC 24% and Silver Mist CBD 12% to positive initial prescriber response
- In July 2023, the Company also launched three new cannabis vaporiser cartridge products, being THC 800mg (Night), THC 780mg (Day), and THC : CBD 600mg : 200mg products as well as a new high THC cannabis flower product, Carnival Orange THC 20%



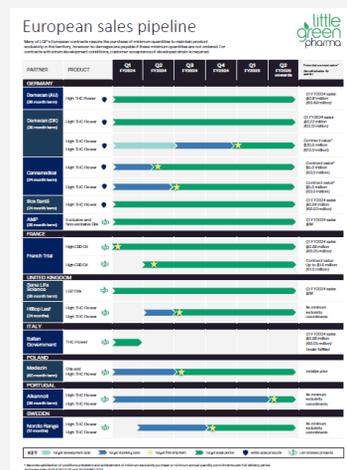
## Operations *update*



- New packaging equipment arrived and scheduled for installation in August or September 2023 in Danish facility leading to increased cost efficiencies and further facility optimisation
- Encouraging genetics program results at Danish facility with new flower genetic testing above 24% THC and three others testing above 25% THC. Resulting products will be destined for German and Australian markets
- Improved efficiencies at Australian facility through improved bulk extraction and transportation optimisation

## European sales pipeline

- LGP Denmark delivered first shipment to Ilios Santé, second shipment to Demecan, and final shipment to Italy pursuant to the extended 2022 Italian tender award
- Current European sales pipeline on following page



# European sales pipeline



Many of LGP's European contracts require the purchase of minimum quantities to maintain product exclusivity in the territory, however no damages are payable if these minimum quantities are not ordered. For contracts with strain development conditions, customer acceptance of developed strain is required.

PARTNER	PRODUCT		Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 FY2025	Q2 FY2025 onwards	Potential contract value <sup>^</sup> <i>Unaudited sales for quarter</i>	
<b>GERMANY</b>										
Demecan (AU) (36 month term)	High THC Flower	Shield	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$0.81 million (€0.49 million)
Demecan (DK) (36 month term)	High THC Flower	Shield	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$0.22 million (€0.13 million)
	High THC Flower	Shield	[Target development date: Q1 FY2024 to Q3 FY2024]			[Target licensing Date: Q3 FY2024 to Q1 FY2025]			[Target first shipment: Q1 FY2025]	Contract value <sup>^</sup> \$20.0 million (€12.0 million)
	High THC Flower	Shield	[Target sales period: Q1 FY2024 to Q2 FY2025]							
Cannamedical (24 month term)	High THC Flower	Shield	[Target development date: Q1 FY2024 to Q3 FY2024]			[Target licensing Date: Q3 FY2024 to Q1 FY2025]			[Target first shipment: Q1 FY2025]	Contract value <sup>^</sup> \$5.0 million (€3.0 million)
	High THC Flower	Shield	[Target sales period: Q1 FY2024 to Q2 FY2025]							Contract value <sup>^</sup> \$5.0 million (€3.0 million)
Ilios Santé (24 month term)	High THC Flower	Shield	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$0.04 million (€0.02 million)
AMP (36 month term)	Exclusive and Non-exclusive Oils	LGP	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$Nil
<b>FRANCE</b>										
French Trial	High CBD Oil	LGP	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$0.08 million (€0.05 million)
	High CBD Oil	LGP	[Target development date: Q1 FY2024 to Q3 FY2024]			[Target licensing Date: Q3 FY2024 to Q1 FY2025]			[Target first shipment: Q1 FY2025]	Contract value Up to \$1.6 million (€1.0 million)
<b>UNITED KINGDOM</b>										
Sana Life Science (36 month term)	LGP Oils	LGP	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$Nil
Hilltop Leaf (24 months)	High THC Flower	LGP	[Target development date: Q1 FY2024 to Q3 FY2024]			[Target licensing Date: Q3 FY2024 to Q1 FY2025]			[Target first shipment: Q1 FY2025]	No minimum exclusivity commitments
<b>ITALY</b>										
Italian Government	THC Flower	LGP	[Target sales period: Q1 FY2024 to Q2 FY2025]							Q1 FY2024 sales \$0.08 million (€0.05 million) Tender fulfilled
<b>POLAND</b>										
Medezin (60 month term)	Oils and High THC Flower	LGP	[Target development date: Q1 FY2024 to Q3 FY2024]			[Target licensing Date: Q3 FY2024 to Q1 FY2025]			[Target first shipment: Q1 FY2025]	Variable price
<b>PORTUGAL</b>										
Alkannoli (36 month term)	High THC Flower	LGP	[Target sales period: Q1 FY2024 to Q2 FY2025]							No minimum exclusivity commitments
<b>SWEDEN</b>										
Nordic Range (12 months)	High THC Flower	LGP	[Target development date: Q1 FY2024 to Q3 FY2024]			[Target licensing Date: Q3 FY2024 to Q1 FY2025]			[Target first shipment: Q1 FY2025]	No minimum exclusivity commitments

<b>KEY</b>	[Green arrow] Target development date	[Blue arrow] Target licensing Date	[Yellow star] Target first shipment	[Green arrow] Target sales period	[Shield] White label products	[LGP logo] LGP branded products
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<sup>^</sup> Assumes satisfaction of conditions precedent and achievement of minimum exclusivity purchase or minimum annual quantity commitments over full delivery period. Exchange rates AUD:EUR 1:0.61 and AUD:GBP 1:0.53

## French market *update*

### *LGP awarded tenders to supply CBD products to French trial*

- Company awarded French medicinal cannabis trial (“**Trial**”) tenders to supply 1:20 THC : CBD Classic and CBD50 Classic medicinal cannabis oils until March 2024
- CBD50 supply price is \$72 (€44<sup>2</sup>) per bottle with total award valued up to \$1.6 million (€1.0 million) subject to Trial demand, while the 1:20 oil supply price is \$23 (€14) per bottle with Company’s supply obligation capped at ~11,000 units. See ASX releases dated 8 May 2023 and 12 July 2023 for further details
- With a Total Addressable Market of \$5.6 billion<sup>3</sup>, LGP regards a future French medicinal cannabis market as one of the most prospective cannabis opportunities available globally, and considers its first mover Trial advantage as key to future French market success



## German market *update*

### *New draft cannabis laws and change in narcotics status*

- In July 2023, Germany released draft laws contemplating a limited adult use access market including home-cultivated products and communal cannabis clubs, as well as scientifically monitored time-limited regional pilot schemes intended to investigate the effect of the commercial supply of adult use cannabis on youth and the black market
- Draft bill proposes to exclude cannabis from narcotic regulations, meaning medically supplied cannabis would benefit from:
  - (a) more efficient cannabis import processing;
  - (b) a significantly simplified prescription process and move away from hardcopy to e-scripts;
  - (c) no narcotic reporting resulting in faster order processing; and
  - (d) greater stock volumes able to be held in pharmacy given reduced secure storage requirements
- Draft laws do not affect EU GMP pharmaceutical manufacturing standards applicable to cannabis medicines in Germany



<sup>2</sup>AUD:EUR 1:0.61

<sup>3</sup><https://www.euromonitor.com/cannabis-in-france/report>

## Reset update

### *HIF Strategic alliance*

- Reset agreed a strategic alliance with private health insurer, Health Insurance Fund of Australia (“HIF”)
- Alliance is to establish proof-of-concept treatment facility to deliver psychedelic assisted psychotherapy (“PAP”), generate real-world treatment data, and provide 18-month negotiation exclusivity period for the joint ownership of PAP clinics. See ASX announcement dated 22 March 2023 for further details

### *Down-scheduling of psilocybin and MDMA*

- World-first scheduling changes permitting authorized psychiatrists to treat refractory depression and PTSD with psilocybin and MDMA respectively came into effect on 1 July 2023. See ASX release dated 6 February 2023 for further details

### *Reset facility lease*

- Reset secured long term lease for unique property incorporating offices, clinic and GMP manufacturing facility and with zoning for a mental health day hospital in Perth
- Property will be used to provide psychedelic clinic services and potential manufacture of psychedelic products, with HIF contributing \$0.25 million towards clinic fit out under strategic alliance. See ASX announcement dated 3 July 2023 for further details



### *Psilocybin clinical trial and special purpose mushroom facility*

- Reset close to finalising final governance approvals prior to commencing psilocybin clinical trial recruitment. See ASX announcement dated 15 February 2023 for further trial details
- Special purpose mushroom facility commissioned and cultivation commenced in July 2023

### *Demerger*

- Company currently targeting a demerger of Reset business by end of September quarter or early December quarter

## R&D update

### *Launch of QUEST Global Initiative*

- In July 2023, LGP launched a second observational study focusing on the health economic impacts of medicinal cannabis on patients with chronic disease, following the success of LGP’s first 2021 QUEST Initiative observational study
- The QUEST Global Initiative (“Study”) is designed to provide significant real-world evidence as well as increase prescriber and patient confidence in LGP medicines, with Study costs fully funded from fees
- Over 50 prescribers and over 200 patients already enrolled in Study



R&D update continued

### *Novel drug obesity trial*

- LGP and Curtin University continue to progress the trial third stage examining the ability of selected phyto-and endo-cannabinoids to induce secretion of a powerful hormonal mediator known to induce satiety, slow down digestion, lower blood sugar and ultimately promote weight loss
- The third stage is expected to be completed by end of August 2023



## Regulatory update

### *Changes to GMP equivalency in Australia*

- On 1 July 2023, the Therapeutic Goods Administration's previously announced regulatory changes, that seek to equalize the GMP manufacturing standards for medicinal cannabis products imported into Australia, came into effect
- Previously, Australian pharmaceuticals laws permitted non-GMP manufactured medicinal cannabis products, resulting in market overservicing by non-GMP manufacturers, poor product and labelling quality, and shortages in individual product supplies

## Quarterly Financial highlights

During the quarter, the Company generated revenue of \$6.5 million (unaudited) and cash receipts of \$6.9 million. The key cash flows during the quarter included:

- customer receipts of \$6.9 million
- final payment of the \$4.1 million deferred consideration to Canopy Growth for the acquisition of the Danish operation leaving the Danish facility debt free
- sale of two surplus properties adjacent to the Company's facility in Australia for \$2.7 million net of transaction costs (these properties were previously leased to tenants for an aggregate rental of \$0.3 million per annum)
- repayment of \$1.9 million of debt associated with the surplus properties
- receipt of a research and development tax incentive in Denmark of \$1.8 million
- final payment of the \$0.2 million TGA fines as noted in Other operating cashflows in Appendix 4C

Related party transactions during the quarter comprised \$0.2 million in remuneration and allowances paid to the directors of the Company

Cash in bank of \$8.7 million at 30 June 2023



## Shareholder Communications

LGP requests shareholders take 60 seconds to help reduce costs and paper waste by opting to receive all shareholder communications by email: [www.computershare.com.au/easyupdate/lgp](http://www.computershare.com.au/easyupdate/lgp)

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](mailto:a.warren@lgp.global)  
T: +61 8 6280 0050

Fleta Solomon  
Chief Executive Officer

Little Green Pharma  
E: [f.solomon@lgp.global](mailto: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, with its Danish facility being one of the largest GMP medicinal cannabis production sites in Europe (if not the largest) and its West Australia site a 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](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)

**Appendix 4C**  
**Quarterly cash flow report for entities**  
**subject to Listing Rule 4.7B**

**Name of entity**

Little Green Pharma Ltd

**ABN**

44 615 586 215

**Quarter ended ("current quarter")**

30 June 2023

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	6,878	6,878
1.2	Payments for		
	(a) research and development	(188)	(188)
	(b) product manufacturing and operating costs	(4,047)	(4,047)
	(c) advertising and marketing	(175)	(175)
	(d) leased assets	(135)	(135)
	(e) staff costs	(2,999)	(2,999)
	(f) administration and corporate costs	(618)	(618)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	(92)	(92)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,787	1,787
1.8	Other (provide details if material)	(200)	(200)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>215</b>	<b>215</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(4,121)	(4,121)
	(c) property, plant and equipment	(417)	(417)
	(d) investments	-	-
	(e) intellectual property	(17)	(17)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2,696	2,696
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,859)</b>	<b>(1,859)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,025)	(2,025)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.1</b>	<b>Net cash from / (used in) financing activities</b>	<b>(2,025)</b>	<b>(2,025)</b>
<b>4</b>	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,400	12,400
4.2	Net cash from/(used in) operating activities (item 1.9 above)	215	215
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(1,859)	(1,859)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	(2,025)	(2,025)
4.5	Effect of movement in exchange rates on cash held	(41)	(41)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,690</b>	<b>8,690</b>

ASX Listing Rules Appendix 4C (01/12/19)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>5</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter</b> <b>\$A'000</b>	<b>Previous quarter</b> <b>\$A'000</b>
5.1	Bank balances	8,690	12,400
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,690</b>	<b>12,400</b>
<b>6</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b> <b>\$A'000</b>	<b>Previous quarter</b> <b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	203	169
6.2	Aggregate amount of payments to related parties and their associates included in item 2		
Payments to related parties solely represents remuneration and allowances paid to Directors of the Company.			
<b>7</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>
7.1	Loan facilities	3,611	3,611
7.2	Credit standby arrangements	60	16
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	<b>3,671</b>	<b>3,627</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>44</b>
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The financing facilities relate to loans with National Australia Bank Ltd and include:			
<ul style="list-style-type: none"> <li>- a \$1.84 million loan facility with an interest rate of 7.84% and a three year term secured by registered first mortgage on the Company's south-west property complex;</li> <li>- equipment finance of \$1.77 million with a fixed interest rate of 7.68% secured by a chattel mortgage over the underlying equipment; and</li> <li>- a credit standby arrangement relating to the Company's credit card facility which has a variable interest rate and an unspecified term. NAB holds a \$60,000 term deposit as security.</li> </ul>			
In addition to the above:			
-The company has also factored \$2.03 million of its \$3.25 research and development rebate through Radium Capital. It carries an interest rate of 15% and repayment will be taken from the R&D rebate expected in the coming quarters.			
<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>	
8.1	Net cash from / (used in) operating activities (Item 1.9)	215	
8.2	Cash and cash equivalents at quarter end (Item 4.6)	8,690	
8.3	Unused finance facilities available at quarter end (Item 7.5)	44	
8.4	Total available funding (Item 8.2 + Item 8.3)	8,734	
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>N/A</b>	
8.6	If Item 8.5 is less than 2 quarters, please provide answers to the following questions:		
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: N/A		
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: N/A		
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: N/A		
<b>Compliance statement</b>			
1	This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.		
2	This statement gives a true and fair view of the matters disclosed.		
Date:	28 July 2023		
Sign here:	 Alistair Warren (Company Secretary)		
	Authorised by: The Board		

ASX Listing Rules Appendix 4C (01/12/19)