

# ASX ANNOUNCEMENT

SEPTEMBER 2024

## QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C



### HIGHLIGHTS

- Record revenue and cash receipts
- Revenue of \$10.2 million (unaudited), up 40% on prior quarter
- Cash receipts of \$10.8 million, up over 30% on prior quarter
- Net operating cash inflow of over \$1.0 million resulting in cashflow positive quarter of \$0.6 million
- Cost savings of \$0.5 million per year expected from subcontracting Australian cultivation operations
- German, UK and French cannabis markets driving strong growth in European industry demand
- Cash in bank of \$4.8 million up from \$4.3 million

# Revenue and cash receipts

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 September 2024



Record revenue of \$10.2 million (unaudited), up 40% on prior quarter and nearly 60% on previous corresponding quarter



Record cash receipts of \$10.8 million, up over 30% on prior quarter and over 60% on previous corresponding quarter

Revenue vs cash receipts (\$000's)



# Revenue by product category



45% increase in oil sales driven by growth in both France and Australia

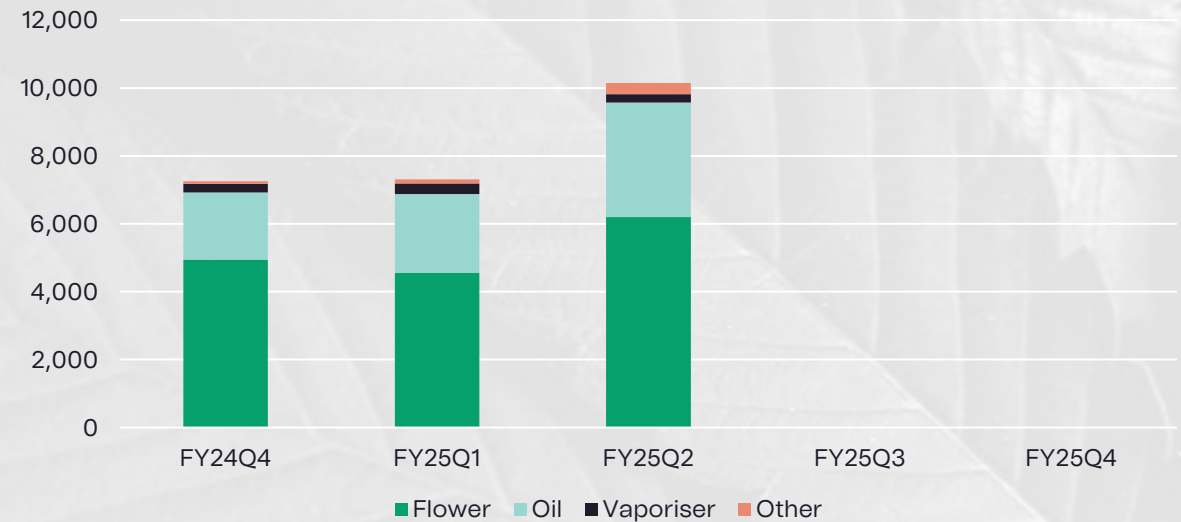


Over 35% increase in flower sales driven by growth in both LGP brands and white label sales

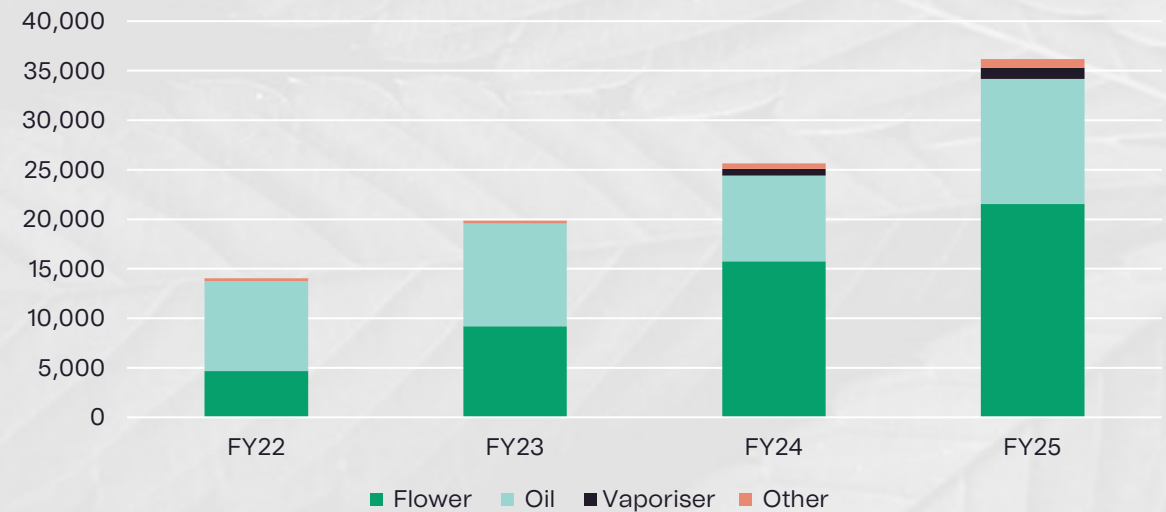


Vaporiser sales down 20% off a low base

Revenue by product category (\$000's)



Revenue by product category annualised (\$000's)



Periods which are not 12 months have been annualised on a straight line basis.

# Revenue by segment

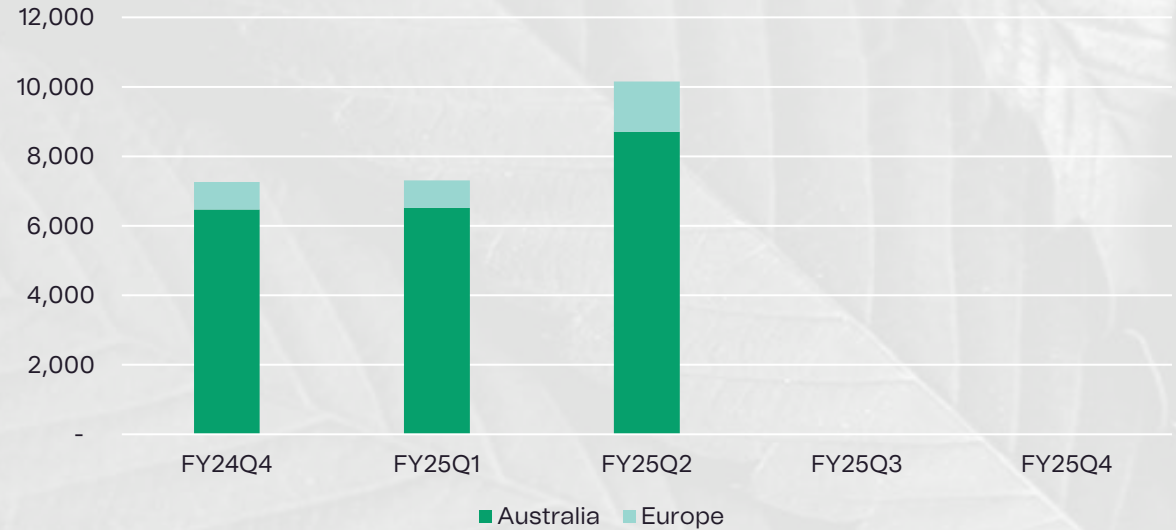


Over 30% increase in flower sales in Australia and a 35% increase in oil sales

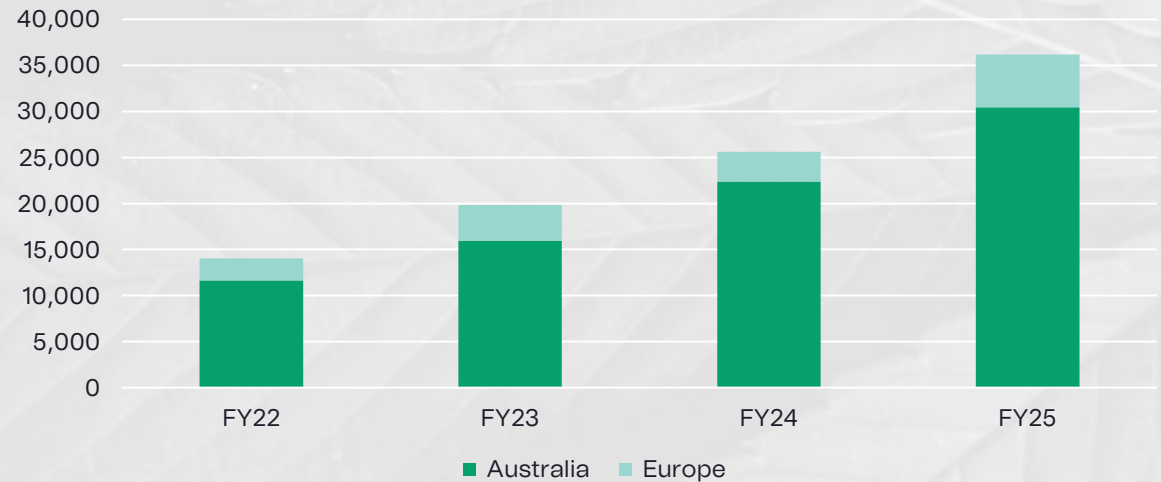


60% increase in flower sales into Europe with over 110% increase in French oil sales

Revenue by segment (\$000's)



Revenue by segment annualised (\$000's)



Periods which are not 12 months have been annualised on a straight line basis.

# Revenue by brand



CherryCo sales up 50% on prior quarter despite a number of me-too products appearing



LGP brand sales up nearly 30% on prior quarter including sales into France, the UK and Switzerland

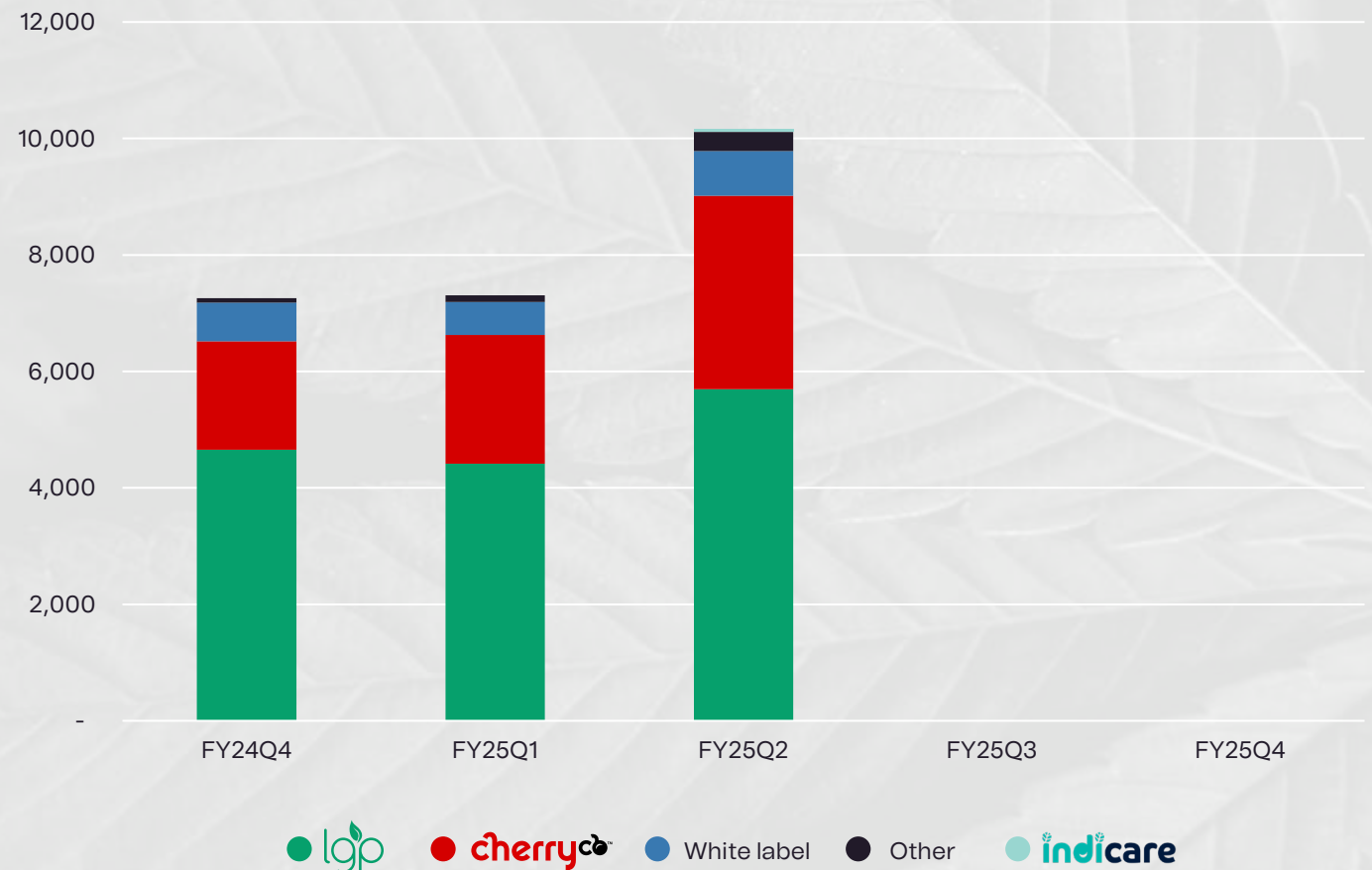


White label sales up 35% on prior quarter including sales into Australia, Germany and the UK



Introduction of new Indicare brand in September 2024

Revenue by brand (\$000's)



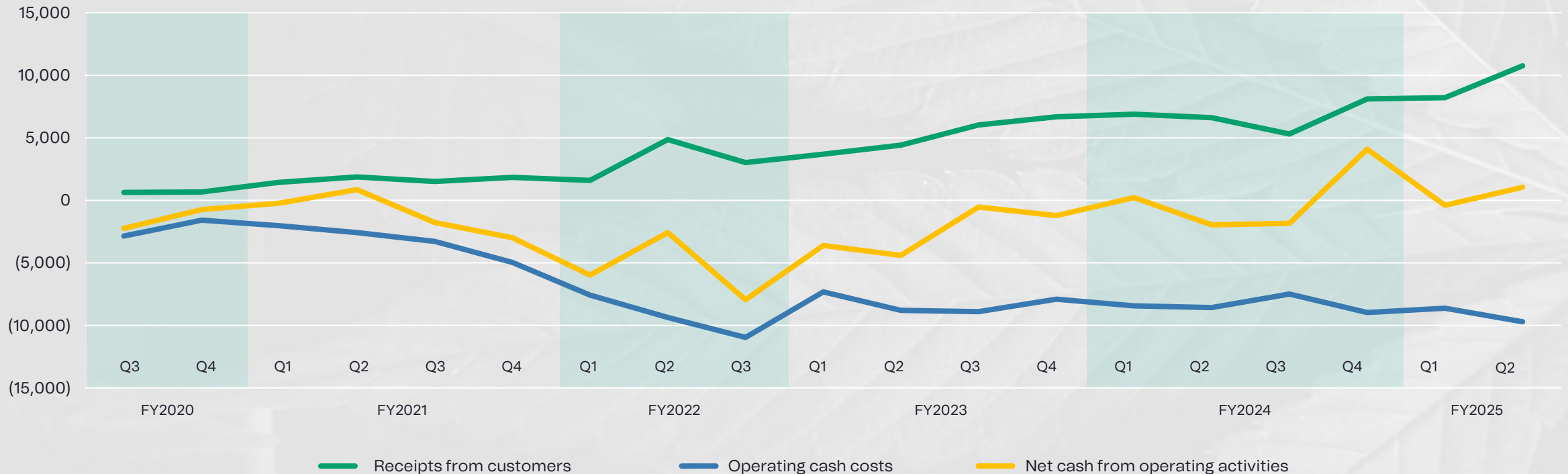
# Net cashflows from operations

Net operating cash inflows of >\$1.0 million for the quarter resulting in \$0.6 million for the half year

Economies of scale emerging with 30% increase in cash receipts but <15% increase in operating cash costs

Cash in bank of \$4.8 million, up from \$4.3 million

Cashflow from operating activities (\$000's)



# EV, NTA, cash, debt and revenue



Cash in bank of \$4.8 million, up from \$4.3 million



Minimal long-term debt of \$3.3 million

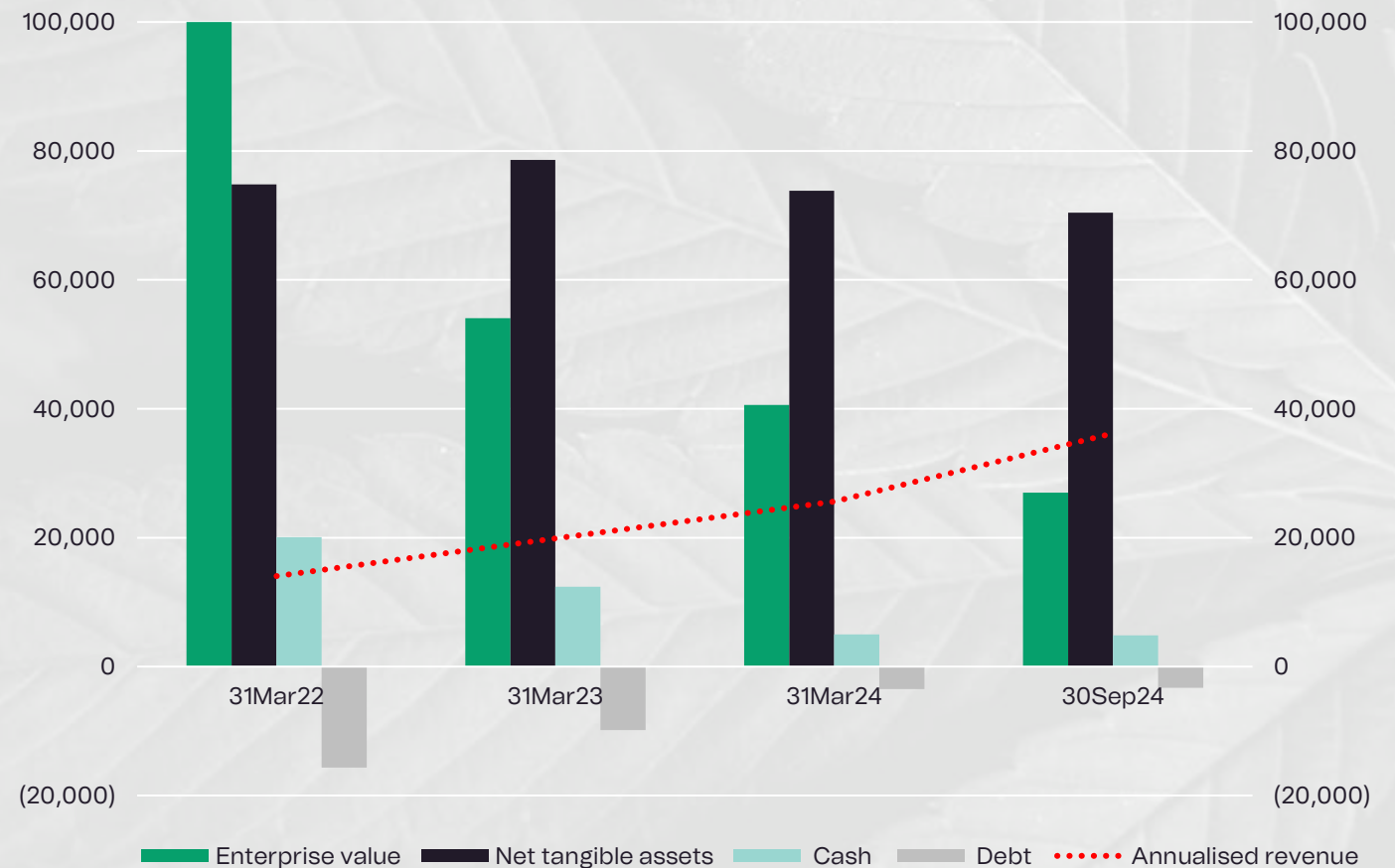


Enterprise value 0.75x annualised revenue



Enterprise value 0.4x net tangible assets

EV, NTA, cash, debt & annualised revenue (\$'000's)



# Annual reporting review

## Comparable company analysis

Analysis of where the top 20 cannabis operators from 2022<sup>1</sup> are now (\$000's)

Ranking 2022 <sup>1</sup>	Company	ASX	Audited Financial Statements	Adjusted Enterprise Value <sup>2</sup>	Revenue	YoY %	Operating cashflow	YoY %	Net tangible assets	YoY%	Cash	YoY%
1	Incannex Healthcare	(ASX: IHL)	Delisted									
2	Cronos Australia/Vitura Health	(ASX: CAU/VIT)	30-Jun-24	73,291	123,871*	6%	6,997	(28%)	7,256	(74%)	11,348	(40%)
3	Ecofibre	(ASX: EOF)	30-Jun-24	36,442	27,984	(9%)	(14,017)	103%	15,685	(26%)	6,737	(8%)
4	Cann Group	(ASX: CAN)	30-Jun-24	99,710	15,373	12%	(15,185)	(34%)	13,375	(77%)	1,640	114%
5	Little Green Pharma	(ASX: LGP)	31-Mar-24	30,660	25,632	29%	67	+% <sup>3</sup>	73,823	(6%)	4,974	(60%)
6	Botanix Pharmaceuticals	(ASX: BOT)	30-Jun-24	569,624	602	485%	(8,127)	(33%)	79,280	550%	79,308	674%
7	Emyria	ASX: EMD)	30-Jun-24	13,934	2,203	38%	(4,285)	14%	327	165%	1,566	(43%)
8	Creso Pharma	(ASX: CPH)	Suspended									
9	MGC/Argent Biopharma	(ASX: MXC/RGT)	30-Jun-24	39,009	891	(74%)	(14,662)	22%	(5,825)	(27%)	703	193%
10	Rhinomed	(ASX: RNO)	Delisted									
11	Neurotech International	(ASX: NTI)	30-Jun-24	38,389	2	(67%)	(4,595)	(27%)	11,903	203%	11,625	131%
12	IDT Australia	(ASX: IDT)	30-Jun-24	63,326	13,226	91%	(9,602)	22%	23,444	(3%)	504	(89%)
13	Althea	(ASX: AGH)	30-Jun-24	42,506	30,365	21%	(4,395)	(30%)	(2,683)	(124%)	331	(91%)
14	Avecho Biotechnology	(ASX: AVE)	Suspended									
15	AusCann Group	(ASX: AC8)	Delisted									
16	Medlab Clinical	(ASX: MDC)	Suspended									
17	Arovella Therapeutics	(ASX: ALA)	30-Jun-24	189,242	17	(96%)	(6,914)	8%	11,241	201%	12,714	146%
18	ECS Botanics	(ASX: ECS)	30-Jun-24	28,611	20,030	30%	(1,486)	(469%)	24,951	34%	3,158	24%
19	Elixinol Wellness	(ASX: EXL)	31-Dec-23	10,741	8,269	17%	(2,758)	(66%)	4,429	(54%)	708	(75%)
20	Bod Australia	(ASX: BDA)	Suspended									

1. <https://www.businessnewsaustralia.com/articles/australia-s-top-20-cannabis-companies.html>

2. Adjusted Enterprise Value = Market cap on 16 October 2024 - Year End Cash + Year End Total Liabilities

3. LGP's YoY operating cashflow went from an outflow of \$6.9 million in FY2023 to an inflow of \$0.06 million in FY2024

\*Vitru Health recognised \$108.5m in revenue relating to sales and distribution, the majority of which relates to the gross sales value of product sold to pharmacies through its Canview Platform



# Comparable company analysis (cont.)

## Summary

LGP continues to outperform the majority of its competitors:

- Seven of original 20 cannabis peers from 2022 currently delisted or suspended from ASX
- Of remaining group:
  - LGP one of only two companies with positive operating cashflow, and of these the only one with growth
  - LGP had the highest percentage revenue growth for companies with similar revenue >\$25 million
  - LGP's Net Tangible Assets compared to its Adjusted Enterprise Value is 2.4x with its next closest competitor being 0.9x
  - The majority of companies incurred operating cash outflows during the year which are greater than their cash on hand at the end of the year



# Australian facility update



- Australian facility optimising craft production with improved cultivation and introduction of curing and hand-trimming
- Subcontracting of Australian cultivation operations expected to result in savings of up to \$0.5 million per year

# Products update

reset  
MIND SCIENCES



## New brands and products

- Four brands currently in Australian market and two more scheduled for December and Q1 CY2025
- New Indicare brand launched mid-September with initial THC 22 Sativa and THC 20 Indica (10g) product lines
- New live resin cart Day THC 800 AF launched mid-September
- New LGP Classic THC 50 Indica (15mL) launched end September

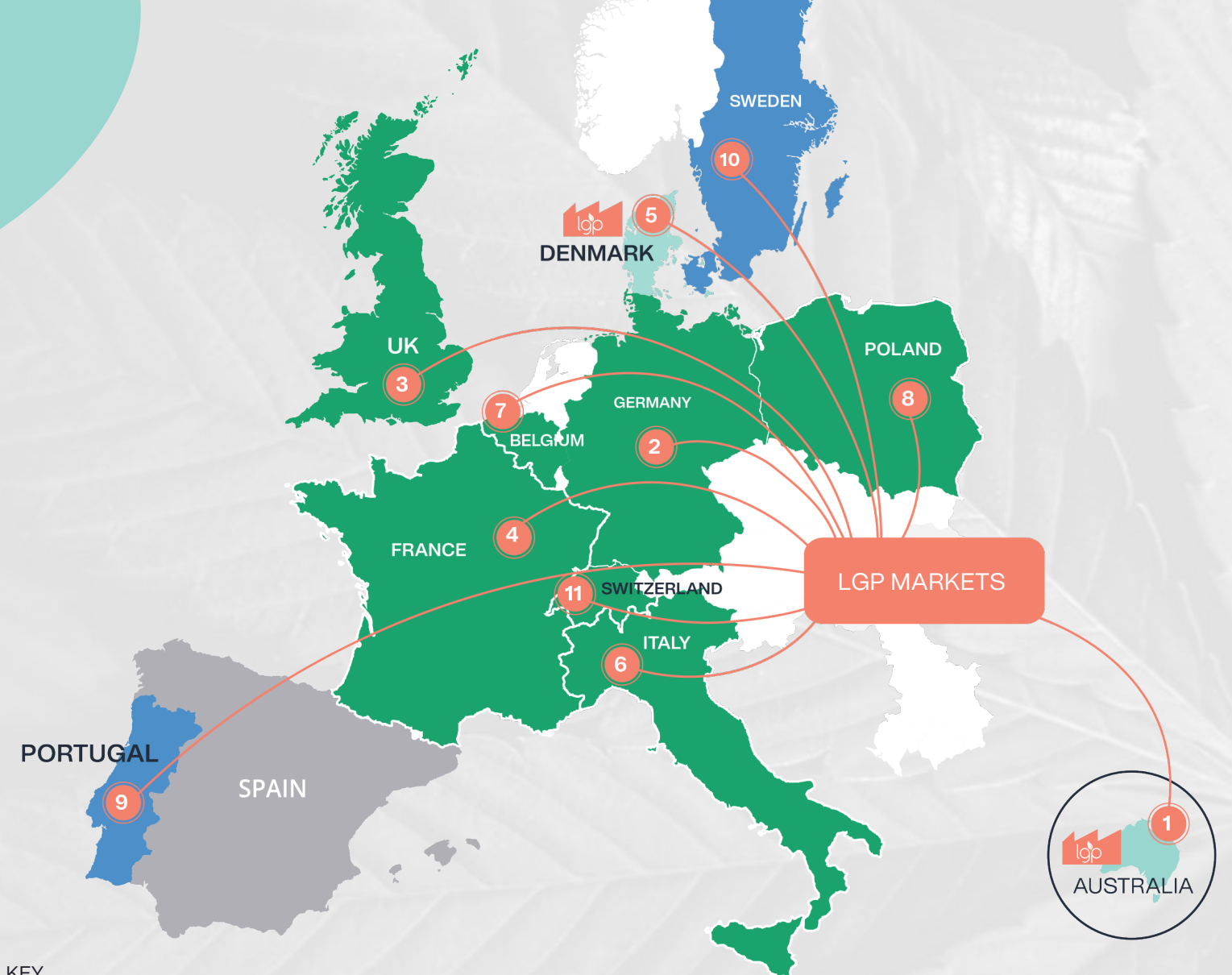
# Europe update



Sales growth across key EU markets including Germany, the UK and France



Over 80% increase in European sales against prior quarter



- KEY**
- Production facility and supplied market
  - Supplied market
  - Supply arrangements
  - LGP holds a 6.5% stake in local producer

# Europe update

(cont.)



## Germany

- Germany reinvigorated by legalisation with dramatic rise in medicinal cannabis demand
- German distributors seeking long-term baseload supply commitments from producers
- ODC data indicates LGP supplied over 25% of all Australian exports to Germany in 2023

# Europe update

(cont.)



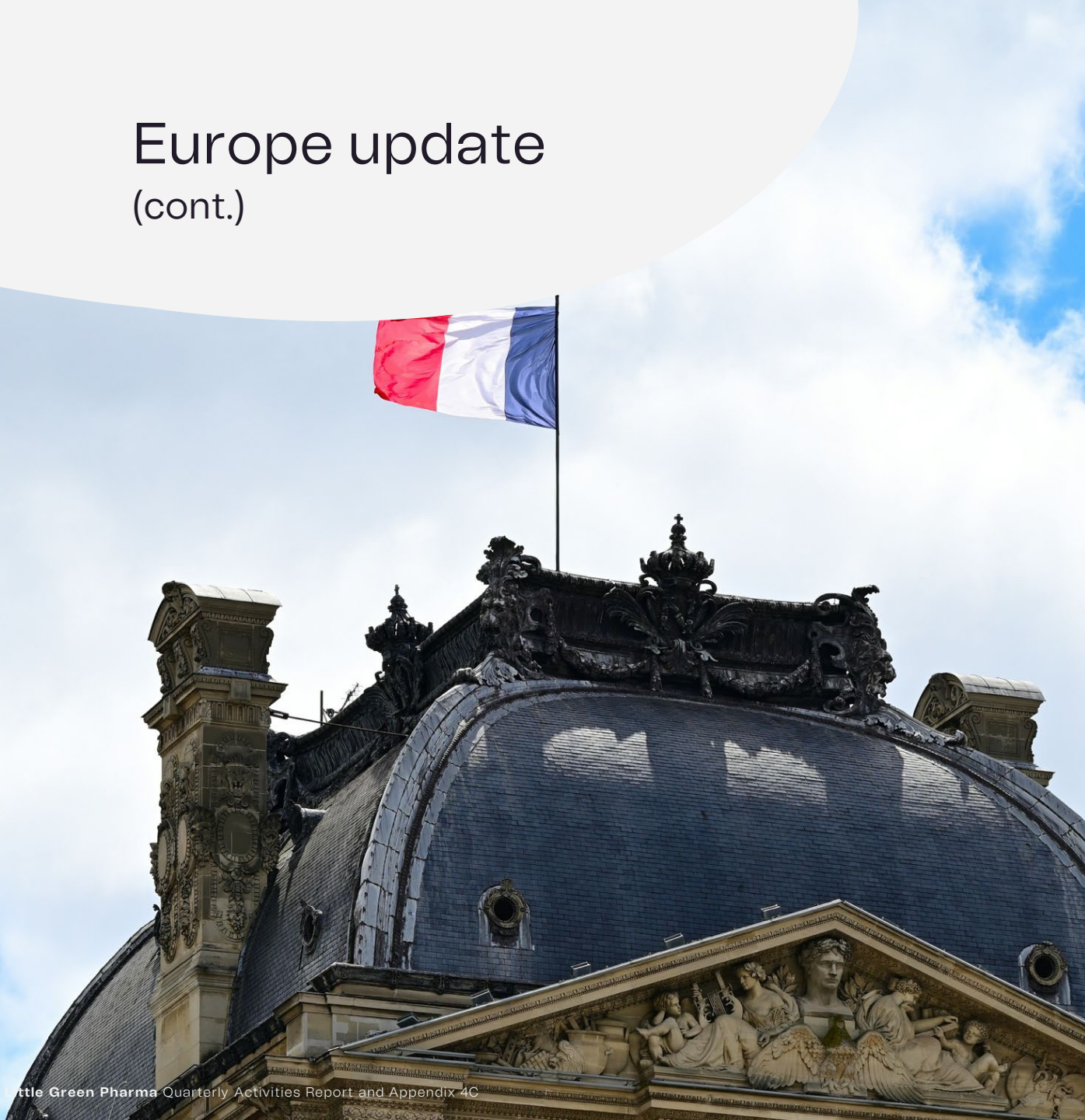
## United Kingdom

- Rapidly rising demand as market starts fulfilling overdue potential
- UK market size expected to be over 63,000 patients by end 2024<sup>1</sup>
- UK industry sales expected to constitute 27% of all European sales by 2028<sup>1</sup>

<sup>1</sup> <https://www.cannabiz.com.au/uk-patient-numbers-demand-and-consumption-surge-to-all-time-high/>

# Europe update

(cont.)



## France

- Commercial shipment of \$0.65 million delivered during the quarter with second shipment of a similar size delivered early October
- Regulatory developments slowed by political environment however LGP remains highly optimistic of market potential
- LGP developing strategy to extend market leadership while minimising working capital requirements

# Europe update

(cont.)

## Spain

- New draft cannabis market laws introduced
- Initial framework focused on traditional pharmaceutical products for limited indications
- LGP anticipates French marketing authorisations recognised in Spanish market
- LGP holds 6.5% stake in local producer



# Research & Innovation



- French cancer research hospital Gustave Roussy's "Pandora" randomised, double-blind, placebo-controlled, 2x2 cross-over study for treatment of breast cancer symptoms with LGP CBD200 (50ml) approved
- Gustave Roussy is one of the top 5 cancer hospitals globally with study recruitment to begin early next year
- Publication of 12-month results from QUEST Initiative study into the successful treatment of chronic conditions with medicinal cannabis expected imminently

# Regulatory update



- AHPRA's Rapid Response Regulatory Unit (RRRU) launched to investigate unethical prescribing and healthcare business models with a focus on medicinal cannabis<sup>1</sup>
- APHRA concerns over Australian cannabis compounding practices and enhanced enforcement posture<sup>2</sup> expected to favour GMP manufactured products and trusted suppliers

<sup>1</sup> <https://www.cannabiz.com.au/medicinal-cannabis-in-the-crosshairs-as-ahpra-sets-up-rapid-response-taskforce/>

<sup>2</sup> <https://www.cannabiz.com.au/wp-content/uploads/2024/09/Guidelines-on-compounding-of-medicines-effective-1-October-2024-2.pdf>

# reset

update

- ✔ Clinic protocols have now been validated through Reset's clinical trial
- ✔ Clinical trial has finished recruitment, and will complete dosing end of CY2024 with 12-month follow-up period
- ✔ Clinic fit-out completed

# Finance



- Company generated \$10.2 million revenue (unaudited) and \$10.8 million cash receipts
- Key cash flows for the period were:
  - Customer cash receipts of \$10.8 million including a commercial shipment of \$0.65 million to France
  - Capex expenditure of \$0.15 million
  - Reset clinical trial costs of \$0.14 million relating to clinic service protocols
- Related party transactions comprised \$0.2 million in remuneration and allowances paid to the directors of the Company
- Cash in bank of \$4.8 million as at 30 September 2024

ENDS  
BY ORDER OF THE BOARD



**Alistair Warren**  
Company Secretary

For further information please contact:

**Alistair Warren**  
Company Secretary

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## 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 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 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)

## LGP's Cannabis Wrap

LGP's Cannabis Wrap offers insights on global cannabis markets with links to key news and developments from around the world

Sign up to LGP's Cannabis Wrap here: <https://investlittlegreenpharma.com/site/contact/newsletter-sign-up>

**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 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	10,754	18,963
1.2 Payments for		
(a) research and development	(152)	(215)
(b) product manufacturing and operating costs	(5,985)	(10,503)
(c) advertising and marketing	(285)	(690)
(d) leased assets	(234)	(432)
(e) staff costs	(2,619)	(5,334)
(f) administration and corporate costs	(402)	(1,005)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	10
1.5 Interest and other costs of finance paid	(46)	(72)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	17
1.8 Other (provide details if material)	-	(98)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,038</b>	<b>641</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(151)	(171)
(d) investments	-	-
(e) intellectual property	(169)	(320)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(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 Net cash from / (used in) investing activities</b>	<b>(320)</b>	<b>(491)</b>
<b>3 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	(139)	(276)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.1 Net cash from / (used in) financing activities</b>	<b>(139)</b>	<b>(276)</b>
<b>4 Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,258	4,974
4.2 Net cash from/(used in) operating activities (item 1.9 above)	1,038	641
4.3 Net cash from/(used in) investing activities (item 2.6 above)	(320)	(491)
4.4 Net cash from/(used in) financing activities (item 3.10 above)	(139)	(276)
4.5 Effect of movement in exchange rates on cash held	(5)	(16)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>4,832</b>	<b>4,832</b>

<b>5 Reconciliation of cash and cash equivalents</b>	<b>Current</b>	<b>Previous</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>quarter</b>	<b>quarter</b>
	<b>\$A'000</b>	<b>\$A'000</b>
5.1 Bank balances	4,832	4,258
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,832</b>	<b>4,258</b>

<b>6 Payments to related parties of the entity and their associates</b>	<b>Current</b>	<b>Previous</b>
	<b>quarter</b>	<b>quarter</b>
	<b>\$A'000</b>	<b>\$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	198	178
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 Financing facilities</b>	<b>Total facility</b>	<b>Amount</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>amount at</b>	<b>drawn at</b>
	<b>quarter end</b>	<b>quarter end</b>
	<b>\$A'000</b>	<b>\$A'000</b>
7.1 Loan facilities	3,297	3,297
7.2 Credit standby arrangements	437	379
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>3,734</b>	<b>3,676</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>58</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 with National Australia Bank Ltd are:

- a loan facility of \$1.86 million with a current weighted average interest rate of 7.28% repayable on 31 July 2025 secured by a registered first mortgage on the Company's south-west property complex;
- equipment finance of \$1.27 million with a fixed interest rate of 7.68% secured by a chattel mortgage over the underlying equipment; and
- 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.

The Group has an unsecured electricity loan of \$0.17 million from the Danish authorities with an effective interest rate of 4.4%, repayable over the life of the loan ending 31 October 2028.

The Company has an unsecured credit card facility of \$0.38 million with American Express which has a variable interest rate and an unspecified term.


<b>8 Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	1,038
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,832
8.3 Unused finance facilities available at quarter end (Item 7.5)	58
8.4 Total available funding (Item 8.2 + Item 8.3)	4,890
<b>8.5 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	

### Compliance statement

- 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: 17 October 2024

Sign here: .....

  
Alistair Warren  
(Company Secretary)

Authorised by: The Board