

19 NOVEMBER 2020

# FIRST AUSTRALIAN MEDICINAL CANNABIS OILS EXPORTED TO GERMANY

## ASX ANNOUNCEMENT

### Highlights:

- 🌿 LGP exports first commercial shipment of LGP-branded, GMP-manufactured medicinal cannabis oils to CC Pharma, a leading German importer and distributor of pharmaceuticals
- 🌿 Initial shipment of 2,400 units valued at over A\$600,000
- 🌿 Represents culmination of almost 2 years of commercial, audit, and regulatory engagement with CC Pharma, the Australian TGA, and German regulators
- 🌿 LGP the third global medicinal cannabis manufacturer to deliver full plant extract oils into Germany behind Tilray and Aurora
- 🌿 German market the largest consumer base for medicinal cannabis in Europe
- 🌿 Germany currently has no material domestic production and expects a material increase in patient demand

Little Green Pharma Ltd (ASX: LGP, “LGP” or the “Company”) is pleased to announce the export of the largest Australian commercial shipment of locally-grown and GMP-manufactured medicinal cannabis oils into the lucrative German market (“**Shipment**”).

The Company has exported an initial 2,400 units of LGP-branded medicinal cannabis oils to German pharmaceutical importer CC Pharma GmbH (“**CC Pharma**”) valued at over A\$600,000.

The Shipment is anticipated to clear customs in Germany in the next week, following which LGP expects the shipment to be batch-tested and released for sale to the German market.





## Commenting on the Shipment, LGP Managing Director Fleta Solomon said:

*“Supplying CC Pharma, a leading medicinal cannabis distributor in Germany, is a significant achievement and aligns with our commercial strategy to establish LGP as a key exporter of medicinal cannabis oils into Europe.*

*“The demand for LGP products signifies not only a vote of confidence in LGP, but also in the ability of Australia’s homegrown medicinal cannabis industry to compete with major international medicinal cannabis companies to supply the German market.*

*“With our expanded cultivation and manufacturing facility, LGP is well placed to ensure consistent supply to both Australia and offshore markets in the future.”*



Delivery of the Shipment will complete an extensive 22-month process of negotiation, quality inspection and audit, and procurement of German and Australian narcotic licences and permits, which reflects the high regulatory barriers to the export of medicinal cannabis products to the EU. Relatedly, LGP will also be the third global medicinal cannabis manufacturer to deliver full plant extract oils into Germany, behind Tilray and Aurora.

The Shipment also represents the achievement of a critical milestone in LGP’s commercial strategy - to establish high-volume distribution channels into more lucrative, higher-margin European and offshore markets.

### **Germany – a significant opportunity**

Germany is the third largest medicinal cannabis market globally behind the United States and Canada, and the largest medicinal cannabis market in Europe. The German market is currently the largest offshore market for Australian medicinal cannabis producers as medicinal cannabis remains federally illegal in the United States and Australian producers are currently unable to export commercial products to Canada due to Health Canada restrictions.

Based on research by investment bank Bryan Garnier & Co, the German market is currently worth between €150 million and €175 million (A\$243 million and A\$283 million) and is estimated to grow to €1.5 billion (A\$2.4 billion) by 2025, driven by increased education of doctors and patients, products with greater efficacy, and greater patient access to products.<sup>1</sup> Patients in Germany are also covered by private health insurance for medicinal cannabis products which is expected to drive significant market growth.

Due to stringent EU and German regulatory requirements, there are currently very few medicinal cannabis suppliers globally able to supply medicinal cannabis into Germany.

LGP remains very well positioned to supply the German market. In addition to its CC Pharma distributorship, LGP has also entered into a three-year agreement with Berlin-based DEMECAN for the sale and export of up to 1,000kg of dried flower or 48,000 units of medicinal cannabis oil product per annum (see ASX announcement dated 27 February 2020). The Company is finalising the regulatory pathway and anticipates making its first commercial shipment to DEMECAN in the first quarter of CY2021.

<sup>1</sup> <https://www.health.europa.eu/exploring-growth-in-the-european-medical-cannabis-market/100849/>

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**BY ORDER OF THE BOARD**



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**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)

