

ASX ANNOUNCEMENT

2 November 2022

LGP announces \$4 million placement and launch of \$2 million SPP

Highlights:

- Firm commitments received for \$4 million placement and launch of \$2 million Share Purchase Plan ("**SPP**") for eligible shareholders
- Placement demonstrates strong support from new and existing institutional and sophisticated investors
- Placement and SPP offer at \$0.20 per ordinary share with free-attaching 1 for 1 option exercisable at \$0.25
- Funds to be used for operational expenses and accelerating European and Australian sales
- Company now wholly focused on achieving break-even and ultimately delivering profitable sales, including by delivering into new and existing European supply agreements and driving increased sales in Australia



Little Green Pharma Ltd (ASX: LGP, "**LGP**" or the "**Company**") is pleased to announce it has secured firm commitments for a \$4 million placement ("**Placement**") from new and existing institutional and sophisticated investors as well as commitments for a further \$200,000 from the Company's Board and Executive.

Commenting on the capital raise, Chief Executive Officer of Little Green Pharma, Fleta Solomon, said:

“We are pleased by the strong support shown by new and existing institutional and sophisticated investors and the Company’s Board and Executive for both the Company’s success to date as well as its prospects for the future. We are also very pleased to be able to offer our existing shareholders the same opportunity to expand their investment in LGP on attractive terms and look forward to providing shareholders with full details of the SPP in the coming weeks.”

Under the Placement, the company will issue ordinary shares (“**Placement Securities**”) at \$0.20 per share, together with a free-attaching unlisted option (“**Option**”) issued on a 1 for 1 basis. The Placement offer price represents a 16.7% discount to the last share price close on 28 of October 2022 (\$0.24 per share), while the Options have a \$0.25 exercise price and a term of 18 months. Exercise of the Options will entitle the holder to one ordinary share in the Company.

The Placement Securities will be issued within the Company’s existing placement capacity under ASX Listing Rules 7.1 (16,122,282 Placement Securities and 20,000,000 Options) and 7.1A (3,877,718 Placement Securities). Settlement of the Placement Securities is expected to occur on Tuesday 8 November 2022, and the issue of the Options will occur at the same time as under the SPP. All Placement Securities and exercised Option shares will rank equally with the Company’s existing shares on issue.

The proposed placement of shares to the LGP Board will be subject to shareholder approval at an Extraordinary General Meeting to be announced in due course.

SPP Offer

The Company is pleased to announce it will also shortly launch an SPP for eligible existing shareholders on the same terms as under the Placement (“**SPP Offer**”).

Under the SPP Offer, eligible shareholders will be invited to apply to subscribe for up to \$30,000 of shares and free-attaching options (“**SPP Securities**”) without the cost of brokerage fees or commissions. The SPP will be open to eligible shareholders, being shareholders on the Company’s register as at 5.00pm (AWST), 1 November 2022 (“**Record Date**”) and with a registered address in Australia or New Zealand (“**Eligible Shareholders**”).

LGP intends to raise \$2 million via the SPP and the Company reserves the right to accept over subscriptions. The SPP Shares will be issued pursuant to ASX Listing Rule 7.2 (exception 5) and will not utilise any of the Company’s Listing Rule 7.1 or 7.1A capacity. All SPP shares and exercised Option shares will rank equally with the Company’s existing shares on issue.

Eligible Shareholders seeking to participate in the SPP should carefully read the SPP Offer booklet and associated short-form prospectus currently proposed to be lodged with the ASX on Monday 14 November 2022.



Indicative fundraising timetable

Below is the current indicative timetable for settlement of the Placement and SPP:

Event	Date
Record Date of SPP	5:00pm (AWST) Tuesday, 1 November 2022
Announcement of SPP	Wednesday, 2 November 2022
Settlement of Placement shares	Tuesday, 8 November 2022
Quotation and commencement of trading of Placement shares	Wednesday, 9 November 2022
Lodgement of short-form prospectus with ASIC and ASX	Monday, 14 November 2022
Opening Date of the SPP under the prospectus	Monday, 14 November 2022
Closing Date of the SPP Offer	Monday, 12 December 2022
Announcement of the results of the SPP Offer Issue of SPP Securities and Placement Options	Friday, 16 December 2022
Official quotation and commencement of trading of SPP shares	Monday, 19 December 2022

Use of funds

LGP is now wholly focused on achieving breakeven and ultimately delivering profitable sales, including by executing against its existing and proposed new supply agreements into Europe and driving increased sales in Australia, while continuing the cost reduction and rightsizing measures outlined in its Quarterly Activities Report lodged with ASX on 31 October 2022 ("September Quarterly").

LGP has an extensive portfolio of European sales agreements as detailed in its September Quarterly. That announcement outlines the sales progress achieved to date and provides a tangible pathway for revenue growth for the Company.

The Company will use the funds from the Placement and SPP for operational expenses, accelerating European and Australian sales, and offer costs.

**ENDS
BY ORDER OF THE BOARD**



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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 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