

ASX ANNOUNCEMENT

JUNE 2024

# QUARTERLY ACTIVITIES REPORT *AND APPENDIX 4C*



## HIGHLIGHTS

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Revenue increase to \$7.3 million (unaudited), up 12% on prior corresponding period

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Cash receipts increase to \$8.2 million, up 19% on prior corresponding period

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Record CherryCo sales of \$2.2 million, up 19% on record prior quarter

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Strong growth in oil sales (up 17%) and vaporiser sales (up 23%) with first commercial shipment to France for \$0.65 million scheduled for end of July

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Company developing new brands and product formulations with multiple releases planned for next two quarters

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Encouraging results from Reset's psilocybin clinical trial with clinic fit out completed

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Cash in bank of \$4.3 million

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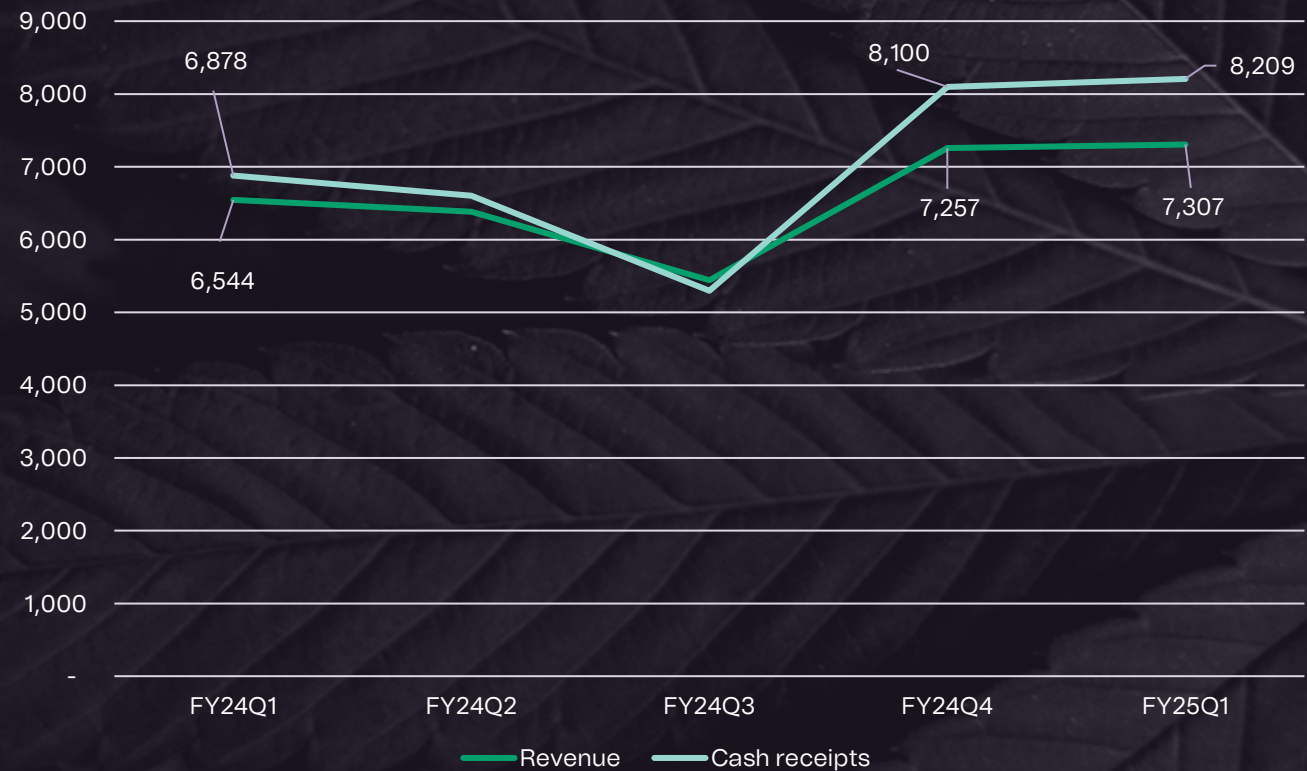
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# Revenue and *cash receipts*

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 June 2024.

- Revenue of \$7.3 million (unaudited), up slightly on record prior quarter (itself up 34% on the quarter before) and up 12% on June 2023 quarter, with May a record revenue month of over \$3.0 million
- Cash receipts of \$8.2 million, up slightly on record prior quarter in line with sales and up 19% on June 2023 quarter

*Cash receipts vs Revenue (000's)*

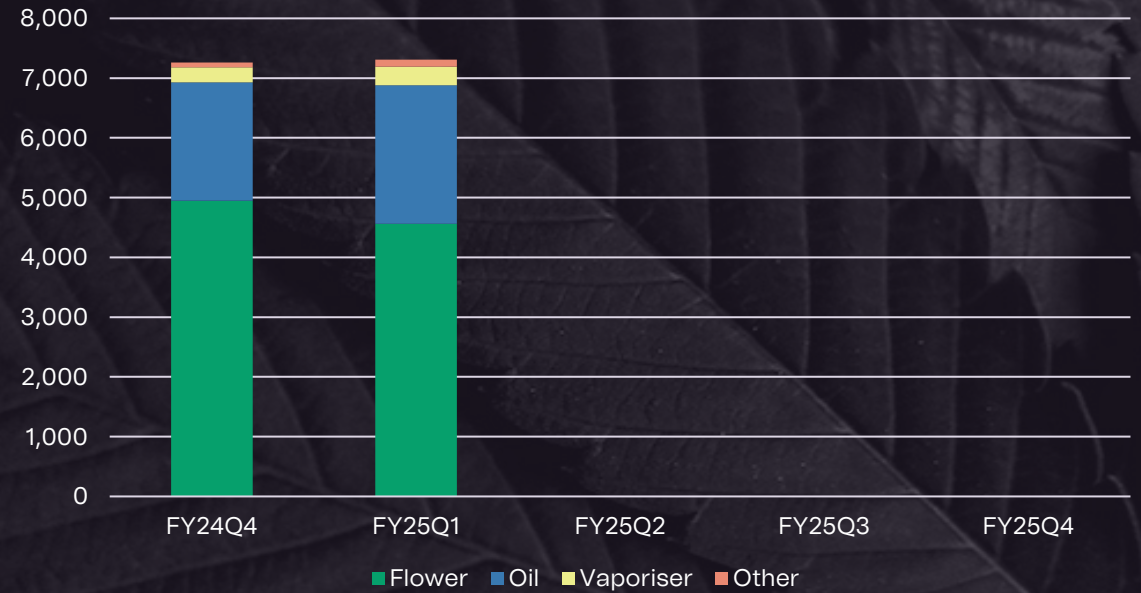


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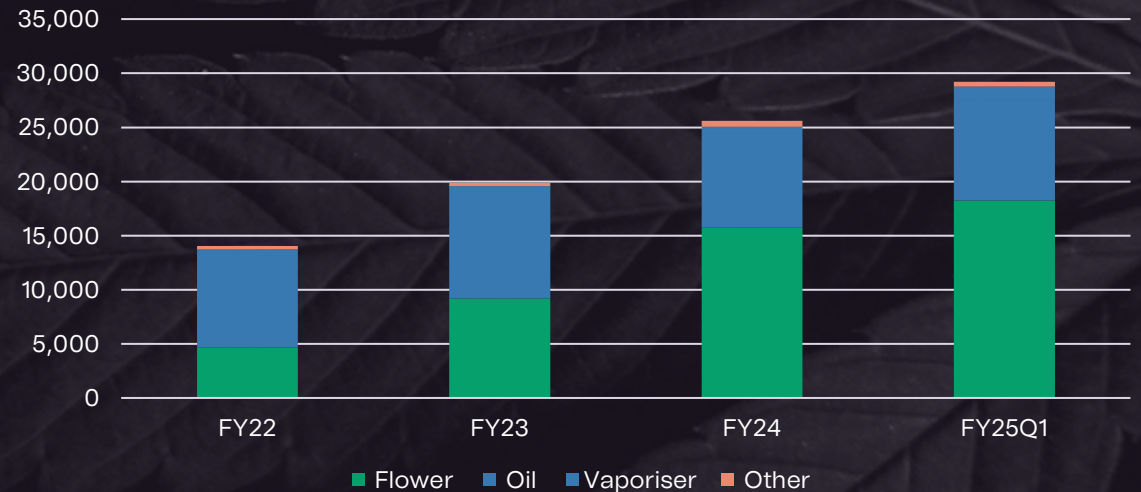
# Revenue by product category

- Strong growth in both oil sales which had been trending down (up 17%) and vaporiser sales which were up 23% in a predominantly flower driven market
- Flower sales were down 8% on record prior quarter (itself up 57% on the quarter before) with both LGP and white label flower sales down, though the Company saw strong growth in its CherryCo flower sales which were up 19%

Revenue by product category (000's)



Revenue by product category annualised (000's)



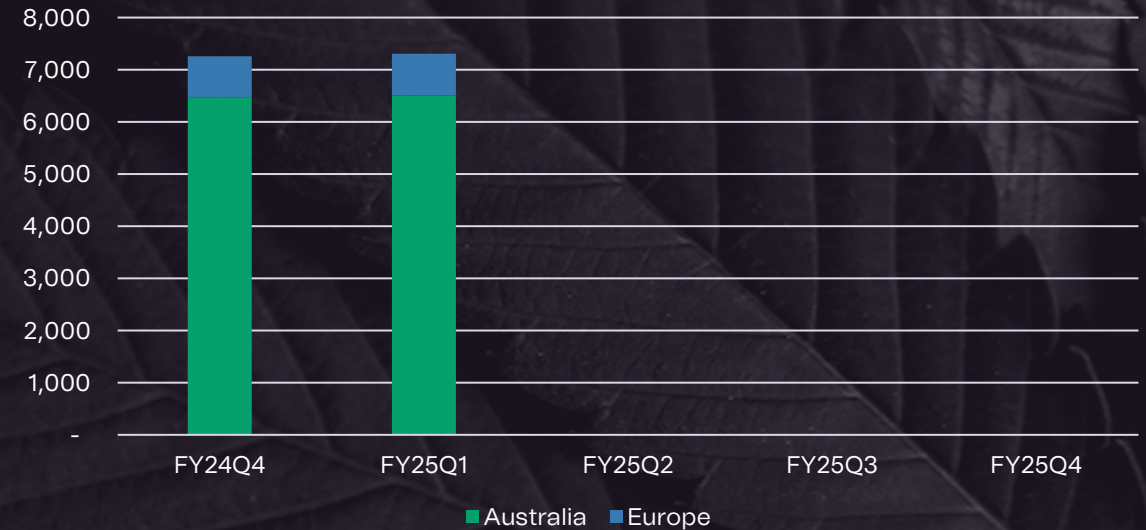
As FY22 and FY25Q1 are not 12-month periods they have been annualised on a straight-line basis for comparative purposes only

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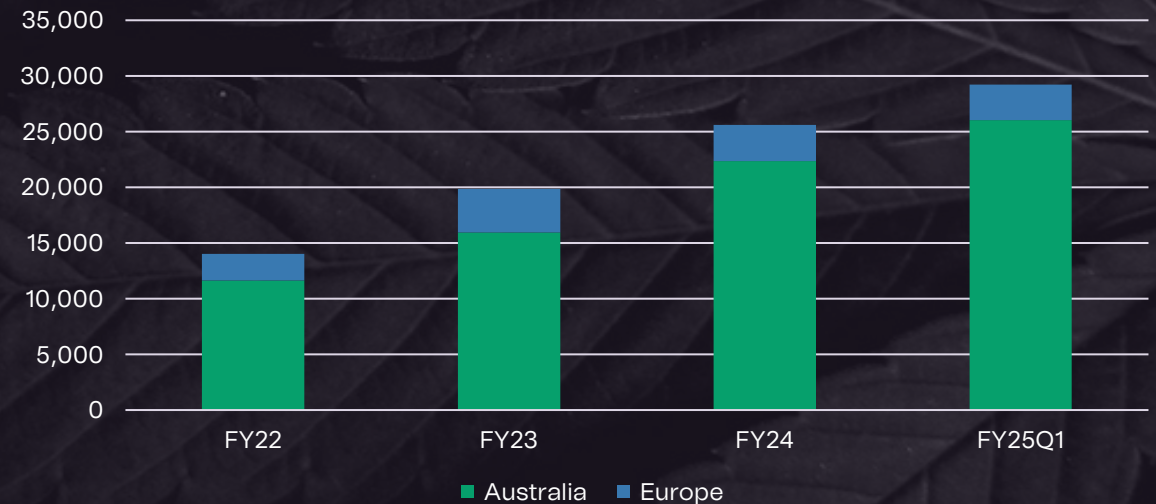
# Revenue by segment

- Both Australian and European sales were consistent with record prior quarter however the product mix shifted
- Oil sales in Europe were up 65% with shipments to France while flower sales were down 18% predominantly due to Poland shipment in the prior quarter
- Oil and vaporiser sales in Australia were up 12% and 23% respectively which was offset by a 6% reduction in flower sales in Australia
- LGP has seen an uptick in orders for flower into the UK and Germany and will deliver its first commercial shipment of oils to France for \$0.65 million in late July

Revenue by segment (000's)



Revenue by segment annualised (000's)



# Revenue by brand

- CherryCo sales up 19% on record prior quarter despite sales-driven stock outages in April and growth in competing Smalls product ranges
- Little Green Pharma branded products declined by 8% in Australia but were up 31% in Europe
- White label product sales were up 22% in Australia while down 11% in Europe due to timing of shipments

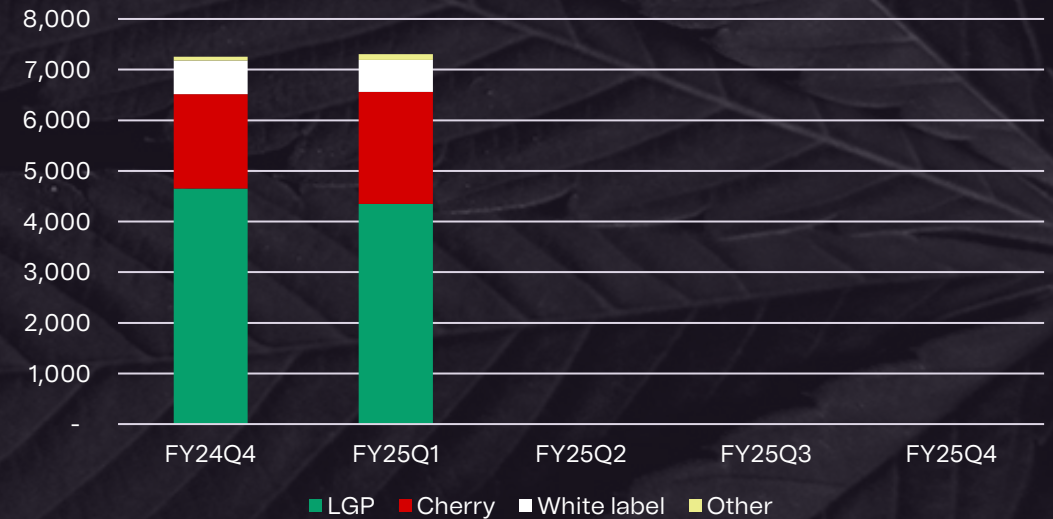
cherryco™



little green pharma



Revenue by brand (000's)

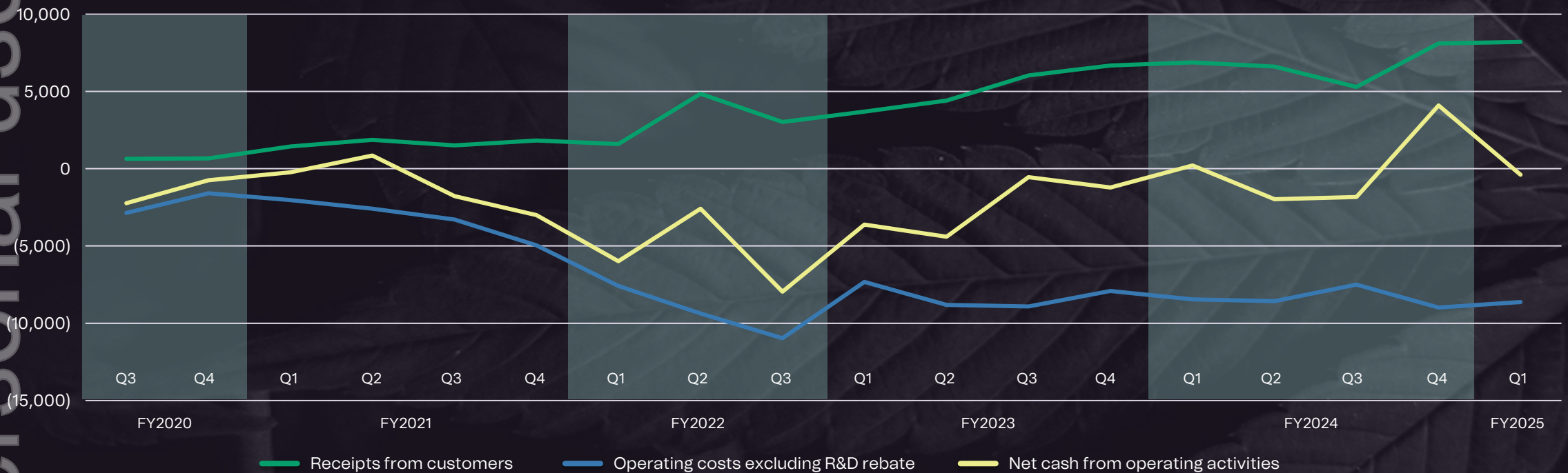


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# Net cashflows from operations

- Net operating cash outflows of \$0.4 million for the quarter with inflows in line with sales and outflows comprising ~\$0.5 million in additional third-party inventory and SKU-related costs compared to prior year average for the launch of new LGP brands and \$0.1 million in costs relating to obtaining the prior year's \$5.0 million R&D rebate
- Merger of LGP and Reset head offices in current quarter to save \$0.2 million in annual lease expenses

Cashflow from operating activities (000's)

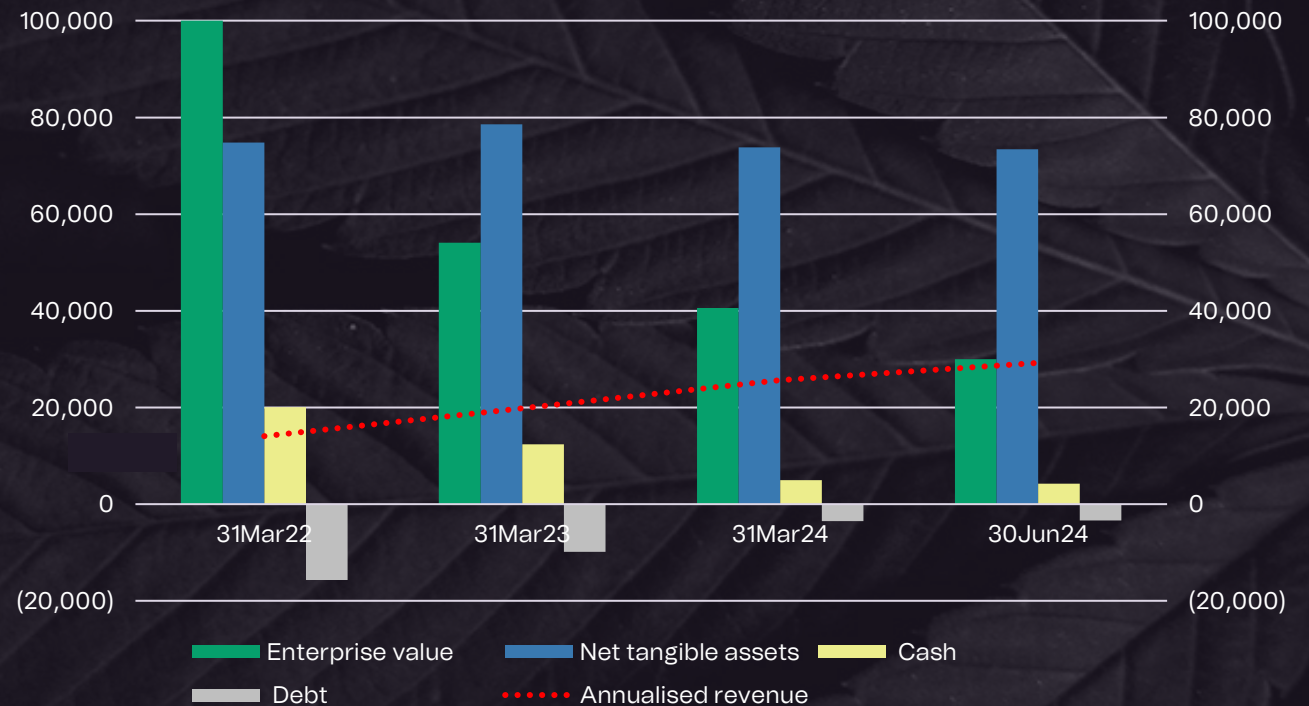


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# EV, NTA, cash, debt and *revenue*

- Compound annual revenue growth rate of 35% since FY22 with LGP currently trading at 1x revenue with an EV/NTA of 0.4x
- Cash in bank of \$4.3 million, new unused and unsecured debt facility of \$0.4 million, and comparatively minimal long-term debt of \$3.4 million

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



As FY22 and FY25Q1 are not 12-month periods they have been annualised on a straight-line basis for comparative purposes only

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# Products *update*

- Company launched new high-THC and high-CBD cannabis oils during quarter and re-launched its previously out-of-stock high-selling THC 24 Lemon Glow flower product in late June 2024



- Following CherryCo's success Company is expediting development of new brands and product formulations to capitalise on market opportunities presented by changing consumer demographics and trends
- Rebranded 10g Desert Flame product to be launched in late July
- Three new house brands planned for launch over next two quarters
- Two new formulation ranges scheduled for release in August 2024

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# Europe *update*

## France

- Recent French elections expected to result in positive political outcomes for French medicinal cannabis market
- Government finalising draft regulatory framework specifications in association with industry and LGP with release targeted for year end
- France remains an important market for LGP, with high pharmaceutical barriers to entry and LGP's early-mover, key supplier status giving the Company a significant strategic advantage over all other competitors
- With revised pricing in post-trial supply period and introduction of larger unit sizes LGP will supply its first commercial shipment of oils to France valued at \$0.65 million in late July



# Europe *update*

*(continued)*

## Germany

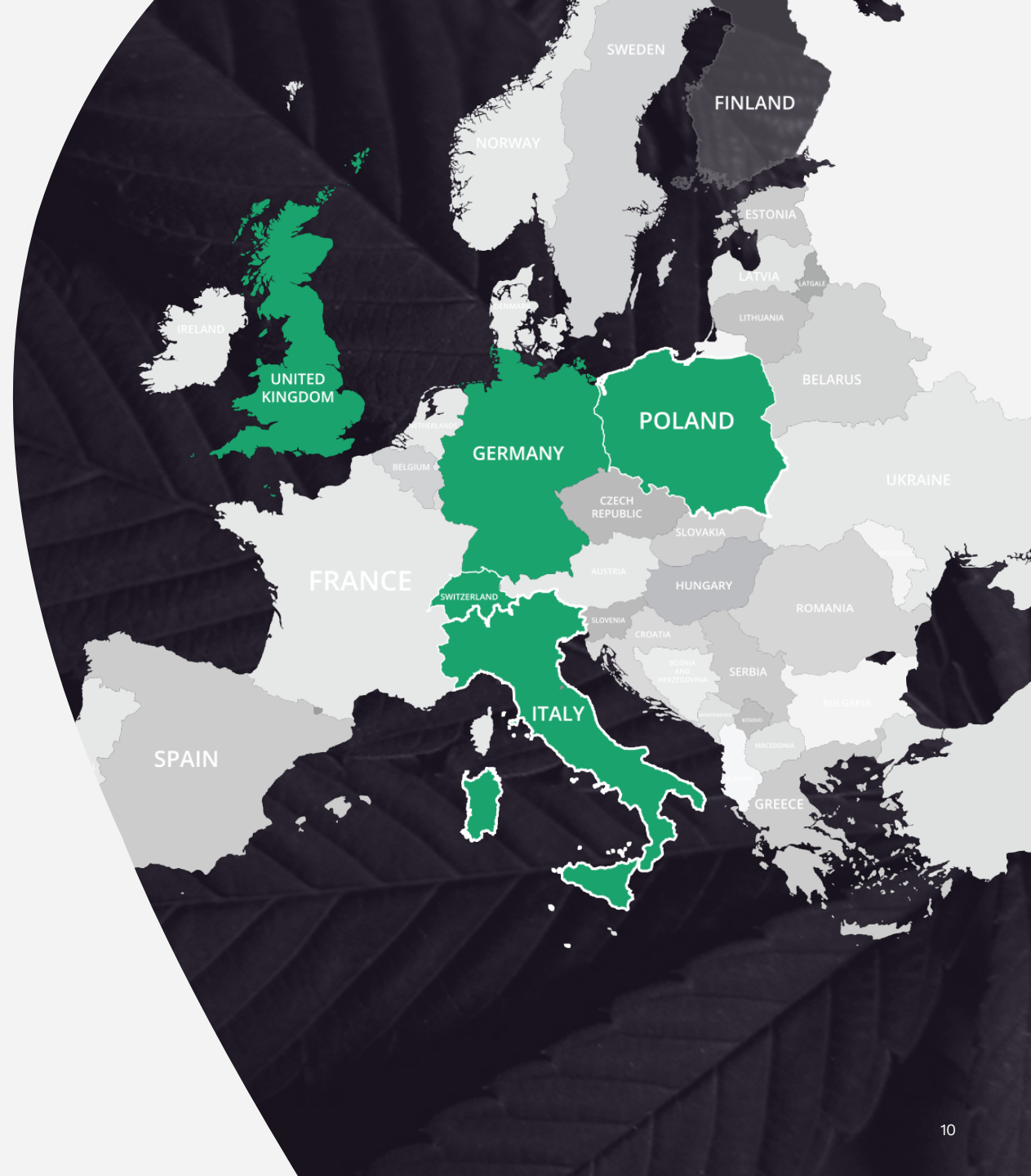
- As anticipated, the German market is showing increasing signs of growing consumer and distributor demand following legalisation, with an uptick in orders from white label customers

## UK and Switzerland

- LGP delivered to a new white label customer in the UK during the quarter with follow-on shipments scheduled for the UK and Switzerland in current quarter

## Poland and Italy

- Regulatory and narcotic department delays in Poland and Italy have resulted in the deferral of shipments however LGP understands these issues are currently being resolved by its partners in both countries



- Reset continues to progress its psilocybin clinical trial for the treatment of refractory chronic depression, building on global research into psilocybin by incorporating key family members into therapy sessions
- Results to date have been very encouraging, with Reset aiming to establish the gold standard in Psychedelic Assisted Psychotherapy (PAP) protocols and service delivery. Reset has reduced the number of planned participants and shortened the trial duration to reduce costs while ensuring the delivery of statistically relevant and publishable trial outcomes
- Reset's clinic fit-out, supported by the Health Insurance Fund of Australia (HIF), is now complete with the clinic ready to offer services utilising protocols from the clinical trial
- Reset continues to develop its natural psilocybin mushroom product offering with its fifth R&D harvest now complete



# US *rescheduling*

- On 16 May 2024, the US Department of Justice proposed to reschedule cannabis from Schedule I (High potential for abuse) to the Schedule III (Accepted medical use) under the Controlled Substances Act<sup>1</sup> with the public consultation phase closing on 22 July 2024
- The proposed rescheduling of cannabis in the US would represent the most significant change in global cannabis regulation ever and follows Germany's recent decision to legalise cannabis in April 2024
- If adopted, the rescheduling will have significant implications for the US cannabis market, including the removal of Section 280E7, which currently prohibits the deduction of business expenses by US cannabis companies, and the opening of the sector to more institutional investment involvement, with likely flow-on effects on global cannabis markets including a re-rating of all Australian medicinal cannabis companies including LGP

1. <https://www.justice.gov/opa/pr/justice-department-submits-proposed-regulation-reschedule-marijuana>




# Quarterly financial *highlights*

- During the quarter, the Company generated revenue of \$7.3 million (unaudited) and cash receipts of \$8.2 million
- The key cash flows during the quarter included:
  - customer cash receipts of \$8.2 million
  - ~\$0.5 million in additional product and manufacturing costs compared to the prior year average relating to third-party inventory and SKUs required for the launch of new LGP brands
  - \$0.1 million in costs relating to obtaining the Company's prior year R&D rebate of \$5.0 million (classified as Other in the Appendix 4C)
  - capex expenditure down significantly to \$20,000
  - Reset clinical trial costs of \$0.1 million being used to develop clinic service protocols
- 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 \$4.3 million as at 30 June 2024



ENDS  
BY ORDER OF THE BOARD



Alistair Warren  
Company Secretary

For further information please contact:

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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)

**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 2024

| Consolidated statement of cash flows  | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1 Cash flows from operating activities</b>   |                            |                                       |
| 1.1 Receipts from customers   | 8,209                      | 8,209                                 |
| 1.2 Payments for  |                            |                                       |
| (a) research and development  | (63)                       | (63)                                  |
| (b) product manufacturing and operating costs   | (4,518)                    | (4,518)                               |
| (c) advertising and marketing   | (405)                      | (405)                                 |
| (d) leased assets   | (198)                      | (198)                                 |
| (e) staff costs   | (2,715)                    | (2,715)                               |
| (f) administration and corporate costs  | (603)                      | (603)                                 |
| 1.3 Dividends received (see note 3)   | -                          | -                                     |
| 1.4 Interest received   | 3                          | 3                                     |
| 1.5 Interest and other costs of finance paid  | (26)                       | (26)                                  |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Government grants and tax incentives  | 17                         | 17                                    |
| 1.8 Other (provide details if material)   | (98)                       | (98)                                  |
| <b>1.9 Net cash from / (used in) operating activities</b>                                   | <b>(397)</b>               | <b>(397)</b>                          |
| <b>2 Cash flows from investing activities</b>   |                            |                                       |
| 2.1 Payments to acquire:  |                            |                                       |
| (a) entities  | -                          | -                                     |
| (b) businesses  | -                          | -                                     |
| (c) property, plant and equipment   | (20)                       | (20)                                  |
| (d) investments   | -                          | -                                     |
| (e) intellectual property   | (151)                      | (151)                                 |
| (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>(171)</b>               | <b>(171)</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   | (137)                      | (137)                                 |
| 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>(137)</b>               | <b>(137)</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  | 4,974                      | 4,974                                 |
| 4.2 Net cash from/(used in) operating activities (item 1.9 above)                           | (397)                      | (397)                                 |
| 4.3 Net cash from/(used in) investing activities (item 2.6 above)                           | (171)                      | (171)                                 |
| 4.4 Net cash from/(used in) financing activities (item 3.10 above)                          | (137)                      | (137)                                 |
| 4.5 Effect of movement in exchange rates on cash held                                       | (11)                       | (11)                                  |
| <b>4.6 Cash and cash equivalents at end of period</b>                                       | <b>4,258</b>               | <b>4,258</b>                          |

| <b>5 Reconciliation of cash and cash equivalents</b><br>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><br>\$A'000 | <b>Previous quarter</b><br>\$A'000 |
|---|-----------------------------------|------------------------------------|
| 5.1 Bank balances   | 4,258                             | 4,974                              |
| 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>4,258</b>                      | <b>4,974</b>                       |

| <b>6 Payments to related parties of the entity and their associates</b>                                     | <b>Current quarter</b><br>\$A'000 | <b>Previous quarter</b><br>\$A'000 |
|---|-----------------------------------|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1                 | 178                               | 196                                |
| 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><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>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><br>\$A'000 | <b>Amount drawn at quarter end</b><br>\$A'000 |
|---|--|---|
| 7.1 Loan facilities   | 3,392  | 3,392   |
| 7.2 Credit standby arrangements   | 437  | 17  |
| 7.3 Other (please specify)  | -  | -   |
| <b>7.4 Total financing facilities</b>   | <b>3,829</b>   | <b>3,409</b>                                  |
| <b>7.5 Unused financing facilities available at quarter end</b>   |  | <b>420</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 facilities with National Australia Bank Ltd:

- 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 \$1.37 million with a fixed interest rate of 7.68% secured by a chattel mortgage over the underlying equipment;
- 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 from the Danish authorities with an effective interest rate of 4.4%, repayable over the life of the loan ending 31 October 2028, with a current amortised cost of \$0.17 million.


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)  | (397)          |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)  | 4,258          |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)  | 420            |
| 8.4 Total available funding (Item 8.2 + Item 8.3)  | 4,678          |
| <b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>  | <b>11.8</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?<br>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?<br>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?<br>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: 22 July 2024

  
 Sign here: .....  
 Alistair Warren  
 (Company Secretary)

Authorised by: The Board