

ASX ANNOUNCEMENT

DECEMBER 2024

# QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C



## HIGHLIGHTS

- ✔ Revenue of \$9.5 million (unaudited), up 75% on prior corresponding period with record \$3.6 million in December
- ✔ Cash receipts of \$10.0 million, up 90% on prior corresponding period
- ✔ FY25Q3 year to date revenue of \$27.0 million (unaudited) already surpassing prior full year revenue of \$25.6 million
- ✔ Strong German and UK market growth with \$1.0 million in German flower sales in December and \$6.0 million in binding purchase orders for Germany and UK over coming two quarters
- ✔ Additional 2tpa grow room opened in Denmark to meet increased demand
- ✔ Launch of new Lush Labs craft flower brand, three new oil products and one vaporiser product
- ✔ Reset trial treatment phase completed to positive patient feedback
- ✔ Health House due diligence acquisition completed and Company negotiating SPA
- ✔ Cash in bank of \$3.7 million

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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 31 December 2024

Revenue vs cash receipts (\$000's)



Step change in cash receipts with consecutive quarters above \$10.0 million

Revenue of \$9.5 million (unaudited) up 75% on prior corresponding quarter and down 6% on previous quarter

Cash receipts of \$10.0 million up 90% on prior corresponding quarter and down 7% on previous quarter

# Revenue by product category



Flower sales declined 5% predominantly driven by:

- demand outstripping supply for CherryCo Smalls which saw a 25% decline
- regulatory delays which suspended Australian flower shipments into Germany during the quarter

These declines offset by a 30% increase in other flower sales

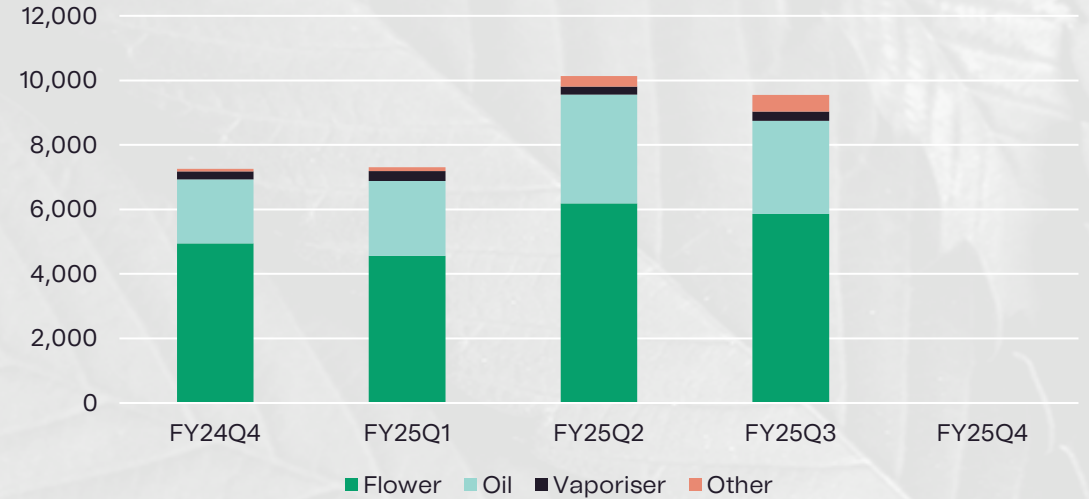


Oil sales down 15% with Australian sales reverting to FY25Q1 levels while sales into France grew 20%

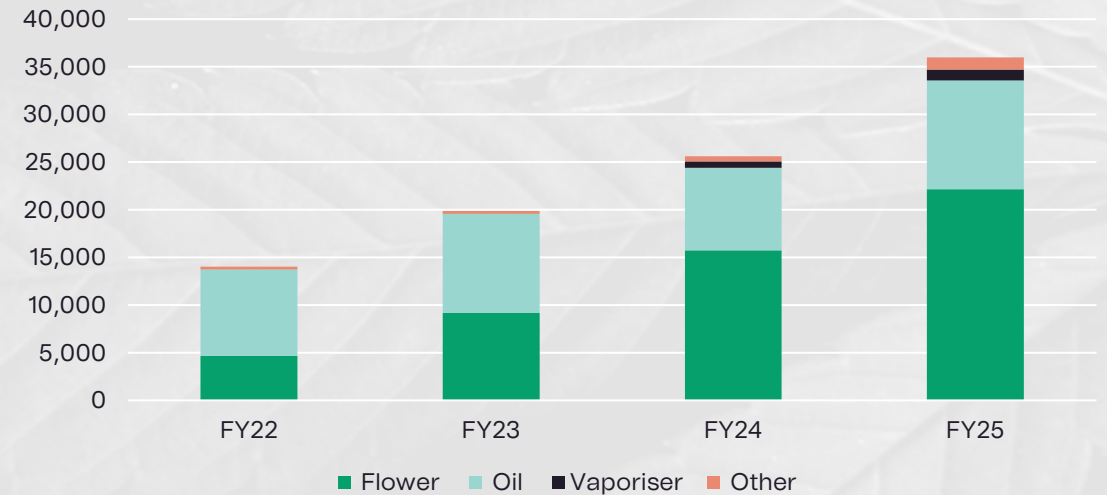


Vaporiser sales up 15%

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



European sales up 20% predominately driven by:

- a 20% growth in both flower and oil sales despite regulatory delays suspending Australian flower shipments into Germany
- particularly strong growth late in the quarter for European markets with \$1.0 million in German flower sales in December and \$6.0 million in binding purchase orders from Germany and UK over the coming two quarters



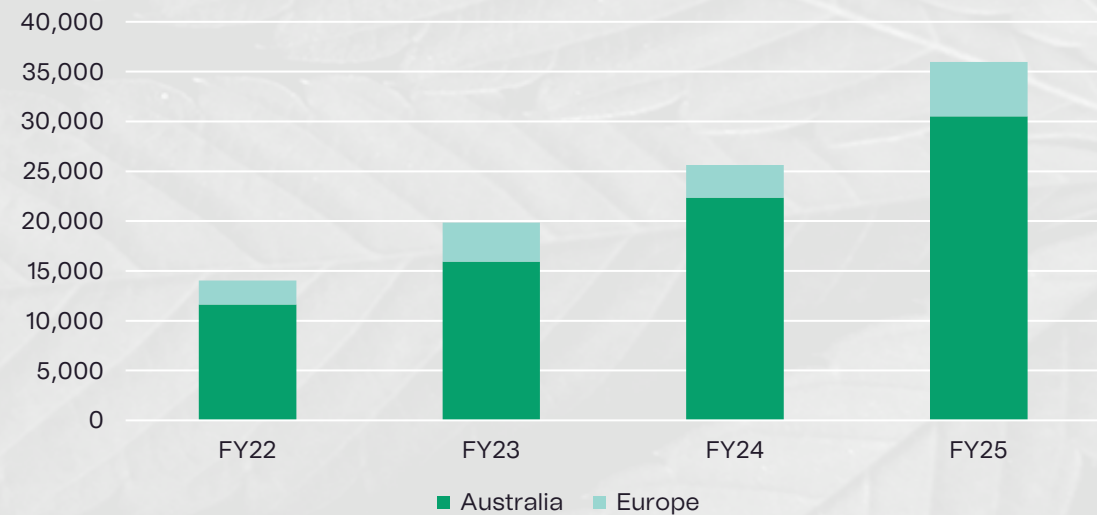
Australian sales down 10% predominately driven by:

- a 20% reduction in oil sales after spike in sales in September quarter
- a 10% reduction in flower sales due to the demand outstripping supply of CherryCo Smalls
- a 15% increase in vaporiser 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



New Craft brand Lush Labs launched late December to initial positive reviews



CherryCo sales down 25% on prior quarter driven by demand outstripping supply, in part due to redirection of crops to higher priced European markets



LGP brand sales down 10% due to spike in oil sales in FY25Q2 offset by increase in European sales

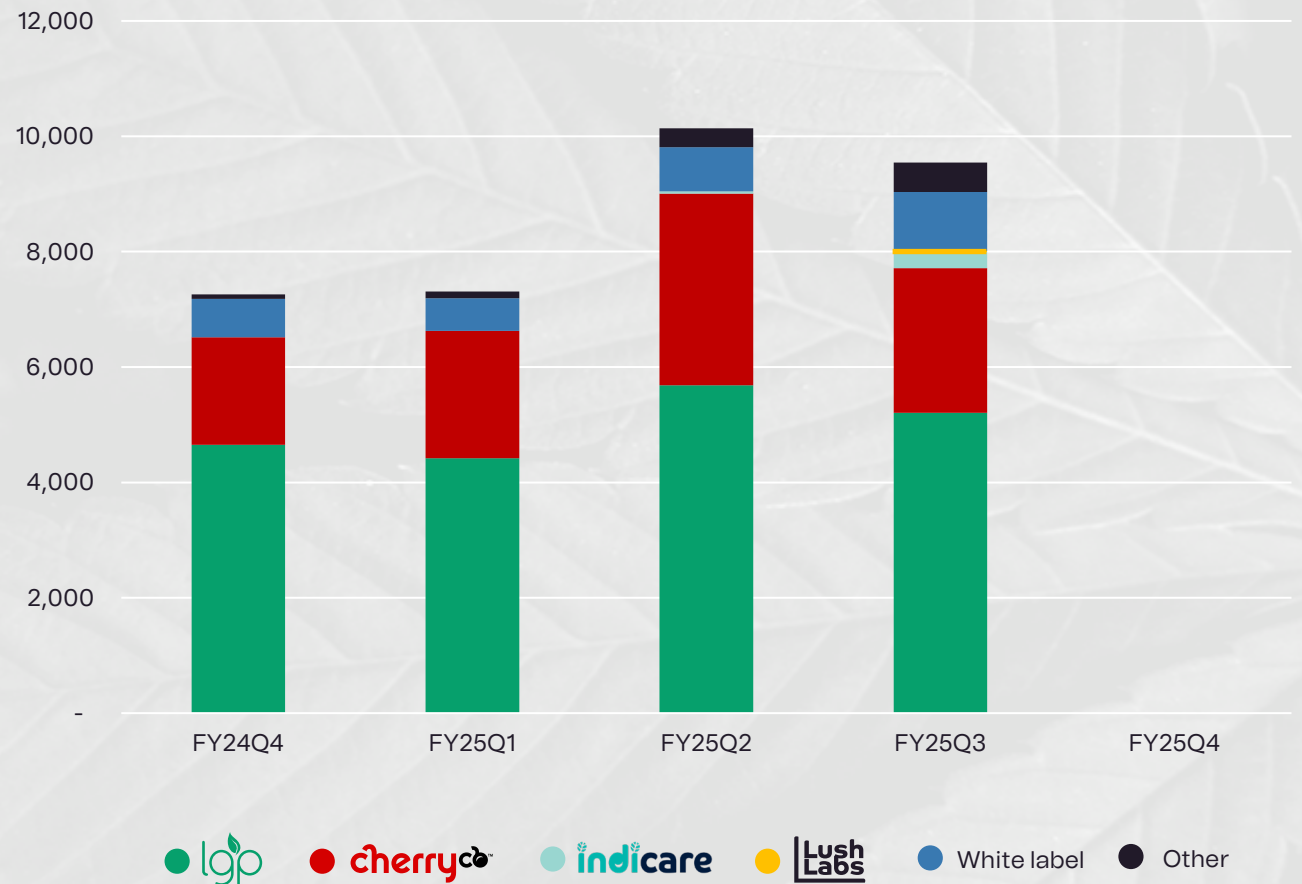


Good growth in Indicare sales which was launched in the prior quarter



White label sales up 35% driven by significant growth in flower sales into Germany, with \$1.0 million delivered in December alone

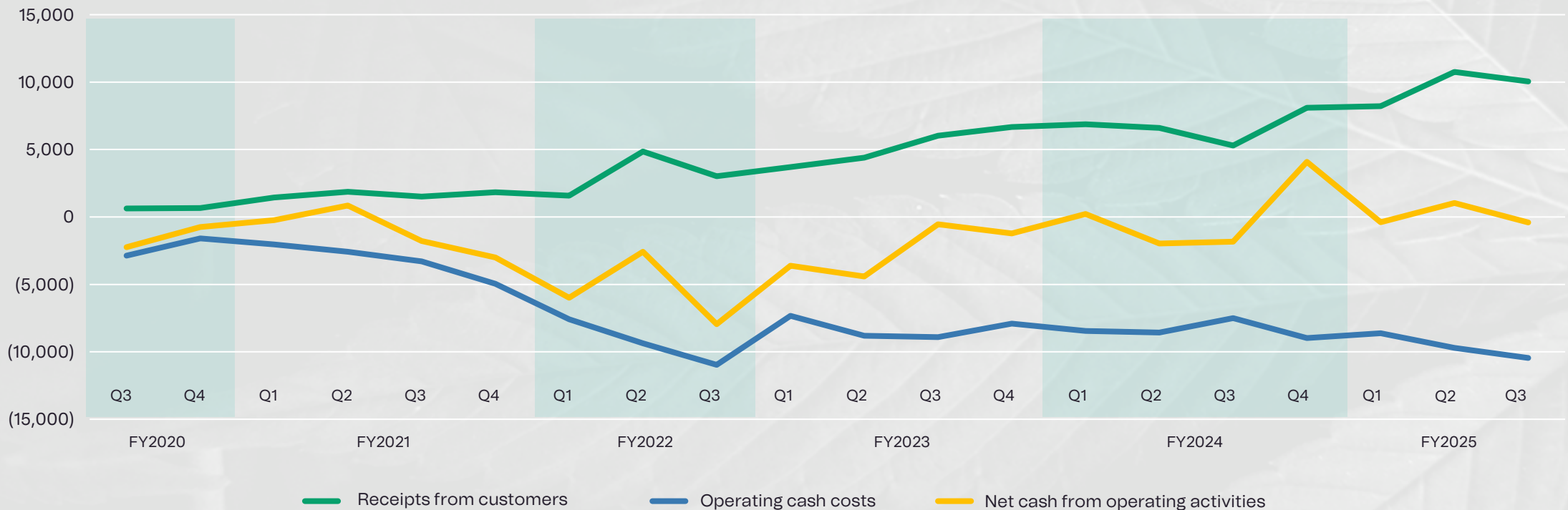
Revenue by brand (\$000's)



# Net cashflows from operations

Net operating cash outflows of \$0.4 million due to working capital and inventory requirements to meet increased demand combined with record December sales for which receipts will be collected in the following months

Cashflow from operating activities (\$'000's)



# EV, NTA, cash, debt and revenue

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Company's net tangible assets continue to be significantly above enterprise value



Minimal long-term debt of \$3.2 million



Cash in bank of \$3.7 million down from \$4.8 million

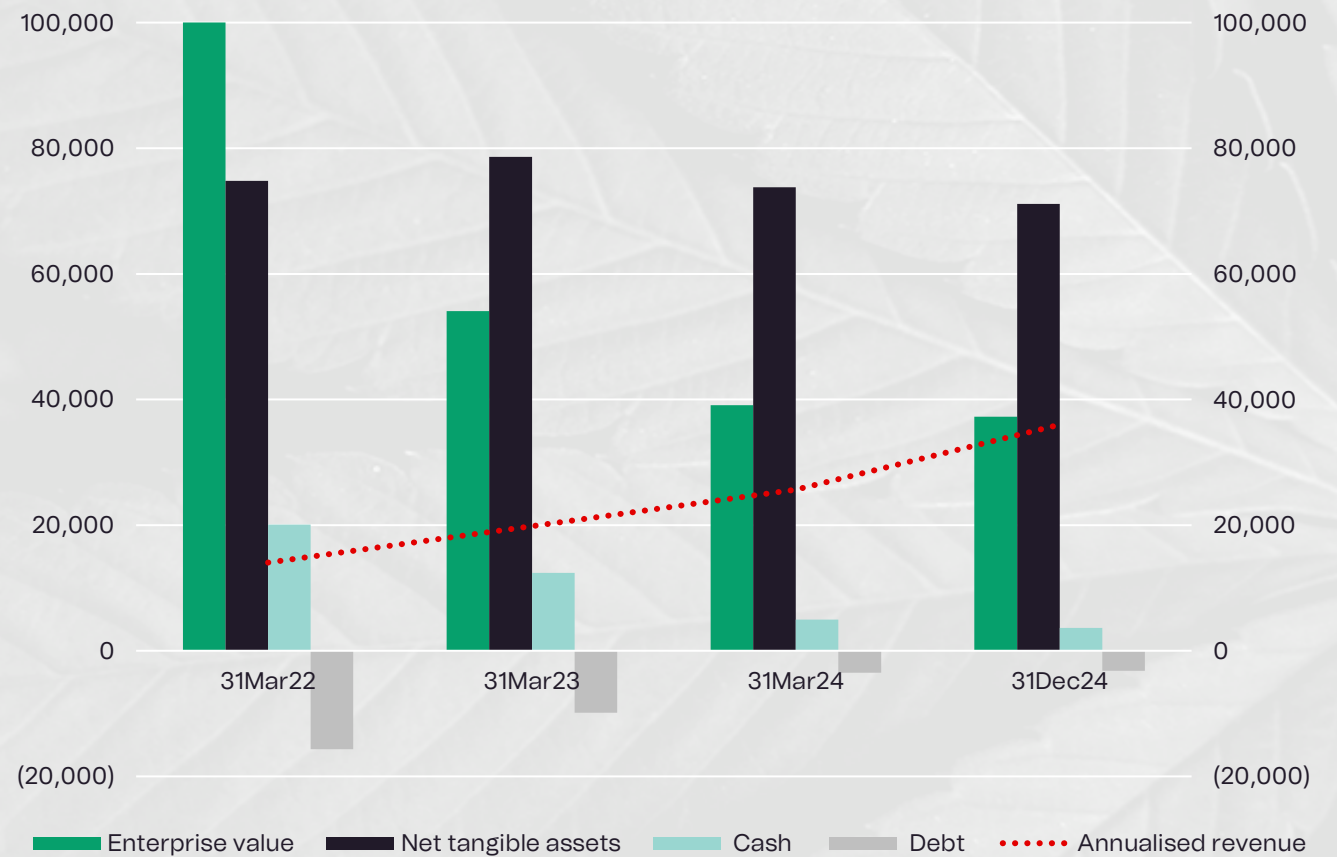


Enterprise value 1x annualised revenue



Enterprise value 0.5x net tangible assets

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



# Health House purchase



- Company has completed due diligence into the Health House distribution business and is negotiating Sale and Purchase Agreement

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# European & UK market update

## Germany

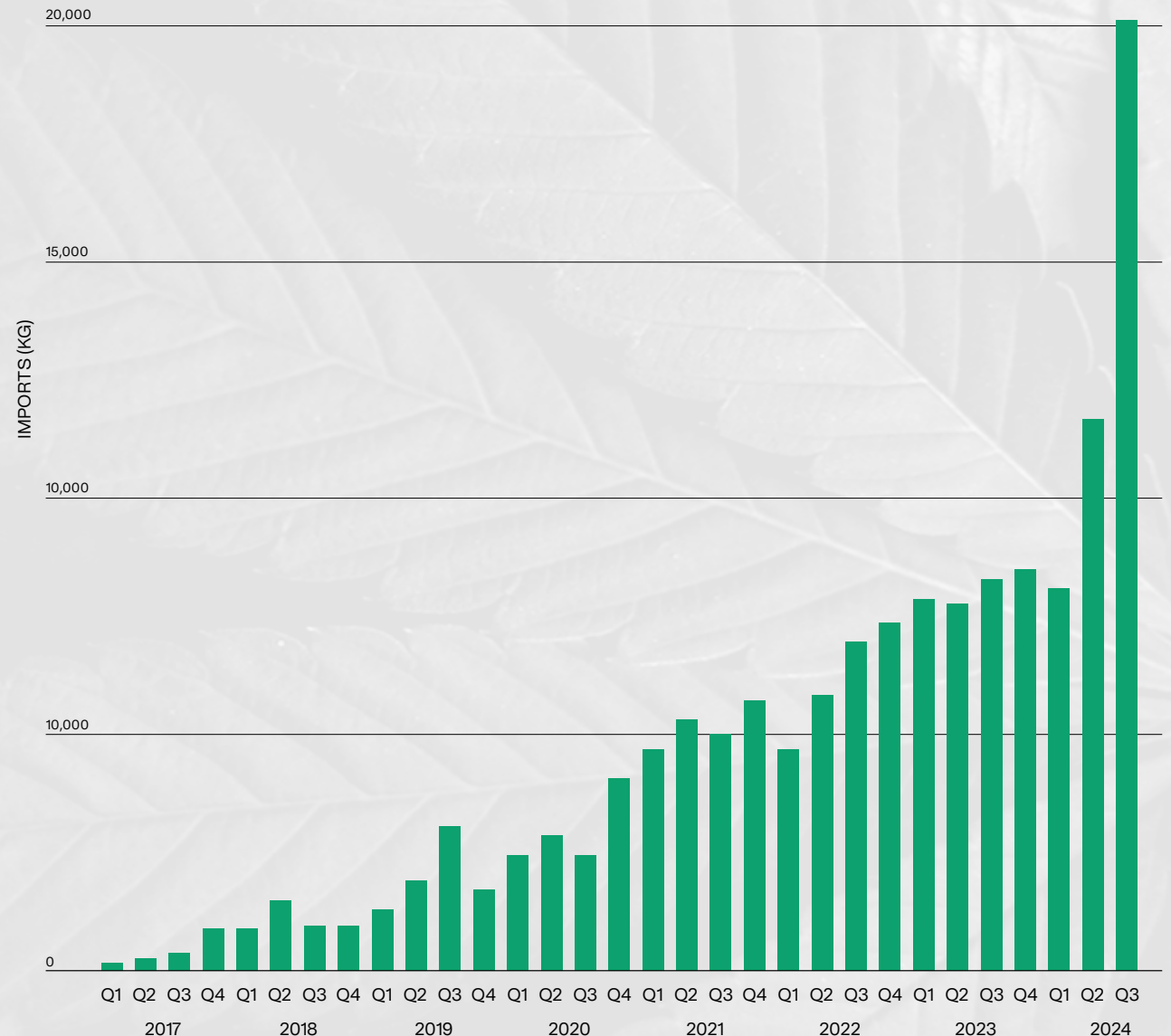
- German cannabis reform catalysing significant market growth with Pillar 1 – narcotic delisting and private use – driving large demand for imported product
- Pillar 2 progressing rapidly, with pilot projects to test commercial supply chains proposed for 11 cities in Germany, including Berlin and Frankfurt. Industry generally expects Pillar 2 will drive further interest and market impetus

## European & UK market update (cont.)

### Germany continued

- Current demand drove ~40,000 kg of imports by end September 2024, 22% more than in all CY23<sup>1</sup> and with a significant spike in CY24Q3
- Germany on track to be one of the largest importers globally, with CY24 imports anticipated to exceed combined CY23 Australian and Israeli imports<sup>2</sup>
- Market demand growth produced \$1.0 million in white label flower sales in December alone. LGP will launch its own branded flower via existing distribution channels in coming quarters

### Quarterly German Medical Cannabis Imports (2017- Q3 2024)



<sup>1</sup> [https://www.bfarm.de/DE/Bundesopiumstelle/FAQ/Medizinisches-Cannabis/\\_node.html](https://www.bfarm.de/DE/Bundesopiumstelle/FAQ/Medizinisches-Cannabis/_node.html)

<sup>2</sup> Prohibition Partners, The Global Cannabis Report 5<sup>th</sup> Edition page 50

## European & UK market update (cont.)

### France

- Post-trial transition phase extended to 30 June 2025 with the current French political environment not expected to materially change proposed market authorisation pathway and Company continuing to prepare product registration applications
- LGP is currently the largest supplier of the two companies supplying product into France

## European & UK market update (cont.)

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### United Kingdom

- UK market growing rapidly driven by patient demand and expansion of private clinic networks, with market tripling in size between end 2022 and September 2023<sup>3</sup> and UK patients consuming 144% more per person than German patients<sup>4</sup>
- UK market size expected to exceed 63,000 patients by end 2024 and constitute 27% of all European sales by 2028<sup>5</sup>
- Regulatory delays relating to customer labels hindered deliveries during the quarter however LGP's distributors are seeing growing demand in both white label and LGP branded products

<sup>3</sup> <https://www.cicouncil.org.uk/uk-medical-cannabis-imports-triple-in-size/>

<sup>4</sup> [https://businessofcannabis.com/uks-medical-cannabis-boom-patients-demand-and-consumption-surge-to-all-time-highs-with-a-record-number-of-private-clinics/?utm\\_source=chatgpt.com](https://businessofcannabis.com/uks-medical-cannabis-boom-patients-demand-and-consumption-surge-to-all-time-highs-with-a-record-number-of-private-clinics/?utm_source=chatgpt.com)

<sup>5</sup> <https://www.cannabiz.com.au/uk-patient-numbers-demand-and-consumption-surge-to-all-time-high/>

## European & UK market update (cont.)

### Spain

- Proposed cannabis laws sent to European Commission for review
- Spanish government announced it intends to legislate by June 2025 with product monographs released within 3 months thereafter
- Initial framework is focused on traditional pharmaceutical products for limited indications, with LGP anticipating French marketing authorisations to be recognised in Spanish market
- LGP currently owns 6.5% of local Spanish medicinal cannabis company

# LGP craft flower update

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- In December 2024, LGP released first two SKUs of new Lush Labs craft flower brand in exclusive partnership with JR Strain<sup>6</sup> to positive early prescriber and patient feedback
- With Lush Labs, LGP completes first phase of House of Brands strategy with SKUs across all key flower categories including Value (CherryCo), Premium (LGP, Indicare) and Craft (Lush Labs)

<sup>6</sup><https://www.cannabiz.com.au/lgo-expands-brand-portfolio-in-partnership-with-canadian-cultivator/>

# Denmark update



- LGP's Danish facility is the largest medicinal cannabis facility in Europe and well positioned to capture German, UK and other European growth
- Danish government has agreed to implement improved framework for cannabis cultivation and export, expected to facilitate development of Denmark as import, storage and processing hub. See ASX announcement for further details<sup>7</sup>
- LGP Denmark has expanded into another 2tpa grow room to meet growing European, Australian and UK demand

<sup>7</sup> <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02890762-6A1241939>

# Brand and product update

reset  
MIND SCIENCES



- Company launched:
  - five new high-THC flower products under Lush Labs and LGP brands (THC24, THC26 and THC28 Indica and Sativa) in late December 2024
  - three new oils under CherryCo and LGP brands (CBD100, THC30, THC25: CBD25)
  - one new live resin vaporisation cart under LGP brand (THC800 GP)
- Company plans to launch further specialised brand targeting market demographic in current quarter

# reset

update

- 🌿 Clinical trial has finished treatment phase with patients receiving follow up analyses over next 12 months
- 🌿 Lots of positive patient feedback with no significant adverse events recorded, results to be analysed after follow-up phase and clinical outcomes published separately




# Finance update

Internal use only



- Company generated \$9.5 million revenue (unaudited) and \$10.0 million cash receipts
- Key cash flows for the period were:
  - customer receipts of \$10.0 million
  - upfront insurance payments of \$0.2 million
  - a deposit of \$0.08 million in connection with purchase of the Health House distribution company
  - provision of working capital to LGP's subcontracted cultivation operator of \$0.45 million
- Related party transactions comprised \$0.29 million in remuneration and allowances paid to the directors of the Company including \$0.08 million in short term incentives relating to FY23
- Cash in bank of \$3.7 million at 31 December 2024

ENDS  
BY ORDER OF THE BOARD



Alistair Warren  
Company Secretary

For further information please contact:

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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>

Access past Cannabis Wraps here: <https://www.investlittlegreenpharma.com/site/investor-centre/cannabis-industry-wrap>

**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")**

31 December 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	10,043	29,006
1.2 Payments for		
(a) research and development	(151)	(366)
(b) product manufacturing and operating costs	(6,478)	(16,981)
(c) advertising and marketing	(346)	(1,036)
(d) leased assets	(143)	(575)
(e) staff costs	(2,688)	(8,022)
(f) administration and corporate costs	(614)	(1,619)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	11
1.5 Interest and other costs of finance paid	(29)	(101)
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>(405)</b>	<b>236</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(75)	(75)
(c) property, plant and equipment	(13)	(184)
(d) investments	-	-
(e) intellectual property	(85)	(405)
(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	(454)	(454)
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>(627)</b>	<b>(1,118)</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	(138)	(414)
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>(138)</b>	<b>(414)</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	4,832	4,974
4.2 Net cash from/(used in) operating activities (item 1.9 above)	(405)	236
4.3 Net cash from/(used in) investing activities (item 2.6 above)	(627)	(1,118)
4.4 Net cash from/(used in) financing activities (item 3.10 above)	(138)	(414)
4.5 Effect of movement in exchange rates on cash held	(12)	(28)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>3,650</b>	<b>3,650</b>

<b>5 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	3,650	4,832
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>3,650</b>	<b>4,832</b>

<b>6 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	285	198
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> <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>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	3,191	3,191
7.2 Credit standby arrangements	437	92
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>3,628</b>	<b>3,283</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>345</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)	(405)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,650
8.3 Unused finance facilities available at quarter end (Item 7.5)	345
8.4 Total available funding (Item 8.2 + Item 8.3)	3,995
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>9.9</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

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Sign here: .....



Alistair Warren  
(Company Secretary)

Authorised by: The Board