# LITTLE GREEN PHARMA AND ELIXXER, LTD. COVID-19 BUSINESS UPDATE

MONTREAL, April 02, 2020 -- **ELIXXER, LTD. (TSX.V: ELXR OTCQB: ELIXF GR: 2LQA) ("ELXR" or the "Company")** is pleased to announce that Little Green Pharma continues to closely monitor progress of the COVID-19 pandemic and provided the following update on its key response activities.

*Key actions*

Little Green Pharma (LGP) has taken actions to protect the health and welfare of staff, maintain cultivation and manufacturing operations, review its cost base, manage cost exposure and counterparty risk, apply for cost relief and Government assistance where available, and secure supply chains of critical materials and consumables.

LGP's office-based staff have successfully moved to a remote working model, while the cultivation and manufacturing teams continue to operate at their respective facilities in accordance with COVID-19 management procedures.

*Provision of essential service*

As a producer and supplier of medical-grade medicinal cannabis products, Little Green Pharma and its contract manufacturer provide an essential service to the community. As such, LGP anticipates being able to operate without material legislative restriction and maintain continuity of supply to patients.

*First planting*

Little Green Pharma received its new Office of Drug Control ("**ODC**") Cultivation and Production Licence and commissioned the expanded cultivation facility in Q1 CY2020. First planting will occur following the granting of the expanded Medicinal Cannabis permit by the ODC, which is still expected to occur in Q2 CY2020, subject to any potential delays due to COVID-19.

Little Green Pharma received its new ODC Manufacturing Licence and commenced construction of its onsite manufacturing facility in Q1 CY2020. Construction continues to progress as planned.

*Accelerated production and sourcing of starting materials and consumables*

Little Green Pharma has actively taken steps to accelerate production to ensure adequate inventory is on hand and to source additional consumables and bulk starting materials for the production of finished cannabis medicines. These actions are intended to de-risk supply lines that may be affected by COVID- 19.

Little Green Pharma is experiencing increased shipping costs outside of Australia and has noticed increased challenges in procuring timely logistics services. This is unlikely to have a material impact on LGP as logistics services are classified as an essential service and are expected to continue to a large degree without interruption, and the price risk relating to transport is predominately borne by LGP's overseas wholesalers who take delivery at LGP's warehouse in Perth.

*Increase in Sales*

Little Green Pharma sold 1,580 bottles in the month of March, LGP's highest monthly sales to date and a 21% increase on the number of bottles sold in February which was also a record sales month.

LGP has confirmed with its overseas partners that it is business as usual and Little Green Pharma continues to expect to fulfill its international sales orders once the expanded cultivation facility is in production.

Little Green Pharma is also likely to benefit from foreign exchange gains associated with a weaker Australian dollar given its international sales agreements are denominated in Euros or Pounds Sterling.

*Financial position*

Little Green Pharma does not anticipate having to raise additional funds in the foreseeable future as no further capex is required on the cultivation facility and significant pre-ordering of consumables associated with manufacturing was largely completed during the first quarter of CY2020.

To ensure LGP remains in a strong financial position given the current economic environment, LGP has been implementing measures to minimise its cost base, including a reduction in discretionary spend, deferral of non-essential research and development, and renegotiation of existing contracts.

In addition, to the extent permitted by the ASX Listing Rules the Board and key executives have agreed to take 20% of their salaries in shares (escrowed for 12 months).

*Further updates*

Elixxer, Ltd. and Little Green Pharma will continue to monitor developments and will provide further shareholder updates as appropriate.

For more information about Little Green Pharma go to: www.littlegreenpharma.com

**German medicinal cannabis market overview**

Germany represents a significant opportunity for LGP as the largest medicinal cannabis market in Europe, estimated to be worth €7.7 billion (A$12.5 billion) by 2028. The number of prescriptions for medicinal cannabis in Germany is growing rapidly; there were 95,000 prescriptions at the end of 2018 and more than 240,000 prescriptions were expected by the end of 2019.

It is expected Germany will remain a favourable market for the import of medicinal cannabis oil products due to insufficient domestic supply as a result of significant delays in its domestic cultivation tendering process, with the first licences only awarded in 2019.

**About Elixxer Ltd. (www.Elixxer.com)**

ELXR Ltd. is a Canadian public company listed on the TSX Venture Exchange (TSX-V: ELXR) and the US OTC-QB exchange (OTCQB: ELIXF).

Through its partners ELXR presently has significant interests in Australia, Jamaica, Switzerland, Italy and Canada.

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