

LITTLE GREEN PHARMA

ABN 44 615 586 215

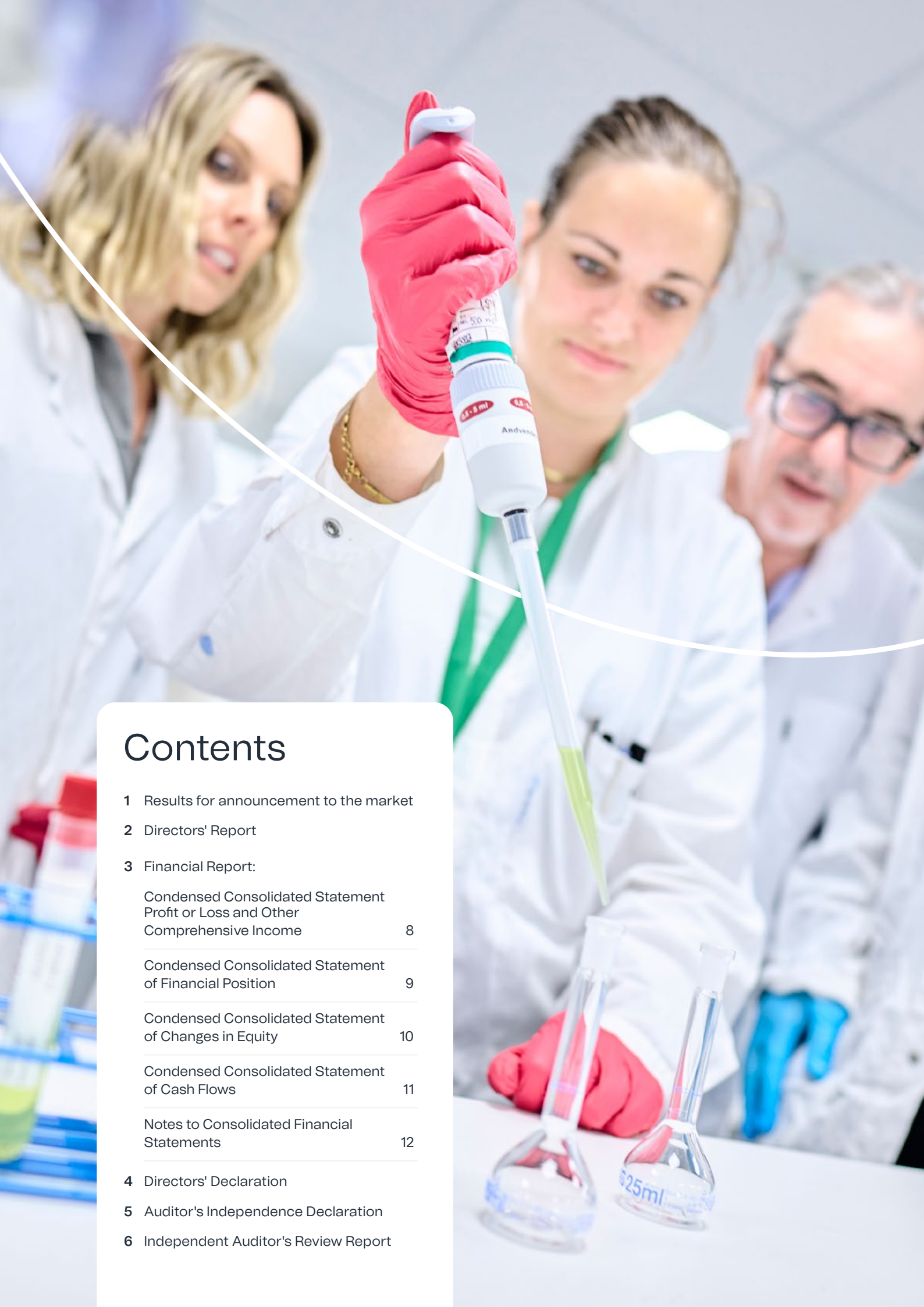
Half Year Financial *Report*

30 SEPTEMBER 2023



A world of *difference*

little
green
pharma

A background image showing three scientists in a laboratory. A woman in the foreground is wearing a red glove and using a pipette to transfer a green liquid into a flask. Two other scientists, a woman and a man, are looking on. The scene is brightly lit with a clean, professional aesthetic.

Contents

1	Results for announcement to the market	
2	Directors' Report	
3	Financial Report:	
	Condensed Consolidated Statement Profit or Loss and Other Comprehensive Income	8
	Condensed Consolidated Statement of Financial Position	9
	Condensed Consolidated Statement of Changes in Equity	10
	Condensed Consolidated Statement of Cash Flows	11
	Notes to Consolidated Financial Statements	12
4	Directors' Declaration	
5	Auditor's Independence Declaration	
6	Independent Auditor's Review Report	

We're big on changing lives.

We are passionate about transforming lives.

Our vision is to reimagine cannabis medicines and do extraordinary things for our patients.

It's at the heart of everything we do, and defines our culture.

We are proud of what we've done and where we're going.

We are Little Green Pharma.

Corporate Directory

Directors

Mr Michael D Lynch-Bell

Independent Non-Executive Chair

Dr Neale Fong

Independent Non-Executive Director

Ms Beatriz Vicén Banzo

Independent Non-Executive Director

Ms Fleta Solomon

Executive Director

Mr Angus Caithness

Executive Director

Company Secretary

Mr Alistair Warren

Registered Office

Level 2, Suite 2,

66 Kings Park Road

West Perth,

Western Australia 6005

Telephone: +61 8 6280 0050

Facsimile: +61 8 6323 4697

Email: cosec@lgp.global

Website

www.investlittlegreenpharma.com

www.littlegreenpharma.com

Auditor

BDO Audit (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd

Level 11, 172 St Georges Terrace

Perth, Western Australia 6000

Website: www.investorcentre.com/contact

Securities Exchange

Australian Securities Exchange Limited

Central Park, 152-158 St Georges Terrace

Perth, Western Australia 6000

ASX Code: LGP

ABN: 44 615 586 215

Results for announcement *to the market*

29 NOVEMBER 2023

Name of company	Little Green Pharma Ltd
ABN	44 615 586 215
Reporting period	30 September 2023
Previous corresponding period	30 September 2022

Half Year Financial Report for the period ended 30 September 2023

This page and the following pages comprise the half year end information given to the ASX under Listing Rule 4.2A.

The results are prepared in accordance with Australian Accounting Standards and are presented in Australian dollars.

Revenue from ordinary activities	Up	\$3,385,227	37%	to	\$12,544,772
Loss before and after tax from continuing operations	Down	\$5,415,626	72%	to	\$(2,079,834)

Revenue from ordinary activities is up by \$3,385,227 from \$9,159,545 for the 6 month period ending 30 September 2022 to \$12,544,772 for the 6 month period ending 30 September 2023. Revenue from ordinary activities consists primarily of revenue from the sale of medicinal cannabis flower and oil products. The net loss from ordinary activities decreased from a net loss after tax of \$7,495,460 to a net loss after tax of \$2,079,834 predominately due to an increase in revenue from ordinary activities and reduction in commissioning and research and development costs. The loss before and after tax from continuing operations includes \$2,591,106 in research and development expenditure, a research and development tax incentive accrual of \$1,164,030, share based payments of \$648,664, depreciation and amortisation of \$1,516,889 and a net fair value movement of \$453,255.

Dividends

No dividends are proposed, and no dividends were declared or paid during the current or prior period.

Net tangible asset backing	Reporting period	Previous period
Net tangible assets per ordinary security	\$0.259	\$0.279

Change in ownership of controlled entities

There were no changes in ownership of any controlled entities during the period.

Accounting standards used by foreign entities

All subsidiaries use International Financial Reporting Standards.

Independent Auditor's Review

The Half Year Financial Report contains an Independent Auditor's Review Report. This report is subject to an emphasis of matter.

This statement was approved by the Board of Directors.



Alistair Warren
Company Secretary

Directors' Report

The directors present the Half Year Financial Report for the Company's half year ended 30 September 2023 and the auditor's review report thereon.

Review of operations

Financial metrics

The Company continued its strong revenue growth with an increase of 37% compared to the prior period and 40% when taking into account the revenue associated with the assets held for sale, with Australian and European revenue increasing by 36% and 61% respectively.

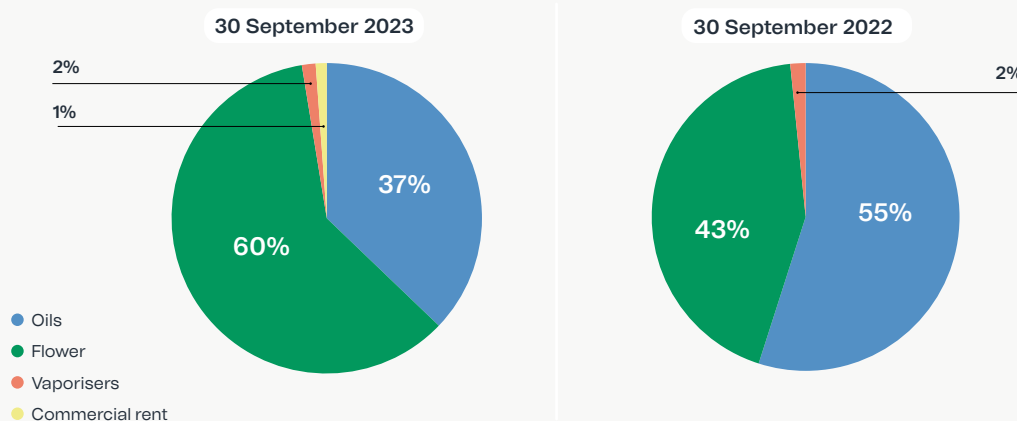
Consistent with market trends, flower sales represented the majority of the growth with sales up 90% compared to the prior period, while the newly introduced vaporiser products have continued to perform strongly since their introduction in July 2023, generating revenue of \$0.18 million.

The Company saw its gross margin before fair value adjustments decrease from 55% to 44% despite a 30% reduction in the costs of production at the Danish facility predominately due to the sale of higher cost flower inventory cultivated during the commissioning phase which was on hand at 31 March 2023. When comparing the cost of sales plus commissioning and research and development costs in totality, these costs were down 14%, from \$11.07 million to \$9.57 million even with the increase in revenue.

The Company's 37% increase in revenue combined with the completion of the commissioning of the Danish facility and the 41% reduction in research and development costs predominately associated with strain development and the French trial resulted in the Company reducing its net loss from ordinary activities by over 70%, from \$7.49 million to \$2.08 million, with a substantial portion of the residual net loss comprising non cash costs including share based payments (\$0.65 million), depreciation and amortisation (\$1.52 million) and a net fair value movements of (\$0.45 million).

During the period, the Company also repaid the \$4.11 million remaining debt to Canopy Growth Inc in relation to its acquisition of the Danish facility leaving it debt free, as well as selling the two properties adjacent to its production facility in Western Australia for \$2.74 million to extinguish \$1.92 million of debt on those properties.

Revenue product category mix



CEO transition

On 29 August 2023, Paul Long was appointed Chief Executive Officer of LGP. Paul is a highly regarded operator across global medicinal cannabis markets, having driven sales from pre revenue to nearly \$20 million in financial year 2023 and expanded LGP's European footprint to nine countries, and was the logical successor to the role.

Fleta Solomon has meanwhile transitioned to an Executive Director role focusing on communications, market positioning, ESG, and branding, and remains the Company's third largest shareholder.

French market evolution

The French Government has presented an amendment (**Amendment**) to the *Projet de loi de financement de la Sécurité sociale* (Social Security Financing Order) (**PLFSS**) which is expected to be signed into law by the end of December 2023. The proposed Amendment represents an exciting development for LGP, and if signed would allow LGP and its distribution partners to heavily capitalise on their first mover advantage in France following the end of the French medicinal cannabis Pilot program in March 2024, including by introducing:

- an exclusive pool limited to the three Pilot suppliers for a maximum 9 month transitional period and with a budget of €10 million
 - *the currently proposed wholesale pricing for oil products during the transitional period is up to €0.136 / mg CBD and up to €0.25 / mg THC representing a potential sales price of \$565 (€340)¹ for the Company's 50ml CBD50 and \$247 (€148.50) for its 50ml Classic 1:20*
- a bespoke, subsidised public access regime applicable only to medicinal cannabis products to follow the transition period:
 - *eligible cannabis products will require an 'Authorisation for Use' supply authorisation*
 - *supply authorisation holders would be required to be based in Europe and to engage France-based distributors for product release, distribution and educational services.*

LGP expects to comfortably meet these requirements given its Denmark-based operations, long-standing partnership with distributor Intsel Chimos, and its expectation that the supply authorisation requirements will



be similar to those required for LGP's Danish and Polish product registrations and French Pilot tenders process.

During the reporting period, the Company was also awarded two separate tenders for the ongoing supply of products during the extended Pilot period, including for its Classic 1:20 medicinal cannabis oil at \$23 (€14) per bottle, capped at 11,000 units, and its CBD50 medicinal cannabis oil \$72 (€44) per bottle.

With a continuous supply to the French Pilot since March 2021 including during the third year until March 2024, LGP and its distribution partners will be extremely well positioned to capitalise on long-established relationships with existing patient, hospital prescriber, and pharmacy networks following the Pilot. France represents one of the largest potential medicinal cannabis markets in Europe with a Total Addressable Market of €5.6 billion (A\$9.3 billion).^{2,3}

¹EUR:AUD 0.6:1.0 as at 27 November 2023

²<https://www.euromonitor.com/cannabis-in-france/report>

³EUR:AUD 0.6:1.0 as at 27 November 2023



Reset

Mental health clinic

In July 2023, LGP's wholly owned psychedelics subsidiary, Reset Mind Sciences Limited (**Reset**) secured a long-term lease over its unique combined clinic, offices and GMP manufacturing facility in Shenton Park WA, with Reset utilising a \$250,000 contribution from Health Insurance Fund of Australia (**HIF**) under its Strategic Alliance Agreement⁴ to rapidly progress fit-out of its psychedelic assisted psychotherapy (**PAP**) mental health clinic. Reset continues to progress Authorised Prescriber approvals for participating clinic psychiatrists in anticipation of treating its first patient in February 2024.

Clinical trial

During the period, Reset continued to progress its clinical trial with the University of Western Australia and Fiona Stanley Hospital for the PAP treatment of treatment-resistant depression. Reset is currently awaiting final sign-off of the clinical trial governance procedures before trial commencement anticipated before the end of the calendar year.

First psilocybin mushroom harvest and psilocybin import

In September 2023, Reset:

- successfully harvested its first batch of psilocybin mushrooms in its specialised mushroom cultivation facility. The batch is being used for chemical/physical analysis, extraction method testing, genotypic analysis, and inhouse process testing; and
- successfully imported its first shipment of synthetic psilocybin for use in the Reset clinical trial following an 18 month import process.

New products

LGP introduced eight new products into the Australian market during the period:

- a CBD200 isolate cannabis oil
- three new cannabis flower products: Safari Sunset THC 24%, Silver Mist CBD 12% and Carnival Orange THC 20%
- an innovative new 'trial box' product comprising three 5g sachets of various high THC flowers in a single box and the first of its kind in Australia
- three new inhalation cartridges being THC 800mg (Night), THC 780mg (Day), and THC : CBD 600mg : 200mg products

These new products increased LGP's combined product offering to seventeen products across the Little Green Pharma branded range.

Genetics development pipeline

In LGP's genetics development pipeline are five new high THC strains (validated 20 – 27% THC) with a further eight new high-THC cultivars in initial development testing in Denmark, as well as two new high THC cultivars (Indica and Sativa) and a new balanced THC / CBD cultivar scheduled for release early in CY2024 in development in Australia.

⁴ See ASX announcement dated 22 March 2023

Europe

Poland

During the reporting period, LGP's Desert Flame high THC flower product was granted a Polish Marketing Authorisation (MA) following a two-year registration process, with the first shipment expected in December 2023. MAs are the sole pathway into Poland with only ten MAs granted for cannabis flowers in the 18-22% THC range, with LGP's distribution partner Medezin a subsidiary of Pelion SA, the largest operator in the Polish and Lithuanian healthcare sectors.

Germany

In July 2023, Germany introduced a draft bill proposing a limited adult use access market including home cultivated products and communal cannabis clubs, as well as a scientifically monitored time-limited regional pilot scheme intended to investigate the effect of the commercial supply of adult use cannabis on youth and the black market. These draft laws also propose to exclude cannabis from German narcotic regulations, meaning medically supplied cannabis would benefit from:

- more efficient cannabis import processing;
- a significantly simplified prescription process and move away from hardcopy to e-scripts;
- no narcotic reporting resulting in faster order processing; and
- greater stock volumes able to be held in pharmacy given reduced secure storage requirements.

The proposed laws would not affect EU GMP pharmaceutical manufacturing standards applicable to cannabis medicines in Germany. The Company anticipates the new laws will come into effect in April 2024.

LGP Denmark also completed first shipments of flower products to Ilios Sante, Cannamedical and Demecan and signed a supply agreement with Hilltop Leaf with the first pathfinder shipment expected for early calendar year 2024. Meanwhile LGP Australia continued to deliver high THC medicinal cannabis flower to its long-standing distribution partner, Demecan.

Research & Development

QUEST Global

In August 2023, LGP launched the Global QUEST Initiative, a follow-up observational study to the QUEST Initiative, to national media. Recruitment for the Global QUEST Initiative is progressing well with over 80 prescribers and over 700 patients to date.

Obesity trial

LGP and Curtin University continue to progress the trial third stage of their novel drug obesity trial examining the ability of selected phyto- and endocannabinoids to induce secretion of a powerful hormonal mediator known to induce satiety, slow down digestion, lower blood sugar and ultimately promote weight loss. LGP expects the results of the third stage of the trial sometime in December 2023.

International journal publications

In September 2023, LGP also featured in two significant international medical journals.

The first was the publication of analysis of three-month results from LGP's QUEST Initiative observational study, which was published in the peer-reviewed scientific journal, *PLOS ONE*. The results from the QUEST Initiative showed strong evidence of clinically meaningful improvements in each of health-related quality of life, fatigue and pain and significant improvements in anxiety and depression. The journal article and results are freely available here: <https://doi.org/10.1371/journal.pone.0290549>

The second publication was the review article *Pharmacohistory of Cannabis Use—A New Possibility in Future Drug Development for Gastrointestinal Diseases*, which was published in the highly respected, peer-reviewed *International Journal of Medical Science* in collaboration with Curtin University academics Professor Marco Falasca and Dinesh Thapa. The article explores historical use of cannabis, ethnomedicinal use in gastrointestinal disorders, its medicinal and pharmacological role in gastrointestinal disease, and current knowledge gaps and challenges in drug development. The article is freely available here: <https://doi.org/10.3390/ijms241914677>

R&D rebate

The Company lodged a \$5.5 million R&D rebate incentive claim for financial year 2023 of which \$0.4 million relating to Reset was received post period end with the remaining amount expected in the coming months. Of this, \$2.1 million has been factored and will be repaid to Radium Capital.

Regulatory changes

On 1 July 2023, regulatory changes seeking to equalize the GMP manufacturing standards for medicinal cannabis products imported into Australia came into effect. Previously, Australian pharmaceuticals laws permitted non-GMP manufactured medicinal cannabis products, resulting in market overservicing by non-GMP manufacturers, poor product and labelling quality, and shortages in individual product supplies. The change catalysed the dumping of significant quantities of non-GMP products into the Australian market prior to 1 July 2023, which has resulted in higher volumes and pricing pressures while these products are absorbed by the market.

Events subsequent to balance date

Proposed Reset demerger

In November 2023, the Company announced the proposed demerger of the Reset business from the LGP Group. Under the terms of the proposed demerger, eligible LGP shareholders holding shares in the Company:

- as at 5pm (WST) on 15 December 2023 will receive a pro-rata allocation of the shares held by LGP in the Reset entity under an in-specie share distribution; and
- from 5pm (WST) on 11 November 2023 are entitled to participate in a Priority Offer for up to \$1.0 million of a \$2.0 million capital raise, to fund Reset operations going forward.

A copy of the Prospectus and further information relating to the capital raise can be found at <https://investlittlegreenpharma.com/site/investor-centre/prospectus-offers> and <https://www.resetmind.com.au/demerger>.

Under the proposed demerger, LGP and Reset are parties to a loan agreement under which Reset has

agreed to repay LGP a loan amount of up to \$2.25 million over three years by payment of up to 25% of any amounts raised over \$2.0 million in the current capital raise as well as 25% of all future capital raises, with any unpaid amounts at the end of the third year converting to shares in Reset at the lower of the current capital raise price of \$0.20 per share and the offer price of Reset's most recent capital prior to the conversion date which raised proceeds exceeding \$1.0 million.

The capital raise closes on Friday 1 December 2023, with LGP shareholders scheduled to vote on the proposed demerger on 11 December 2023.

Board of Directors

The Directors of Little Green Pharma Ltd during the reporting period, post-balance date period, and as at the date of this Report are:

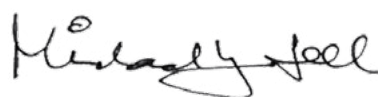
- Mr Michael D Lynch-Bell
Independent Non-Executive Chair
- Dr Neale Fong
Independent Non-Executive Director
- Ms Beatriz Vicén Banzo
Independent Non-Executive Director
- Ms Fleta Solomon
Executive Director
- Mr Angus Caithness
Executive Director

Dividends

There were no dividends paid or declared during the period (prior period: nil).

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 is set out on page 26 of this report.



Michael D Lynch-Bell
Independent Non-Executive Chair
29 November 2023

③

Financial *Report*



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Half year ended 30 September 2023	Half year ended 30 September 2022
Revenue	3	12,544,772	9,159,545
Cost of sales		(6,980,987)	(4,043,820)
Gross margin before fair value adjustment		5,563,785	5,115,725
Fair value adjustment of inventory sold		(2,092,925)	(1,281,439)
Gain on fair value of biological assets	7	1,639,670	1,343,344
Gross margin		5,110,530	5,177,630
Expenses			
General and administrative		(2,485,077)	(2,230,025)
Sales and marketing		(1,434,250)	(1,991,199)
Education		(634,296)	(444,817)
Research and development		(2,591,106)	(4,408,347)
Commissioning costs		-	(2,617,794)
Insurance		(287,916)	(349,259)
Licences, permits and compliance costs		(652,298)	(826,824)
Total Expenses		(8,084,943)	(12,868,265)
Loss from operations		(2,974,413)	(7,690,635)
Interest income		20,041	42,195
Finance expense	4	(306,090)	(583,428)
Research development incentive	5	1,164,030	1,600,000
Government grants		6,162	21,641
Loss on disposal		(16,909)	-
Net foreign exchange		27,345	(885,233)
Loss before tax from continuing operations		(2,079,834)	(7,495,460)
Tax expense		-	-
Loss after tax from continuing operations		(2,079,834)	(7,495,460)
Loss from discontinuing operations	8	(99,703)	(334,644)
Loss after tax		(2,179,537)	(7,830,104)
Other comprehensive income			
Exchange fluctuations on translation of foreign operations		(57,146)	552,854
Total comprehensive loss net of tax		(2,236,683)	(7,277,250)
Net loss per share			
From continuing operations			
Basic (cents)		(0.70)	(3.12)
Diluted (cents)		(0.70)	(3.12)
From continuing and discontinued operations			
Basic (cents)		(0.73)	(3.26)
Diluted (cents)		(0.73)	(3.26)
Weighted average number of shares outstanding			
Basic		299,056,078	240,417,642
Diluted		299,056,078	240,417,642

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

	Note	30 September 2023	31 March 2023
Assets			
Current assets			
Cash and cash equivalents		6,192,514	12,400,319
Trade and other receivables	6	7,630,760	7,381,795
Biological assets	7	1,214,431	1,492,199
Inventory	7	10,921,684	8,909,108
Assets held for sale	8	2,743,591	539,152
Prepaid expenses		721,794	423,254
Total current assets		29,424,774	31,145,827
Property plant and equipment	9	59,891,994	63,280,305
Intangible assets	10	3,112,522	3,638,639
Right-of-use assets		148,790	125,527
Refundable deposits		287,500	386,185
Other financial assets		43,284	43,284
Total non-current assets		63,484,090	67,473,940
Total assets		92,908,864	98,619,767
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	3,276,943	3,355,075
Deferred payment	12	-	4,109,512
External borrowings	13	2,589,088	2,351,603
Liabilities associated with assets held for sale	8	1,999,469	57,971
Lease liability		132,125	95,315
Employee benefit obligations	14	1,095,324	1,069,046
Total current liabilities		9,092,949	11,038,522
External borrowings	13	3,046,077	5,284,454
Lease liability		-	27,100
Employee benefit obligations	14	74,551	41,385
Total non-current liabilities		3,120,628	5,352,939
Total liabilities		12,213,577	16,391,461
Net assets		80,695,287	82,228,306
Shareholders' equity			
Share capital	15	101,931,740	101,183,206
Reserves	16	5,027,772	5,129,788
Accumulated deficit		(26,264,225)	(24,084,688)
Total shareholders' equity		80,695,287	82,228,306

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

	Share capital		Share based payment reserve	Translation reserve	Accumulated deficit	Total
	No. Shares	\$				
As at 31 March 2022	240,211,214	90,254,064	2,370,798	(2,266,548)	(14,879,259)	75,479,055
Loss after tax	-	-	-	-	(7,830,104)	(7,830,104)
Translation reserve	-	-	-	552,854	-	552,854
Total comprehensive loss	-	-	-	552,854	(7,830,104)	(7,277,250)
Share based payments	50,000	14,500	529,535	-	-	544,035
Transfer on exercise	604,000	246,125	(246,125)	-	-	-
Shares in lieu of services	55,557	42,738	103,033	-	-	145,771
As at 30 September 2022	240,920,771	90,557,427	2,757,241	(1,713,694)	(22,709,363)	68,891,611
As at 31 March 2023	297,891,047	101,183,206	2,881,310	2,248,478	(24,084,688)	82,228,306
Loss after tax	-	-	-	-	(2,179,537)	(2,179,537)
Translation reserve	-	-	-	(57,146)	-	(57,146)
Total comprehensive loss	-	-	-	(57,146)	(2,179,537)	(2,236,683)
Share placements	277,777	50,000	-	-	-	50,000
Share based payments	-	-	453,896	-	-	453,896
Transfer on exercise	475,500	349,927	(349,927)	-	-	-
Employee share plan	-	-	93,191	-	-	93,191
Shares in lieu of services	1,428,910	343,607	(242,030)	-	-	101,577
Options exercised	20,000	5,000	-	-	-	5,000
As at 30 September 2023	300,093,234	101,931,740	2,836,440	2,191,332	(26,264,225)	80,695,287

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

	Half year ended 30 September 2023	Half year ended 30 September 2022
Operating activities		
Net loss before tax	(2,179,537)	(7,830,104)
Items not involving cash		
Net fair value movement of biological assets	453,255	(61,905)
Depreciation and amortisation	1,516,889	692,180
Share-based payments	648,664	759,340
Interest income	(20,041)	(23,290)
Finance expense	306,090	583,428
Foreign exchange differences	(20,121)	885,233
Loss on disposal of property, plant and equipment	16,909	-
Changes in non-cash operating working capital		
Inventory and biological assets	(2,188,063)	(1,055,382)
Accounts receivable	386,045	(841,453)
Prepaid expenses	(298,540)	(86,803)
Accounts payable and accrued liabilities	(501,563)	(62,891)
Employee benefits obligations	59,444	(183,504)
Net cash flows (used in) / provided by operating activities	(1,820,569)	(7,225,151)
Investing activities		
Purchase of property, plant and equipment	(259,835)	(1,018,677)
Purchase of intangible assets	(233,797)	(1,161,647)
Disposal of property, plant and equipment	2,737,990	-
Payment of deferred consideration	(4,109,512)	(8,558,000)
Refundable deposit	98,685	-
Net cash flows (used in) / provided by investing activities	(1,766,469)	(10,738,324)
Financing activities		
Proceeds from issue of equity	50,000	-
Proceeds from options exercised	5,000	-
Cash inflow from borrowings	-	1,862,488
Repayment of borrowings	(2,603,298)	-
Repayment of principal portion of lease liabilities	(48,194)	(49,247)
Net cash flows (used in) / provided by financing activities	(2,596,492)	1,813,241
Net change in cash and cash equivalents	(6,183,530)	(16,150,234)
Cash and cash equivalents, beginning of period	12,400,320	20,086,504
Effect of changes in foreign exchange	(24,276)	73,680
Cash and cash equivalents, end of period	6,192,514	4,009,950

The accompanying notes form an integral part of these condensed consolidated financial statements.

Notes to Consolidated Financial Statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Little Green Pharma Ltd ACN 615 586 215 (the **Company, LGP**) was incorporated in Australia and is a for profit company limited by shares. The financial report covers LGP and its controlled entities (the **Group**). The Company's registered office is at Level 2, 66 Kings Park Road, West Perth, 6005 Western Australia.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Corporations Act 2001 and AASB 134 "Interim Financial Reporting" which ensures compliance with the International Financial Reporting Standards (**IFRS**) IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The Company is a for-profit entity for the purpose of preparing the financial statements which were authorised for issue by the Board of Directors on 29 November 2023.

b) Basis of measurement

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the most recent annual financial report for the year ended 31 March 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The classification of comparative figures has been changed where the change improves the understandability of the financial information.

c) Going concern

These consolidated financial statements have been prepared on the going concern basis which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

At 30 September 2023, the Group had incurred a loss after tax of \$2,079,834 (6 month period end 30 September 2022: \$7,495,460) and net operating cash outflows of \$1,820,569 (30 September 2022: \$7,225,151).

The Group has prepared a cash flow forecast which demonstrates the Group will have sufficient cash flows to meet all commitments and working capital requirements to continue its ongoing operations. Key to achieving these forecast cash flows, is dependent on the Group achieving a combination of the following:

- Continued sales growth through increased patients, market share in Australia and international markets
- Managing costs and production in line with the cash flow forecast; and
- The timely receipt of its Research & Development rebates.

Further, whilst the Group was only moderately impacted by COVID 19 on initial onset of the virus, there remains uncertainty with regard to future impacts from it as well as the war in Ukraine.

Whilst the Directors are confident of the Group's ability to continue as a going concern, due to the factors mentioned above, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

d) Functional and presentation currency

The Company's functional currency is Australian dollars and all amounts presented are in Australian dollars unless otherwise specified.

e) Standards and Interpretations adopted in the current half year period

In the current half year, the Company has applied all new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations or effective for accounting periods starting on or after 1 April 2023. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

f) Standards and Interpretations issued but not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the reporting period ended 30 September 2023.

Management are in the process of assessing the impact of the adoption of these Standards and Interpretations on the consolidated entity.

3. REVENUE

Set out below is the disaggregation of the Group's revenue:

	30 September 2023	30 September 2022
Type of revenue		
Oil products	4,661,699	5,032,301
Flower products	7,559,773	3,980,270
Vaporiser products	179,554	-
Commercial rent	143,746	146,974
Other	250,000	-
Total revenue	12,794,772	9,159,545
Revenue attributable to assets held for sale	(250,000)	-
Total revenue from continuing activities	12,544,772	9,159,545
Geographical markets		
Australia	10,815,639	7,929,101
Europe	1,979,133	1,230,444
Total revenue	12,794,772	9,159,545

Revenue is recognised when control of the goods has transferred to the customer, being when the goods have been shipped to the customer's specific location (delivery) or a service has been provided. A receivable is recognised by the Group when the goods are delivered to the customer or the service is provided as this represents the point in time at which the right to consideration becomes unconditional.

4. FINANCE EXPENSE

The Group's finance expenses are comprised of:

	30 September 2023	30 September 2022
Interest on secured external borrowings	301,422	310,301
Interest on deferred payment	-	269,033
Interest on obligations under leases	4,668	4,094
	306,090	583,428

5. RESEARCH DEVELOPMENT INCENTIVE

The Company has recognised a research and development incentive of \$1,164,030 (30 September 2022: \$1,600,000) during the period, predominately relating to its overseas expenditure for which it received AusIndustry clearance post its financial year end.

6. TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables is comprised of:

	30 September 2023	31 March 2023
Trade receivables	1,843,106	1,549,849
Allowance for expected credit loss	-	(10,855)
Research and development incentive receivable	5,075,965	5,129,030
Other receivables	711,689	713,771
	7,630,760	7,381,795

Classification of trade and other receivables

If collection of the amount is expected in one year or less they are classified as current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

Fair value of trade and other receivables

Trade receivables are recognised and carried at original invoice value less any allowance for expected credit losses.

The Group has a limited number of counter parties who it trades with on a regular basis and as such does not expect to incur any material credit losses.

Historically the Company has received an annual research and development tax incentive from the Australian Government on eligible expenditure incurred during the prior financial year. The eligible expenditure is expected to result in a rebate of \$5,075,965 (31 March 2023: \$5,129,030) plus an additional \$433,016 relating to Reset which is included in the assets held for sale.

7. BIOLOGICAL ASSETS AND INVENTORY

The Group's Biological assets and inventory is comprised of:

	30 September 2023	31 March 2023
Biological assets	1,214,431	1,492,199
Finished goods	3,488,634	1,315,961
Work in progress	7,173,973	7,268,471
Supplies and consumables	259,077	324,676
	12,136,115	10,401,307

Biological assets are classified as Level 3 on the fair value hierarchy with the following inputs and assumptions being subject to significant volatility and uncontrollable factors, which could significantly affect the fair value of the biological assets in future periods:

- plant waste – wastage of plants based on various stages of growth;
- yield per plant – represents the weighted average grams of dry cannabis expected to be harvested from a cannabis plant, based on historical yields;
- cannabinoid yield per gram – represents the weighted average cannabinoids expected to be obtained from a dry gram of cannabis, based on historical yields;
- selling price, less costs to sell – based on estimated selling price per gram of dry cannabis based on historical sales and expected sales;
- percentage of costs incurred to date compared to the total costs to be incurred (to estimate the fair value of an in-process plant) – represents estimated costs to bring a gram of cannabis from propagation to harvest; and
- stage of plant growth – represents the weighted average age in of the plant out of the average growing cycle as at period end date.

In the current period, the biological assets were approximately 69% complete (31 March 2023 - 49%) as to the next expected harvest date. The average number of days from the point of propagation to harvest is 97 days. The weighted average grams of dry cannabis expected to be harvested from a cannabis plant in Australia is 206 grams (31 March 2023 – 216 grams). The weighted average grams of dry cannabis expected to be harvested from a cannabis plant in Denmark is 95 grams (31 March 2023 – 78 grams).

A 20% increase or decrease in the estimated yield of cannabis per plant would result in an increase or decrease in the fair value of biological assets of \$327,328 at 30 September 2023 (31 March 2023 - \$298,440). A 25% increase or decrease in the average selling price per gram less cost to sell would result in an increase or decrease in the fair value of the biological assets of \$409,160 at 30 September 2023 (31 March 2023 - \$375,050). At harvest, the estimated fair value of a gram of biomass is \$3.50 (31 March 2023 - \$3.50).

Cost of inventories sold to customers amounting to \$9,073,912 was recognised as an expense during the period (30 September 2022: \$5,325,259).

8. ASSETS AND LIABILITIES HELD FOR SALE

Reset Mind Sciences Ltd, which is expected to be demerged by 31 December 2023, has been classified as a disposal group held for sale and presented separately in the statement of financial position. There will be no loss related to the demerger of Reset Mind Sciences Ltd and therefore no impairment has been recognised.

Upon demerger, Reset Mind Sciences Ltd will be required to repay its intercompany loan to Little Green Pharma Ltd (\$1,726,993 at 30 September 2023) from future capital raises within 3 years with any outstanding loan balance being converted to a variable number of shares held in Reset Mind Sciences Ltd based on the most recent capital raise price.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	30 September 2023	30 September 2022
Results of assets held for sale		
Effect on statement of profit or loss and other comprehensive income		
Revenue	250,000	-
General and administrative	-	(59,685)
Research and development	(664,535)	(250,467)
Licences, permits and compliance costs	-	(24,492)
Finance expense	(993)	-
Research and development incentive	315,825	-
Loss before tax from disposal group	(99,703)	(334,644)
Attributable tax expense	-	-
Loss after tax from disposal group	(99,703)	(334,644)

	30 September 2023	30 September 2022
Cashflow from discontinued operations		
Cashflow from operating, investing and financing activities	(407,430)	-
Effect on the financial position of the Group as at 30 September 2023		
Current Assets		
Cash and cash equivalents	8,988	100
Trade and other receivables	461,149	157,808
Inventory	19,500	-
Prepaid expense	7,063	17,208
Non-current Assets		
Property, plant and equipment	405,415	323,123
Right-of-use assets	1,732,032	-
Refundable deposit	109,444	40,913
Assets to be disposed of	2,743,591	539,152
Current Liabilities		
Accounts payable and accrued liabilities	185,983	57,971
Lease liability	91,668	-
Employee benefit obligations	36,668	-
Non-current Assets		
Lease liability	1,685,150	-
Employee benefit obligations	-	-
Liabilities to be disposed of	1,999,469	57,971
Net assets to be disposed of	744,122	481,181

The lease liability relates to Reset's clinic and GMP facility which has a lease term of five years expiring 30 June 2028, with a five year extension.

9. PROPERTY, PLANT AND EQUIPMENT

The Group's plant and equipment comprised of:

	Land & buildings	Leasehold improvements	Production equipment	Office equipment	Assets under construction	Total
Cost						
As at 31 March 2022	55,029,348	32,760	12,715,213	1,105,843	319,781	69,202,945
Additions	3,055,665	-	584,766	12,309	175,263	3,828,002
Transfers	(38,208)	-	(116,539)	(12,829)	(327,866)	(495,441)
Assets moved to held for sale	-	-	(23,267)	-	(175,263)	(198,531)
Foreign exchange movements	4,035,227	-	1,044,892	87,127	8,085	5,175,331
As at 31 March 2023	62,082,032	32,760	14,205,065	1,192,450	-	77,512,307
Additions	79,340	61,893	40,179	19,663	58,760	259,835
Transfers	-	-	47,548	-	(47,548)	-
Disposals	(2,754,899)	-	-	-	-	(2,754,899)
Assets moved to held for sale	-	(61,893)	(838)	(10,657)	(11,212)	(84,600)
Foreign exchange movements	463,782	-	125,027	9,917	-	598,726
As at 30 September 2023	59,870,255	32,760	14,416,981	1,211,374	-	75,531,369
Accumulated depreciation						
As at 31 March 2022	(5,770,126)	(11,215)	(4,220,750)	(828,833)	-	(10,830,924)
Depreciation	(1,608,671)	(6,559)	(686,968)	(13,382)	-	(2,315,580)
Assets move to held for sale	-	-	1,416	-	-	1,416
Foreign exchange movements	(595,821)	-	(416,158)	(74,935)	-	(1,086,914)
As at 31 March 2023	(7,974,618)	(17,774)	(5,322,460)	(917,150)	-	(14,232,002)
Depreciation	(834,846)	(4,150)	(291,649)	(90,964)	-	(1,221,609)
Assets move from held for sale	-	872	1,087	511	-	2,470
Foreign exchange movements	(111,203)	-	(67,214)	(9,817)	-	(188,234)
As at 30 September 2023	(8,920,667)	(21,052)	(5,680,236)	(1,017,420)	-	(15,639,375)
Carrying value						
As at 31 March 2023	54,107,414	14,986	8,882,605	275,301	-	63,280,305
As at 30 September 2023	50,949,588	11,708	8,736,745	193,954	-	59,891,994

10. INTANGIBLE ASSETS

The Group's intangible assets comprised of:

	Patents & trademarks	Computer software	Pharmaceutical quality system	Product development cost	Total
Cost					
As at 31 March 2022	120,325	184,938	548,946	-	854,209
Additions	1,464	33,437	-	3,059,367	3,094,268
As at 31 March 2023	121,789	218,375	548,946	3,059,367	3,948,477
Additions	-	-	-	233,797	233,797
R&D Tax incentive offset	-	-	-	(641,368)	(641,368)
Foreign exchange movements	-	-	-	110	110
As at 30 September 2023	121,789	218,375	548,946	2,651,906	3,541,016
Accumulated amortisation					
As at 31 March 2022	(27,140)	(75,774)	(76,609)	-	(179,523)
Amortisation	(5,837)	(33,476)	(54,770)	(36,232)	(130,315)
As at 31 March 2023	(32,977)	(109,250)	(131,379)	(36,232)	(309,838)
Amortisation	(2,950)	(18,357)	(27,385)	(69,964)	(118,656)
As at 30 September 2023	(35,927)	(127,607)	(158,764)	(106,196)	(428,494)
Carrying value					
As at 31 March 2023	88,812	109,125	417,567	3,023,135	3,638,639
As at 30 September 2023	85,862	90,768	390,182	2,545,710	3,112,522

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Group's accounts payable and accrued liabilities is comprised of:

	30 September 2023	31 March 2023
Trade and other payables	1,151,620	1,847,676
Accrued liabilities	2,124,647	1,473,569
Goods and services payable	676	33,830
	3,276,943	3,355,075

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

12. DEFERRED PAYMENT

The Group was party to a Loan Note to Canopy Growth Corporation in relation to the Little Green Pharma Denmark ApS acquisition on 21 June 2021. The final instalment payment of \$4,109,512 was paid on 3 April 2023.

13. EXTERNAL BORROWINGS

The Group has two principal bank loans:

- A long term secured loan of \$1,862,415 (31 March 2023: \$3,770,000) from National Australia Bank. The loan was taken out on 24 February 2022. Repayment of \$1,925,500 took place on 3 July 2023. The balance owing is due 31 December 2024. The loan is secured over the land and buildings held by LGP Holdings Pty Ltd. These assets are classified as property, plant and equipment whose carrying value is \$3,450,455 (31 March 2023: \$6,179,452). The loan currently carries a weighted average variable interest rate of 6.94%.
- A secured revolving credit facility of \$2,000,000 (31 March 2023: \$2,000,000) from National Australia Bank. The loan was taken out on 30 November 2022. Repayments commenced 31 December 2022 and will continue until 30 November 2027. The revolving credit is secured by a chattel mortgage over the underlying equipment held by LGP. The bank loan carries a fixed interest rate at 7.68% and an amortised cost of \$1,666,629 (31 March 2023: \$1,866,667).

The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting period.

During the prior financial year, the Group obtained debtor financing of \$1,950,000 in relation to its expected Australian Research and Development tax incentive rebate (refer to note 6). The debtor financing has an effective interest rate of 15% and an amortised cost of \$2,106,121. It is repayable upon receipt of the Australian Research and Development tax incentive rebate, the amount has been recognised as a short term loan.

For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

14. EMPLOYEE BENEFIT OBLIGATIONS

The Group's employee benefit obligation is comprised of:

	30 September 2023	31 March 2023
Current liabilities		
Annual leave	586,189	674,375
Employee Benefits	509,135	394,671
Non-current liabilities		
Long service leave	74,551	41,385
	1,169,875	1,110,431

15. SHARE CAPITAL

At 30 September 2023 a total of 300,093,236 ordinary shares had been issued (31 March 2023 - 297,891,049).

Cash financing activities for the period ended 30 September 2023 included two issuance of 10,000 shares each as a result of options exercised, on 24 April 2023 and 14 July 2023 respectively, totalling \$5,000. A further 277,777 shares were issued, totalling \$50,000 resultant from the issue of placement shares to Executive Director, Fleta Solomon, subscribed for cash, which was approved by shareholders on 29 August 2023.

Non cash financing activities for the period ended 30 September 2023 included issuing, 576,382 ordinary shares in lieu of cash for services to service providers at a weighted average issue price of \$0.27 per share totalling \$154,365, and 852,528 ordinary shares to employees at a weighted average issue price of 0.22 per share totalling \$189,242. The conversion of employee incentive scheme rights resulted in the issuance of 258,000 ordinary shares to employees at a weighted average issue price of \$0.88 per share on 24 April 2023, and a further issuance of 217,500 ordinary shares to employees at a weighted average issue price of \$0.57 per share on 31 July 2023.

16. SHARE BASED PAYMENTS

The Board of Directors has the discretion to determine to whom options, performance rights and other equity instruments will be granted, the number and exercise price as well as the terms and time frames in which they will vest and be exercisable.

Options

	Number of options	Weighted average exercise price
Balance as at 31 March 2022	4,073,536	0.45
Granted	-	-
Forfeited	(4,073,536)	0.45
Exercised	-	-
Balance as at 31 March 2023	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	-
Balance as at 30 September 2023	-	-

During the current financial period 20,000 options were exercised with an average weighted exercise price of \$0.25. The free attaching options are not considered part of share based payments therefore not disclosed in the above disclosure note.

Performance rights

	Number of rights	Weighted average fair value
Balance as at 31 March 2022	7,000,000	0.66
Granted	6,000,000	0.11
Forfeited	-	-
Exercised	(2,500,000)	0.40
Balance as at 31 March 2023	10,500,000	0.41
Granted	-	-
Forfeited	-	-
Exercised	-	-
Balance as at 30 September 2023	10,500,000	0.41

Retention rights

	Number of rights	Weighted average fair value
Balance as at 31 March 2022	1,305,000	0.34
Granted	255,000	0.31
Forfeited	-	-
Exercised	(1,200,000)	0.30
Balance as at 31 March 2023	360,000	0.46
Granted	6,780,000	0.17
Forfeited	-	-
Exercised	-	-
Balance as at 30 September 2023	7,140,000	0.18

16. SHARE BASED PAYMENTS CONTINUED

During the reporting period, the Company issued 2,000,000 retention rights to Executive Directors and 280,000 retention rights to Non-executive Directors with vesting occurring in 2026. The retention rights issued to Executive Directors has a nil exercise price and a weighted average fair value of \$0.17, based on the share price on grant date. The retention rights vest on 31 March 2026 and 20 February 2026 for the Executive Directors and the Non-Executive Directors respectively, assuming the recipient remains employed by LGP. A probability has been factored in based on this assumption. All Director retention rights were approved at the Annual General Meeting.

A further 4,500,000 retention rights were issued to the employees. The employee retention rights have a nil exercise price and a weighted average fair value of \$0.17, based on the share price on grant date. Of these retention rights, 2,500,000 retention rights vest in three tranches on 31 March 2024, 31 March 2025 and 31 March 2026, assuming the recipient remains employed by LGP. The remaining 2,000,000 retention rights vest on 31 March 2026 assuming the recipient remains employed by LGP and upon achievement of other non-market performance hurdles. A probability has been factored in based on this assumption.

17. FINANCIAL INSTRUMENTS

The classification of the Group's financial instruments, as well as their carrying amounts and fair values, are as follows:

	30 September 2023		31 March 2023	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets				
Amortised Cost				
Cash and cash equivalents	6,192,514	6,192,514	12,400,319	12,400,319
Trade and other receivables	7,630,760	7,630,760	7,381,795	7,381,795
Refundable deposits	287,500	287,500	386,185	386,185
FVPTL				
Other financial assets	43,284	43,284	43,284	43,284
Financial liabilities				
Amortised Cost				
Accounts payable and accrued liabilities	3,276,943	3,276,943	3,355,075	3,355,075
Deferred payment	-	-	4,109,512	4,109,512
External borrowings	5,635,165	5,635,165	7,636,057	7,636,057
Lease liability	132,125	132,125	122,415	122,415

The carrying value of the cash and cash equivalents, trade and other receivables, refundable deposits, accounts payable and accrued liabilities approximate the fair value because of the short term nature. The carrying value of the deferred payment and external borrowings approximate the fair value because of the short-term nature and/or the loans are market rate interest-bearing loans.

The Company holds an investment in a non-listed entity. The non-listed shares are not actively traded. As quoted prices in active markets are unavailable, consideration is given to precedent transactions involving the sale of the company's shares, as a basis to assess the value of the equity investment.

18. OPERATING SEGMENTS

The group's chief operating decision maker examines the group's performance both from a product and geographic perspective and has identified two reportable segments of its business. These are defined as Australia and Europe: cultivation, production and distribution of cannabis flower and oil products to Australian and International customers.

The segment information below does not include notional write downs of intercompany loans or investments.

The following is an analysis of the Group's reportable operating segments:

Consolidated 30 September 2023	Australia	Europe	Intersegment eliminations	Total
Revenue	12,105,762	3,593,521	(3,154,511)	12,544,772
Loss after tax from continuing operations	(1,144,981)	(968,509)	33,656	(2,079,834)
Assets				
Current assets	22,843,822	6,580,952	-	29,424,774
Non-current assets	17,099,242	46,384,848	-	63,484,090
Total assets	39,943,064	52,965,800	-	92,908,864
Liabilities				
Current liabilities	7,745,268	1,347,681	-	9,092,949
Non-current liabilities	3,120,628	-	-	3,120,628
Total liabilities	10,865,896	1,347,681	-	12,213,577

Consolidated 30 September 2022	Australia	Europe	Intersegment eliminations	Total
Revenue	8,748,400	745,192	(334,047)	9,159,545
Loss after tax from continuing operations	(1,909,199)	(4,802,785)	(783,476)	(7,495,460)

Consolidated 31 March 2023	Australia	Europe	Intersegment eliminations	Total
Assets				
Current assets	25,364,877	5,780,950	-	31,145,827
Non-current assets	18,895,514	48,578,426	-	67,473,940
Total assets	44,260,391	54,359,376	-	98,619,767
Liabilities				
Current liabilities	5,131,180	5,907,342	-	11,038,522
Non-current liabilities	5,352,939	-	-	5,352,939
Total liabilities	10,484,119	5,907,342	-	16,391,461

19. RELATED PARTY TRANSACTIONS

Paul Long was appointed as CEO, effective date 31 August 2023. Paul Long's salary increased to \$305,000 plus superannuation. Fleta Solomon transitioned to Executive Director, effective date 31 August 2023. Fleta Solomon's salary decreased to \$270,000 plus superannuation. Share based payments issued to related parties disclosed in note 16.

20. CONTINGENT LIABILITIES AND ASSETS

The following is an analysis of the Group's contingent liabilities:

	30 September 2023	30 September 2022
Infringement notices	-	333,960
Claims for costs	194,668	194,668

The infringement notice has since been paid.

Costs are being claimed from the Company for service usage charges associated with Amazon Web Services. Such costs were not incurred by the Company but rather by a third party who had gained access to the Company's account with the service provider. The Company has denied liability and is defending the claim. Any successful claim is likely to be substantially met by the Company's insurance cover.

21. EVENTS AFTER THE REPORTING DATE

The Company announced the proposed demerger of the Reset business from the LGP Group on 10 November 2023 as per the Director's Report and note 8.

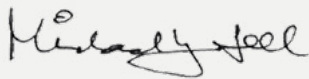
No other matters or circumstances have arisen since the end of the financial period that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes for the period ended 30 September 2023 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards, which, as stated in basis of preparation Note 2 to the half year financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.303(5) of the Corporations Act 2001.



Michael D Lynch-Bell

Independent Non-Executive Chair



Tel: +61 8 6382 4600
 Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
 5 Spring Street
 Perth, WA 6000
 PO Box 700 West Perth WA 6872
 Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF LITTLE GREEN PHARMA LTD

As lead auditor for the review of Little Green Pharma Ltd for the half-year ended 30 September 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Little Green Pharma Ltd and the entities it controlled during the period.

Ashleigh Woodley
 Director

BDO Audit (WA) Pty Ltd

Perth

29 November 2023

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Little Green Pharma Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Little Green Pharma Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as 30 September 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 September 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2c in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley'. Above the signature, the letters 'BDO' are handwritten in a similar style.

Ashleigh Woodley

Director

Perth

29 November 2023

About Little Green Pharma

Little Green Pharma was founded in 2016 with a simple dream – to make affordable, quality-manufactured cannabis medicines for patients in WA.

And we wanted to be different, to distinguish ourselves from “Big” Pharma. Hence our name: Little Green Pharma.

In the beginning, this was only a small dream. But sometimes dreams need to grow.

Today, we’re no longer quite so little. But our dream hasn’t changed: it’s just grown with us.

Today, our mission is to transform the accessibility of medicinal cannabis for patients and prescribers globally.

Today, each decision is underpinned by a single question – *will this ultimately help patients and prescribers better access high-quality medicinal cannabis.*

We’ve achieved so much over the past seven-years.

We helped pioneer the Australian medicinal cannabis industry, and in the process became a leading global herbal medicine supplier.

We’re rightly proud of what we’ve become, and where we’re going.

But mostly, we’re proud of what we do for our patients. And as an investor and supporter of Little Green Pharma, we hope you feel proud too.



Phone: +61 8 6280 0050

Email: cosec@lgp.global

Website: www.littlegreenpharma.com

PO Box 690, West Perth WA 6872