

LITTLE GREEN PHARMA

ABN 44 615 586 215

Annual *Report 2025*

FOR THE YEAR ENDED
31 MARCH 2025

The logo for Little Green Pharma features the words "little green" stacked vertically in a green, lowercase, sans-serif font. A small green leaf icon is positioned to the left of the word "green". Below "green" is the word "pharma" in a smaller, lowercase, grey sans-serif font.

little
green
pharma

A world of *difference*

1. Company details

Name of entity:	Little Green Pharma Ltd
ABN:	44 615 586 215
Reporting period:	For the year ended 31 March 2025
Previous period:	For the year ended 31 March 2024

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	42.8% to	36,841
Profit for the year attributable to the owners of Little Green Pharma Ltd	up	140.8% to	3,324

Comments

The profit for the Group after providing for income tax amounted to \$3,324,000 (31 March 2024: loss of \$8,152,000).

Revenue from ordinary activities is up from \$25,803,000 for the year ending 31 March 2024 to \$36,841,000 for the year ending 31 March 2025. Revenue from ordinary activities consists primarily of revenue from the sale of medicinal cannabis oil, flower and vaporiser products. The results included a share-based payments expense of \$2,413,000, depreciation and amortisation of \$3,724,000, a net fair value decrease in biological assets of \$335,000, a write down of inventory of \$846,000, a finance charge of \$384,000 and interest revenue of \$17,000 resulting in an Adjusted EBITDA of \$2,893,000 up from a negative Adjusted EBITDA of \$1,601,000. The net operating cash outflow was \$917,000 for the year ending 31 March 2025 down from a cash inflow of \$67,000 for the year ending 31 March 2024.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>24.05</u>	<u>24.64</u>

4. Control gained over entities

Name of entities (or group of entities)	HHI (Australia) Pty Ltd
Date control gained	5 February 2025

5. Loss of control over entities

Name of entities (or group of entities)	Little Green Pharma Switzerland GmbH Lab Services Denmark ApS
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Little Green Pharma Switzerland GmbH was dormant and deregistered during the period.
Lab Services Denmark ApS was deregistered during the period with the business consolidated into Little Green Pharma ApS.

6. Dividends

There were no dividends paid, recommended or declared during the current or prior financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

The Annual Report of Little Green Pharma Ltd for the year ended 31 March 2025 is attached.

12. Signed

Signed  _____

Date: 29 May 2025

Alistair Warren
Company secretary
Perth, Western Australia

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Directors	Mr Michael D Lynch-Bell (Independent Non-Executive Chair) Dr Neale Fong (Independent Non-Executive Director) Mr David Fenlon (Independent Non-Executive Director) Mr Paul Long (Managing Director) Ms Fleeta Solomon (Executive Director) Mr Angus Caithness (Executive Director)
Company secretary	Mr Alistair Warren
Notice of annual general meeting	The Annual General Meeting of Little Green Pharma Ltd will be held online at 3:30pm (WST) on 26 August 2025.
Registered office and principal place of business	13A Bedbrook Place Shenton Park Western Australia 6008 Telephone: +61 8 6280 0050
Share register	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, Western Australia 6000 Website: www.investorcentre.com/contact
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth, Western Australia 6000
Stock exchange listing	ASX:LGP
Website	www.littlegreenpharma.com www.investlittlegreenpharma.com
Corporate Governance Statement	The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. A copy of the Company's Corporate Governance Statement and accompanying Appendix 4G will be issued to ASX on the same day as the announcement of this Annual Report.

Chairman's letter

Dear Little Green Pharma shareholders,

It is my pleasure to present Little Green Pharma's ("LGP") annual report for the 2025 financial year ("FY2025"). Over the years, our Company has evolved from a pioneering Australian medicinal cannabis business into a trusted leader in both Australian and European markets.

As we close the 2025 financial year, it is a fitting moment to reflect on the progress LGP has made, not just over the past twelve months, but in the years since our inception. This year's results showcase the growing maturity of our company and the broader medicinal cannabis market, both in Australia and Europe.

In Australia, the medicinal cannabis market continued its strong growth trajectory, providing a solid foundation for LGP's ongoing expansion, with LGP having achieved a 52% compound annual growth rate (CAGR) between FY2022 and FY2025. Elsewhere, we have seen transformative global regulatory changes, notably the partial legalisation of cannabis in Germany, which has driven unprecedented growth in medicinal cannabis patient numbers, as well as formalisation of the medicinal cannabis framework in France. These developments have catalysed tremendous growth in the European market, expanding patient access and establishing new commercial opportunities. Across both Australia and Europe, we are witnessing the shift from niche to mainstream – a dynamic LGP has long anticipated and is prepared for.

In a rapidly evolving sector, our commitment to the values of Leadership, Imagination, and Trust remains steadfast. These values are not merely aspirational but are deeply embedded in how we operate. Our focus on Leadership is evidenced by our ongoing sponsorship of industry-leading research, including the outcomes from the QUEST study, now published in PLOS One, which has further validated the role of medicinal cannabis in improving quality of life. Imagination underpins our approach to innovation and problem-solving, while Trust remains at the heart of everything we do – from compliance with pharmaceutical-grade quality standards to the way we support our prescribers and patients. Together, these values equip us to navigate the complexities of global medicinal cannabis markets with agility and integrity.

FY2025 also marked significant progress in our research endeavours. The outcomes of the QUEST study continued to yield valuable insights, with outcomes published in PLOS One further validating the therapeutic benefits of medicinal cannabis. Our subsidiary, Reset Mind Sciences, achieved key clinical milestones in its psilocybin-assisted therapy trial for treatment-resistant depression, reinforcing LGP's leadership in evidence-based innovation. In addition, LGP continues to provide product and R&D support to 13 clinical and observational studies globally, contributing to the growing body of medicinal cannabis research.

Looking ahead, LGP's combination of a vertically integrated supply chain, extensive European footprint, and strong balance sheet, including a robust Net Tangible Asset position and significant growing capacity in Denmark, positions us uniquely within the industry. As the medicinal cannabis sector consolidates, LGP stands ready to seize strategic opportunities in a rapidly maturing market and sets us apart from our peers.

On behalf of the Board, I would like to thank our dedicated LGP team, whose hard work and commitment continue to drive our success. I also extend my gratitude to our shareholders for their ongoing support and confidence in LGP's vision.

Yours sincerely



Mr Michael D Lynch-Bell
Independent Non-Executive Chair

Message from the Managing Director

Dear shareholders,

FY2025 has been a year of strong growth, resilience, and opportunity for Little Green Pharma. Against a backdrop of significant regulatory change and intense competition, LGP achieved record revenue of \$36,841,000, representing a 43% increase on the prior year and an Adjusted EBITDA of \$2,893,000 up from a negative Adjusted EBITDA of \$1,601,000 and a profit after tax of \$3,324,000.

Driving growth in key markets

Our strategy of vertical integration and one-stop-shop supply continues to underpin our success, enabling us to deliver high-quality products efficiently and at scale. In Australia, we experienced significant growth in demand, driven by our expanded flower product range, which grew to 31 products by year-end. In Germany, the partial legalisation of cannabis and removal from the Narcotics List has supercharged market activity, while France's recently announced national medicinal cannabis legislation is poised to create significant new opportunities following LGP's substantial long-term investment and leading role as one of only two suppliers in the French Pilot program.

These developments helped LGP double its revenue into Europe, up 113% from the previous financial year, and resulted in LGP significantly expanding operational capacity at its Denmark facility. The year also saw the emergence of economies of scale as the Company continued to fit out Denmark and move into distribution services, with LGP's employee, administration and R&D costs actually declining, professional services and sales and marketing expenses holding steady, and with the only cost increases relating to raw materials, distribution (expected to decline further following the acquisition of Health House) and insurance, which were directly linked to revenue increases. Meanwhile, LGP's non-cash charges remain outsized due to its high depreciation rate (based on fair value rather than the low CA\$20 million acquisition price) and a high share-based payments valuation derived predominantly from performance rights, which either can no longer vest or are highly unlikely to vest given current share price.

The acquisition of HHI (Australia) Pty Ltd during the year was a clear example of our strategic focus on consolidation with the integration of the business and team having been seamless, adding depth to our distribution capability and supporting our margin expansion strategy. Through this acquisition process, we confirmed our suspicion that many wholesalers and distributors in the medicinal cannabis space are incorrectly assuming they are Principal's as opposed to Agents, resulting in them recognising gross revenue as opposed to a net service fee. With distribution charges generally being 10-35%, this common misconception results in these company's grossing up their revenue by 3-10 times. This is further explained in the *Revenue Recognition* section within note 23 'Business combinations'. As LGP will be recognising a net service fee, we will not see an immediate material uplift to revenue, but instead an improvement to our margin.

Building market leadership through values

Our values of Leadership, Imagination, and Trust are central to our operations and have guided us through this period of rapid growth. Leadership will ensure we remain proactive, decisive, and resilient in the face of the changes we are seeing in this rapidly evolving industry. Imagination will fuel innovation and help us stay ahead of market trends, delivering novel solutions for patients and partners. And Trust will always be the guiding principle of our global operations.

What sets LGP apart is our dual market leadership in Australia and Europe, our significant Net Tangible Asset base, and our substantial growing capacity in Denmark. Few peers can claim this breadth and depth. As the medicinal cannabis market seeks a trusted industry leader in a time of consolidation, we believe LGP is that company.

Navigating a consolidating market

The medicinal cannabis sector in both Australia and Europe remains highly competitive. However, we anticipate a period of market rationalisation and consolidation over the next 6 to 12 months and believe LGP is exceptionally well-positioned to emerge as an industry leader, with LGP achieving an Adjusted EBITDA of \$2,893,000 at a time when many of our peers are entering administration or exiting the market. Our acquisition of the Danish asset and more recently of Health House serves as a model for how we will approach future opportunities and demonstrates our capability to execute successful acquisitions.

The US rescheduling of cannabis to Schedule III also presents global tailwinds for the sector. While the immediate impacts are US-focused, history has shown that regulatory shifts in North America influence global investor sentiment, providing potential catalysts for ASX-listed cannabis companies like LGP.

Acknowledging our people and values

None of these achievements would have been possible without the commitment and passion of the LGP team. I am proud of our strong staff retention rate and the exceptional culture we continue to build, which has culminated in our winning the *Best Place to Work* award at the recent 2025 Cannabiz Awards. Our values of Leadership, Imagination and Trust are not just words – they are embedded in how we operate daily and are reflected in the trust placed in us by prescribers and patients alike.

Thank you to our staff, shareholders, and partners for your ongoing support.

A handwritten signature in black ink, appearing to read "Paul Long".

Mr Paul Long
Managing Director

A World of Difference

Pathway to sustainability – green, on both sides of the equation

At LGP, our core business of supplying cannabis medicines to patients with various medical conditions positions us as a leader in environmental, social, and governance (ESG) initiatives as our product and service offerings inherently ensure strong performance across three of the Six Dimensions of Impact: economic vitality, lifetime well-being, and societal enablement. We are dedicated to enhancing our performance in the remaining dimensions, and this report identifies and addresses any deficiencies, ensuring our continuous progress on the ESG compliance journey. These efforts are designed to cultivate distinctive competencies and generate value for both our shareholders and society at large. We believe our commitment to these dimensions will drive sustainable growth and create long term value for all stakeholders. The table below outlines the Six Dimensions of Impact, highlighting LGP’s current performance and areas of focus:

We believe these efforts will create distinctive competencies and create value for the benefit of both shareholders and society.

The following table sets out the Six Dimensions of Impact including the Company's current performance and areas of focus:

Impact dimension	Areas of focus	Status	Highlights
Economic vitality	Meaningful occupational purpose	Achieved	Group employees are engaged in meaningful careers that contribute significant economic benefits to broader society and stakeholders.
	Creating jobs across supply chain (internal and external)	Achieved	Group engages a broad and diverse workforce and contractor base across the entire supply chain, from cultivation through to distribution and stakeholder engagement.
	Regional and community contribution	Achieved	Group provides significant employment and recruitment opportunities in regional WA and regional Denmark (EU).
Environmental sustainability	Energy consumption and management	On track	LGP purchases 75% renewable power for its Danish operations and also disposes of its organic waste to a local Danish renewable power producer who in turn generates and supplies waste heat to LGP's facility which is used to warm the facility and reduce power consumption. LGP's Australian cultivation facility has optimised the timing of its growing lights to off-peak hours to further reduce energy consumption, and is also investigating solar capability to reduce reliance on grid power.
	Pesticide and contaminant management	Achieved	The Group uses organic, non-hazardous, non-dangerous protectants as part of its integrated pest management regime.
	Water and wastewater management	Achieved	The WA facility uses hydroponic watering systems that minimise water loss and maximise application. The Denmark facility collects rain water from the rooftops of all its facilities and uses this water to water its crops. All excess water from watering is collected in tanks and reused. The facility can store up to 9,000m ³ of rainwater on site in closed basins. Only wastewater from processing and cleaning in WA

Impact dimension	Areas of focus	Status	Highlights
			are disposed via sewerage systems.
	Waste and hazardous materials	On track	<p>All organic waste is composted on site at the WA facility, while LGP's Denmark facility currently provides its organic waste to a local Danish renewable power producer who in turn generates and supplies waste heat to LGP's Danish Facility used to warm the facility and reduce power consumption.</p> <p>Rockwool used in LGP's Danish production facilities is redelivered to the producer and recycled. The Danish facility has also introduced a waste management recycling programme covering its paper, plastic, metal and biological waste outputs.</p> <p>In LGP's WA facilities, ethanol is reclaimed and disposed of in compliance with all regulatory requirements.</p>
Lifetime well-being	Improving quality of life patients and employees	Achieved	LGP's products and services significantly and positively impact patient quality of life.
	Provide benefits and opportunities for employee growth	Achieved	A flat management structure, broad geographic reach and rapidly growing Group provides broad and frequent opportunities for the development and growth of LGP employees.
	Supplying reliable medicines to patients	Achieved	Company has consistently provided high-quality cannabis medicines to the Australian and European markets since 2018.
	Product quality and safety	Achieved	All Company medicines meet stringent regulatory requirements for all applicable markets and Company's pharmacovigilance activities demonstrate a beneficial safety and risk / benefit profile for its medicines.
	Customer welfare	Achieved	Company strives to address all prescriber and patient concerns and has received consistently positive feedback and testimonials.
Ethical capacity	Compassionate access	Achieved	Company offers a compassionate access programme to eligible patients.
	Data security	On track	Company uses high security rated platforms and software in connection with storage of any personal information and complies with applicable privacy guidelines.
	Board gender and independent governance structure	On track	Company had 40% female Board representation including one female non-executive director and one female executive director until the resignation of Ms Beatriz Vicén Banzo in March 2025, as well as a majority of independent non-executive directors.
	Strong leadership and business ethics	Achieved	Company enjoys a high-performing leadership and management culture with robust business ethics and practices.
	Selling practices and product labelling	Achieved	Company has helped pioneer innovative and lawful sales and marketing practices in a restrictive regulatory

Impact dimension	Areas of focus	Status	Highlights
			<p>environment.</p> <p>Company complies with all enhanced TGA product labelling requirements.</p>
Societal enablement	Patient feedback	Achieved	Company consistently receives positive feedback and testimonials and in its pharmacovigilance activities demonstrate a beneficial safety and risk / benefit profile for its medicines.
	Customer service	Achieved	Company provides excellent customer, prescriber and patient service and frequently goes beyond the call to assist stakeholders.
	Access and affordability	Achieved	<p>Company provides significant support to prescribers and patients seeking access to medicinal cannabis, including through various product and educational platforms as well as medicinal science liaison and customer care teams.</p> <p>Company also provides a compassionate access programme as well as access to reduced price cannabis medicines through health insurance partnerships and clinical studies.</p>
Access and inclusion	Employee health and safety	On track	Group assets have a robust safety culture at all assets and enjoys a positive safety record since commencement of operations at all facilities. Company continues to refine its safety culture, processes and training to reflect safety profile of each asset.
	Employee engagement and inclusion	Achieved	Group has strong employee engagement and inclusion practices, including through internal communications, reward programmes and Company-sponsored activities and events. Company strives to provide an inclusive workplace for a diverse workforce, including flexible working practices.
	Workplace transparency	On track	Company generally provides transparent communications, updates and feedback to workforce, with general improvement throughout the financial year. Company to move towards expanding internal communications in line with expanded external communications strategy.
	Employee gender and age diversity	Achieved	Group has a workforce comprising over 58% women, with an age range of between 28 - 64 and an average age of 45.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Little Green Pharma Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2025.

Directors

The following persons were Directors of Little Green Pharma Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Michael D Lynch-Bell	Independent Non-Executive Chair
Dr Neale Fong	Independent Non-Executive Director
Mr David Fenlon	Independent Non-Executive Director (appointed 1 March 2025)
Ms Beatriz Vicén Banzo	Independent Non-Executive Director (resigned 1 March 2025)
Mr Paul Long	Managing Director (appointed 1 March 2025)
Ms Fleeta Solomon	Executive Director
Mr Angus Caithness	Executive Director

Information on Directors

Name:	Mr Michael D Lynch-Bell
Title:	Independent Non-Executive Chair
Qualifications:	Bachelor of Arts, Fellow of the Institute of Chartered Accountants in England and Wales, Doctorate of Humane Letters, Member of Energy Institute
Experience and expertise:	Michael is an experienced corporate finance executive and consultant. His early Ernst & Young career was focused on auditing clients within the oil and gas sectors and later added mining to his portfolio. He also led Ernst & Young's UK IPO and Global Natural Resources transaction teams in the Transaction Advisory practice. He has been involved advising companies on fundraising, re-organisations, transactions, corporate governance as well as IPOs. He is a former Chair of the Bureau and current member of UNECE's Expert Group on Resource Management.
Other current directorships:	Non-executive Chair of Serabi Gold plc (SRB.L) Non-executive Director of Tirupati Graphite plc (TGR)
Former directorships (last 3 years):	Barloworld Limited, Gem Diamonds Limited
Special responsibilities:	Chair of the Remuneration and Nomination Committee and member of Audit and Risk Committee
Interests in shares:	1,758,450
Interests in options:	nil
Interests in rights:	510,000

Name:	Dr Neale Fong
Title:	Independent Non-Executive Chair
Qualifications:	Fellow of the Australian Institute of Company Directors
Experience and expertise:	Neale is a registered medical practitioner with over 36 years in senior leadership roles in private hospitals, the public health systems, management consulting, academia, health research, aged care and not for profit organisations. Neale is currently CEO of Bethesda Health Care and formerly was Director General of the West Australian Department of Health.
Other current directorships:	Non-executive chair of Intelicare (ASX:ICR)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee and member of Remuneration and Nomination Committee
Interests in shares:	1,550,729
Interests in options:	nil
Interests in rights:	255,000

Name:	Mr David Fenlon
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Business
Experience and expertise:	David Fenlon has over 30 years of worldwide experience in the FMCG and consumer sectors. David was previously CEO of The Platform Alliance Group, and Group CEO and Managing Director of BWX Limited (ASX: BWX) and has been Board Director of Quest for life Foundation since May 2015. He was also previously Non-Executive Chair of Nutritional Growth Solutions (ASX: NGS). Prior to this, he was Managing Director for Australia and New Zealand at Blackmores Limited (ASX: BKL). David has worked with leading retail brands both in Australia and offshore, with a strong focus on strategic planning and business transformation including in key positions with Tesco throughout Europe and Safeway in the UK. David was a member of the Board of Directors for the Special Olympics from May 2017 until June 2019.
Other current directorships:	Independent Non-Executive Chair of Elixinol Wellness Limited
Former directorships (last 3 years):	Nutritional Growth Solutions (ASX: NGS) and BWX Ltd (ASX: BWX)
Special responsibilities:	Member of Audit and Risk Committee
Interests in shares:	100,000
Interests in options:	nil
Interests in rights:	150,000

Name:	Ms Fieta Solomon
Title:	Executive Director
Qualifications:	Graduate of the Australian Institute of Company Directors (GAICD) and holds a Bachelor of Science and MBA from the University of Western Australia
Experience and expertise:	Fieta was a founder of Little Green Pharma and grew the company from a medicinal cannabis startup to an industry leading medicinal cannabis brand in Australia and overseas. Fieta has 20 years' experience in corporate and consumer health markets.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Remuneration and Nomination Committee
Interests in shares:	21,873,216
Interests in options:	1,200,000
Interests in rights:	4,000,000

Name:	Mr Angus Caithness
Title:	Executive Director
Qualifications:	Harvard Business School alumnus, Chartered Accountant, Master of Science, Bachelor of Commerce and a fellow of the Financial Services Institute of Australasia.
Experience and expertise:	Angus is an experienced corporate finance executive and consultant in Australia and international markets. Angus has ASX experience as a Non-Executive Director of Lindian Resources Limited (ASX: LIN), CFO of Hunnu Coal (ASX: HUN), and Company Secretary for the IPO of Harga Resources (ASX: HAR). Following these roles, Angus acted as CFO of Erdenes Tavan Tolgoi, the owner of the world's largest coking coal deposit looking at a US\$10 billion dual listing in London and Hong Kong prior to the change in the Mongolian government. Prior to that he was an Executive Director at EY in London and Australia specializing in initial public offerings of large-cap mining companies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	11,481,441
Interests in options:	2,000,000
Interests in rights:	4,000,000

Name:	Mr Paul Long
Title:	Managing Director
Qualifications:	Bachelor of Science
Experience and expertise:	<p>Mr Paul Long is a results-driven executive with over two decades of experience across the health, pharmaceutical, and medicinal cannabis industries. After leading Onsite Health Solutions to become a market leader and achieving its successful acquisition by Sanitarium in 2012, Paul transitioned into consultancy, advising a range of enterprise health, health tech, and retail pharmaceutical businesses. In 2018, he joined LGP as Chief Operations Officer, where he played a critical role in scaling the business from \$2.2 million in revenue in 2020 to \$19.9 million in 2023, while also expanding the company's international presence across nine European markets.</p> <p>Since stepping into the role of Chief Executive Officer and now Managing Director, Paul has continued to drive strong performance and long-term growth. Under his leadership, LGP was recognised as Cannabiz's Best Place to Work in 2025 and achieved a 43% growth in revenue and an Adjusted EBITDA of \$2.9 million for the 2025 year, during a period where many competitors entered administration. Paul also oversaw the doubling of revenue in Europe, supported by the expansion of LGP's Danish facility, and led the successful integration of the Health House acquisition. This transaction has opened new commercial opportunities while reinforcing LGP's commitment to building a globally trusted brand. Paul's strategic focus on France has also paid off, with LGP poised to capitalise on the transition to medical cannabis legalisation as one of only two currently authorised suppliers in the country.</p> <p>With deep sector expertise, financial acumen, and a forward-thinking approach, Paul continues to position LGP as a global leader in the medicinal cannabis industry</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	2,925,960
Interests in options:	2,000,000
Interests in rights:	4,000,000

*Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

*Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- the cultivation of medicinal cannabis, procurement of raw materials and production of medicinal cannabis medicines;
- the supply of medicinal cannabis products into Australia and Europe;
- the supply of medicinal cannabis products for observational and clinical studies and research and development of new medicinal cannabis products; and
- the development of a psychedelics business including sponsoring a clinical trial into the treatment of refractory depression with psilocybin assisted therapy and establishment of a psychedelic treatment clinic.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the Group after providing for income tax amounted to \$3,324,000 (31 March 2024: loss of \$8,152,000).

The Group's financial results included record revenues and Adjusted EBITDA of \$2,893,000, demonstrating the effectiveness of its House of Brands strategy and prudent cost management. Meanwhile, market developments in Germany, the United Kingdom and France validated the Group's long-held strategy of accessing high and low regulatory barrier territories across Europe.

Key financial outcomes

- **Revenue:** The Group's revenue for the year was \$36,841,000 up from \$25,803,000 in the prior comparative period. This performance was driven by sales growth in both domestic and international markets and across most product categories.
- **Profit after tax:** The Group's profit after tax was \$3,324,000 up from a loss after tax of \$8,152,000.
- **Adjusted EBITDA:** The Group's Adjusted EBITDA for the year was \$2,893,000 up from a negative Adjusted EBITDA of \$1,601,000 in the prior comparative period. This included a share-based payments expense of \$2,413,000, depreciation and amortisation of \$3,724,000, a net fair value decrease in biological assets of \$335,000, a write down of inventory of \$846,000, a finance charge of \$384,000 and interest revenue of \$17,000.
- **Net tangible assets:** The Group's net tangible assets per share at the end of the year was 24.05 cents which significantly exceeds the share price at the same date of 12.00 cents per share.
- **Debt:** The Group's debt remained low at the end of the year at \$3,085,000 down from \$3,496,000 at 31 March 2024.
- **Cash position:** The Group's cash position at the end of the year was \$2,376,000 down from \$4,974,000 at 31 March 2024 with \$933,000 in unused facilities. The Group's operating cash outflow for the year was \$917,000 down from a cash inflow of \$67,000 in the prior comparative period.

Key operational outcomes

- **Health House acquisition:** In February 2025, the Company successfully acquired HHI (Australia) Pty Ltd, a medicinal cannabis distribution business. The integration is currently underway and ahead of schedule, with the majority of Health House customers retained, validating the strategic fit.
- **New product launches:** In response to growing market segmentation, the Company introduced a suite of new products within its existing flower, vaporisation products, and oils lines. During the period, the Company launched two new brands: Indicare in September 2024 and Lush Labs in December 2024, further diversifying its product offering.
- **European growth:** The Group achieved notable revenue increases in Germany, the United Kingdom, and France, as the German market continued its growth following legalisation and the UK market began to fulfil its long-overdue potential. The Group also remained the largest commercial supplier in France during the post-trial period as the Company ramps up efforts to register its products for the expected commercial market in France.
- **Australian market performance:** The House of Brands strategy yielded positive results during the year, with the Group experiencing healthy growth across its portfolio, particularly for CherryCo products, despite rising competition.
- **Subcontracting of Australian cultivation:** The Company subcontracted its Australian cultivation operations in September 2024, a move expected to deliver both cost savings and free up management time to focus on sales growth.
- **Research & Innovation:** The Company continues to supply products into a number of clinical trials or studies for the treatment of various chronic conditions with medicinal cannabis. Notably, the 12-month results from the Company's QUEST Initiative were published in the peer-reviewed journal PLOS One in April 2025, demonstrating long-term efficacy of LGP medicinal cannabis for various chronic conditions.

Regulatory and corporate updates

- **Head office relocation:** In July 2024, the Company relocated its registered office and principal place of business to Shenton Park in Western Australia, a move which has reduced rental costs by \$200,000 annually.
- **Remuneration report vote:** With the Company's remuneration report being voted down at the Annual General Meeting, the Board is currently reviewing its remuneration policies to address shareholder concerns.
- **Change in substantial holding:** In October 2024, Thorney Investment Group acquired the majority of Hancock Prospecting's shareholding and increased its interest to 19.8%
- **Board changes:** In March 2025, the Company strengthened its Board with the appointment of Mr Paul Long as Managing Director and Mr David Fenlon as an Independent Non-Executive Director. During the same period, Non-Executive Director Beatriz Vicen Banzo retired from the Board.

Reset Mind Sciences

- *Clinical trial:* The Reset-sponsored psilocybin clinical trial, in partnership with the University of Western Australia and the Harry Perkins Institute, has shown encouraging results and enabled the Company to validate its clinic treatment protocols. The trial has now finished recruitment and dosing and is progressing its 12-month follow-up period that began at the end of the 2024 calendar year.

Significant changes in the state of affairs

Little Green Pharma Switzerland GmbH was dormant and deregistered during the period.

Lab Services Denmark ApS was deregistered during the period with the business consolidated into Little Green Pharma ApS.

In February 2025, the Company acquired HHI (Australia) Pty Ltd a medicinal cannabis distribution business. Further details can be found at note 23 'Business combinations'.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The \$1,857,000 property loan repayment date was extended post year end to 31 July 2027 as per note 14 'Borrowings'.

In addition to the above, the Company received confirmation of a \$3,000,000 inventory financing facility.

France's Health Ministry submitted three draft decrees to the European Commission covering cultivation, product authorisation, and quality standards. The transition period has been extended to 31 March 2026, ensuring uninterrupted patient access, with the commercial market expected to open in late calendar year 2025 or early calendar year 2026 following a 3–6 month EU notification period.

No other matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

A review of the Group's operations for the financial year ended 31 March 2025, together with LGP's business strategies and prospects for future years can be found in the review of operations sections. Certain information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Material risks

The material risks affecting the Group are:

Key risk	Summary	Status and controls
Increased market competition	Risk of competition from low-cost imports, lower cost, non-GMP compounded cannabis medications, or registered products for key Indications, resulting in pricing pressure, reduced gross profits and challenges achieving or maintaining profitability.	LGP has strong market and brand position and with economies of scale Company has show it can compete with low-cost jurisdictions. Company has outsourced production at Busselton to third party operator to improve quality and margins and reduce costs. Company also has access to cost-efficient offshore procurement options and monetizes lower-grade flower and offcuts through lower-priced product offerings. Company has also found ways to monetize lower-grade flower through CherryCo brand.
War or international conflict	Risk that war or conflicts in Europe or Middle East result in higher EU electricity costs, transportation	Company has various transportation solutions and contractual protections against rising input or production costs.

Key risk	Summary	Status and controls
	dislocation, or input inflation due to higher energy costs.	Company has taken steps to minimise power use and has moved production in line with committed contracted capacity and lean inventory to avoid overspending on consumables.
Key supplier failure	Risk that key LGP suppliers cease or refuse to supply key production inputs or services which cannot be easily replaced, resulting in supply dislocation and lower sales.	Company has long term contracts for supply of key inputs and services with a range of reputable suppliers and its supply agreements typically include clauses permitting price increases for CPI or price reviews. European power costs have generally remained stable in recent months though remain relatively higher than before COVID and the War in Ukraine.
Inability to raise finance	Risk that LGP cannot raise capital at acceptable price for operational or growth purposes including due to market conditions or company valuation, and is unable to meet market scaling imperatives, including due to product manufacturing, operating and new equipment / financing and recruitment/staffing costs exceeding receipts or cash reserves.	Current market conditions for capital raising are relatively weak risking challenges in raising sufficient capital to spur further growth however Company has robust asset base for use in sales or financing activities if required. Company maintains regular communication with supporting brokers to ensure that LGP is well supported. Company continuing to manage operational processes to minimise waste, minimise costs and only produce what can be sold.
Poor production planning	Risk that ineffective systemisation or poor production management and planning results in production delays, stock-outs, high-cost products, or reduced product quality.	LGP has spent substantial time integrating and systemising its Inventory and production planning across its facilities and forging close connections between sales and operational units to ensure accurate market information and supply forecasts. Staffing costs have been substantially reduced at Danish Facility since acquisition to ensure lowest cost per gram competitiveness. Danish Facility is currently expanding production and has experience incorporating additional rooms into planning processes. Company continues to upgrade its systemisation and planning processes and procedures.
Material business interruption	Risk that natural or man-made disasters or shortages of critical inputs significantly interruption cultivation or supply operations or result in the loss of genetic or product lines.	Company maintains various manufacturing options to cover temporary shortages or outages and insures facilities for recovery and business interruption costs. Company effectively manages cultivation and manufacturing facilities to minimise pestilence, mould and contamination risk including through multiple segregated rooms to avoid contamination and has back-up generators at both production sites. Both facilities covered under Industrial Special Risk policies against fire damage / total loss and crop failure rate

Key risk	Summary	Status and controls
Loss of key operational licences	Risk that LGP fails to comply with key licence terms or breaches pharmaceutical or narcotic laws in relevant territories.	minimised by having two sites with numerous rooms. Company has dedicated quality and regulatory teams to oversee and manage compliance risk in relevant territories.
Key personnel retention	Reliance on key personnel and failure to recruit or plan for succession of key directors and executive/senior staff or loss of intellectual property due to key staff departures.	History of good retention of key staff and appropriate notice periods for key senior personnel and equity participation, while Increased size of LGP group means know-how spread across greater teams. Company has company succession planning and Remuneration & Nomination Committee annual review. Company to undertake enhance routine succession and talent pipeline planning. Company adopting systems to ensure knowledge retention within Group. Company to continue to conduct succession planning across the Group.
Dislocation from rapid business growth	Risk that Company grows too rapidly including due to acquisitions or entry into new businesses or projects which results in systems failures, loss of employees or degradation of Company culture.	Company undertaking systemisation and integration project to ensure any acquisitions or new businesses are adequately incorporated into LGP Group. Company experience with integration of Health House demonstrates business ability to manage integration of small-to-medium acquisition.
Cyber attack	Risk that LGP suffers significant cyber attack including due to phishing or hacking activities which results in LGP being ransomed or losing crucial commercial data or private information, resulting in reputational or financial damage.	Company adopting systems to ensure knowledge retention within Group. Company to continue to conduct succession planning across the Group.

Of the above, the increased market competition and inability to raise capital risks warrant additional consideration. Global cannabis markets are currently distinguished by their highly competitive and global nature, which has facilitated robust market offerings from a range of suppliers and, inevitably, downward price pressure. Meanwhile, Australian cannabis capital markets still remain weak, with local investors taking a wait-and-see approach while offshore investors focus on stock growth in the recently down-regulated US and German markets. LGP accepts that high competition will likely remain a feature of many global cannabis markets, however believes its brand, product and pricing offerings enable it to compete successfully and well with its peers, and is increasingly seeing a period of consolidation and market exits which is expected to reduce competition in the Australian market going forward. Increasingly, LGP is also focusing on highly regulated markets with higher barriers to entry such as France, where LGP's pharmaceutical experience sets it apart from many local importers and GACP suppliers.

Environmental regulation, environmental issues and climate change

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meanwhile, the Company believes it is relatively well-positioned to manage the effects of climate change compared to its peers and other industries.

Changing weather patterns

Currently, the Company cultivates and manufactures its cannabis flowers in indoor and glasshouse cultivation facilities. These facilities are self-contained and rely primarily on electric LED lights and external water supplies and are not materially dependent on external climatic conditions, in contrast to outdoor and solar-dependent cultivation operations which are heavily influenced by both weather and temperature conditions. This also means these facilities are not subject to risks of lower plant productivity and yield or increased incidences of pest and diseases otherwise associated with climate change. The Company believes it is relatively well placed to respond to any future market shortages driven by the effect of climate change on third party outdoor and solar-dependent greenhouse cultivation operations. In addition, the Company has significant alternative cultivation and CMO back-up supply capability.

Regulatory changes

The risk of climate change may result in additional regulatory changes, including changes requiring mandatory carbon offsets for all non-renewable electricity supplies or restrictions on use of non-renewable electricity. In addition, changing environmental standards may result in water rationing and recycling and mandatory sustainable waste management practices. The Company purchased renewable power to meet part of its power requirements at both of its production facilities during the year and while the Company does not anticipate material regulatory changes in the short term the Company continues to investigate capital works to include additional solar power production at its Australian facilities, while its Danish site supplies organic waste under an exchange agreement with a local biomass power station and its district heating operations are also adopting renewable power sources in line with the national strategy to achieve power independency through 100% supply from renewable sources. The Company's sites both operate within high-rainfall areas which limits the potential for future water rationing, with the Company's West Australian facility already recycling around 75% of its total water usage and both the Australian and Danish facilities using purified rainwater recovered from their facilities in their production cycle. Both of the Company's facilities also undertake sustainable waste management programs including recycling various waste products, including organic waste and growing mediums.

Company secretary

Mr Alistair Warren (LLB. BA. Grad. Dip. Applied Econs.) is General Counsel and Company Secretary for the Company. Alistair was previously inhouse legal counsel at BHP Group Ltd and a legal practitioner in private practice with Freehills Lawyers (now Herbert Smith Freehills).

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 March 2025, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held*	Attended	Held*	Attended	Held*
Mr Michael D Lynch-Bell	7	7	3	3	3	3
Dr Neale Fong	6	7	3	3	3	3
Mr David Fenlon	-	-	-	-	-	-
Ms Beatriz Vicén Banzo	7	7	-	-	-	-
Ms Fleeta Solomon	7	7	3	3	-	-
Mr Angus Caithness	7	7	3	-	3	-
Mr Paul Long	7	7	3	-	3	-

* Held: represents the number of meetings held during the time the Director was a member of the relevant committee. If nil but attended the Director was invited as a guest.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel ("KMP") are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's KMP reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that KMP reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel. The Remuneration and Nomination Committee is responsible for:

- reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensuring that the executive remuneration policy demonstrates a clear relationship between key Director performance and remuneration and recommending to the Board the remuneration of executive and non-executive Directors;
- fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market and reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- reviewing and approving the remuneration of direct reports to the Managing Director and other senior executives as appropriate; and
- reviewing and approving any equity-based plans and other incentive schemes.

The reward framework is designed to align KMP reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is different, with the non-executive Director remuneration focused on director retention and governance, and the executive KMP remuneration focused increasingly on economic profit and sustained growth in shareholder wealth.

Non-executive Directors remuneration

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The chair's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chair is not present at any discussions relating to the determination of his own remuneration. Non-executive Directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held in November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

Non-executive directors receive fixed remuneration plus superannuation for their services. This includes participation in the Company's long term incentive plan ("LTI Plan") comprised of annual packages of retention rights with a three-year retention horizon issued under the Company's Employee Securities Incentive Plan.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components. Executive remuneration is reviewed annually by the Remuneration and Nomination Committee.

In the years subsequent to listing, the Company's executive remuneration packages have focused on the growth of long-term shareholder value, with the LTI Plan incentives for executives comprising performance rights and options with target share price milestones and exercise prices as well as executive retention rights, while the STI Plan cash remuneration focused on the achievement of key development targets for the Company in that year. Over time these targets have transitioned towards predominantly financial metrics focusing on achieving cash flow break-even and profitability.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives, being the Company's short term incentive plan ("STI Plan");
- share-based payments, being the Company's LTI Plan; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

Short-term incentive plan

The STI plan of each executive KMP's service contract is a variable remuneration component and comprises an annual cash incentive linked to the achievement of specific performance milestones that are both financial and non-financial in nature.

The performance milestones are clearly defined and measurable and based on achievements that are consistent with the Company's strategic objectives and the goal of enhancing shareholder value. The Remuneration Committee assesses and approves the executive's performance against these milestones.

For the current financial year, the STI plan set predominantly financial metrics and one personal performance metric, each with an allocation of 25% of total award, being:

- revenue;
- cashflow from operations;
- total free cash flow (opex and capex); and
- personal performance

The performance goals were divided into threshold, target and maximum goals, 40% of their base salary for achievement of the target goals and up to 100% of their base salary for achievement of the stretch goals across all metrics.

According to the Board's assessment, the executive's achievements against the above metrics rated an STI plan incentive of 30% of the base salary for the financial year.

Long-term incentive plan - options

The LTI plan is an equity incentive designed to create sustainable growth and shareholder value.

The LTI plan links a significant portion of at-risk remuneration with the Company's ongoing share price and therefore aligns executive performance with the return to shareholders over the performance period.

In prior years, the Company issued performance rights tied to achievement of certain share price milestones as well as retention rights based on 3-year retention periods. In the current reporting period, the Company issued options to KMP executives with an exercise price of 150% of the share price at the date of issue and an expiry date of 31 July 2027 as set out in note 25 'Share-based payments'

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

The Company received a 'first strike' under section 250R(2) of the Listing Rules where more than 25% of the votes cast were against adopting the remuneration report. If the Company receives a second consecutive strike at the next Annual General Meeting shareholders must vote on a spill resolution under section 250V of the Corporations Act and if the spill resolution passes by a simple majority, a spill meeting must be held within 90 days where all directors other than the Managing Director must stand for re-election.

Following the AGM the Company discussed executive remuneration with key shareholders and adjusted its remuneration policy to reflect that feedback.

Details of remuneration

The key management personnel of the Group consisted of the following Directors of Little Green Pharma Ltd:

Non-Executive

- Mr Michael D Lynch-Bell
- Dr Neale Fong
- Mr David Fenlon
- Ms Beatriz Vicén Banzo

Executive

- Ms Fleta Solomon
- Mr Angus Caithness
- Mr Paul Long

Remuneration paid

The amounts disclosed below are not the same as the remuneration expensed in relation to each KMP in accordance with the accounting standards as disclosed in note 18. The directors believe that the remuneration received is more relevant to users for the following reasons:

- the statutory remuneration is based on historic cost and does not reflect the value of the equity instruments when they are actually received by the KMPs;
- the statutory remuneration shows benefits before they are actually received by the KMPs; and
- share-based payment awards are treated differently under the accounting standards depending on whether the performance conditions are market conditions (no reversal of expense) or non-market conditions (reversal of expense where shares fail to vest), even though the benefit received by the KMP is the same (nil where equity instruments fail to vest).

	Fixed remuneration (Cash) ¹ \$	Short-term incentive FY23 (Cash) \$	Short-term incentive FY24 (Cash) \$	Share-based payments (Issued) \$	Annual leave paid out (Cash) \$	Total \$
31 March 2025						
Mr Michael D Lynch-Bell	138,711	-	-	10,500	-	149,211
Dr Neale Fong	62,271	-	-	5,250	-	67,521
Mr David Fenlon ²	5,279	-	-	13,500	-	18,779
Ms Beatriz Vicén Banzo ³	63,470	-	-	49,025	-	112,495
Ms Fleta Solomon	164,617	-	-	5,040	-	169,657
Mr Angus Caithness	274,362	81,000	-	4,480	32,845	392,687
Mr Paul Long	309,927	40,500	91,500	4,480	41,604	488,011
	<u>1,018,637</u>	<u>121,500</u>	<u>91,500</u>	<u>92,275</u>	<u>74,449</u>	<u>1,398,361</u>

(1) Salaries and fees include post employment benefits

(2) From date of appointment 1 March 2025

(3) Until date of resignation 1 March 2025

	Fixed remuneration (Cash) ¹ \$	Short-term incentive FY22 (Cash) \$	Short-term incentive FY23 (Cash) \$	Share-based payments (Issued) \$	Shares in lieu of salary ² (Issued) \$	Total \$
31 March 2024						
Mr Michael D Lynch-Bell	135,405	-	-	-	51,800	187,205
Dr Neale Fong	67,856	-	-	-	25,960	93,816
Ms Beatriz Vicén Banzo	72,549	-	-	-	-	72,549
Ms Fleta Solomon	216,152	-	75,300	6,120	-	297,572
Mr Angus Caithness	296,830	-	-	5,440	40,885	343,155
Mr Paul Long ³	202,203	-	40,500	-	-	242,703
	<u>990,995</u>	<u>-</u>	<u>115,800</u>	<u>11,560</u>	<u>118,645</u>	<u>1,237,000</u>

(1) Salaries and fees include post employment benefits

(2) Shares issued in the current financial year in relation the salary sacrificed in the prior financial year whereby Mr Michael Lynch-Bell and Dr Neale Fong sacrificed 40% of their salary for the period July 2022 through to March 2023, and Mr Angus Caithness sacrificed 40% for the period July 2022 to September 2022, and thereafter 20% for the period October 2022 to March 2023.

(3) Remuneration from the date Mr Paul Long became Chief Executive Officer on 29 August 2023.

KMP statutory and share-based reporting

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Annual leave/Other non cash	Super-annuation	Long service leave	Equity-settled	
31 March 2025	\$	\$	\$	\$	\$	\$	\$
Mr Michael D Lynch-Bell	138,711	-	-	-	-	26,312	165,023
Dr Neale Fong	62,271	-	-	7,085	-	13,156	82,512
Mr David Fenlon*	5,279	-	-	607	-	13,986	19,872
Ms Beatriz Vicén Banzo**	63,470	-	-	-	-	42,150	105,620
Ms Fleta Solomon	161,429	50,301	9,673	18,744	18,871	367,395	626,413
Mr Angus Caithness	238,064	83,835	(15,273)	33,893	4,093	400,171	744,783
Mr Paul Long	297,649	94,703	11,758	36,898	4,623	670,249	1,115,880
	966,873	228,839	6,158	97,227	27,587	1,533,419	2,860,103

* From date of appointment 1 March 2025

** Until date of resignation 1 March 2025

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Annual leave/Other non cash	Super-annuation	Long service leave	Equity-settled	
31 March 2024	\$	\$	\$	\$	\$	\$	\$
Mr Michael D Lynch-Bell	135,405	-	-	-	-	34,118	169,523
Dr Neale Fong	61,200	-	-	6,656	-	17,059	84,915
Ms Beatriz Vicén Banzo	72,549	-	-	-	-	17,600	90,149
Ms Fleta Solomon	194,700	58,410	(6,392)	21,452	10,473	577,920	856,563
Mr Angus Caithness	270,000	81,000	20,769	26,830	1,977	585,450	986,026
Mr Paul Long*	185,808	51,185	2,063	16,395	2,379	347,863	605,693
	919,662	190,595	16,440	71,333	14,829	1,580,010	2,792,869

* Remuneration from the date Mr Paul Long became Chief Executive Officer on 29 August 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<i>Non-Executive Directors:</i>						
Mr Michael D Lynch-Bell	100%	100%	-	-	-	-
Dr Neale Fong	100%	100%	-	-	-	-
Mr David Fenlon	100%	-	-	-	-	-
Ms Beatriz Vicén Banzo	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Ms Fleta Solomon	33%	26%	8%	7%	59%	67%
Mr Angus Caithness	35%	33%	11%	8%	54%	59%
Mr Paul Long	32%	35%	8%	8%	60%	57%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Ms Fleeta Solomon
Title: Executive Director
Agreement commenced: 1 December 2019 revised in August 2023
Term of agreement: Perpetual
Details: Base salary for the year ending 31 March 2025 of \$279,450 plus superannuation, up 3.5% from \$270,000 plus superannuation from 7 October 2024. Ms Fleeta Solomon's also entitled to participate in the Company's STI and LTI Plans, to be reviewed annually by the Remuneration and Nomination Committee, with no guarantee of increases to remuneration. During the financial year Ms Solomon's hours of work were 0.6 FTE with her base salary, STI Plan payments and LTI Plan award pro-rated accordingly. Ms Solomon did not receive any non-cash benefits during the period.

Six month termination notice by either party, STI Plan cash bonus and LTI Plan participation as per Remuneration and Nomination Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Ms Fleeta Solomon's agreement revised in August 2023 to reflect her decreased salary as Executive Director.

Name: Mr Angus Caithness
Title: Executive Director
Agreement commenced: 1 December 2019
Term of agreement: Perpetual
Details: Base salary for the year ending 31 March 2025 of \$279,450 plus superannuation, up 3.5% from \$270,000 plus superannuation from 7 October 2024. Mr Angus Caithness is also entitled to participate in the Company's STI and LTI Plans, to be reviewed annually by the Remuneration and Nomination Committee, with no guarantee of increases to remuneration.

Six month termination notice by either party, STI Plan cash bonus and LTI Plan participation as per Remuneration and Nomination Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Name: Mr Paul Long
Title: Managing Director
Agreement commenced: 17 October 2019 revised in August 2023
Term of agreement: Perpetual
Details: Base salary for the year ending 31 March 2025 of \$315,675 plus superannuation up 3.5% from \$305,000 plus superannuation from 7 October 2024. Mr Paul Long is also entitled to participate in the Company's STI and LTI Plans, to be reviewed annually by the Remuneration and Nomination Committee, with no guarantee of increases to remuneration.

Six month termination notice by either party, STI Plan cash bonus and LTI Plan participation as per Remuneration and Nomination Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Mr Paul Long's agreement revised in August 2023 to reflect his increased salary as Chief Executive Officer. Mr Paul Long did not receive any additional compensation following his appointment to Managing Director in March 2025.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to key management personnel as part of compensation during the year ended 31 March 2025 other than Mr David Fenlon who was issued 100,000 ordinary shares in the Company in connection with his appointment as a Director.

Name	Date	Shares	Issue price	\$
Mr David Fenlon	4 March 2025	100,000	\$0.135	13,500

For the shares issued during the current financial year, the fair value was determined based on the Company's prevailing share price at the grant date.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
29 August 2024	29 August 2024	31 July 2027	\$0.138	\$0.041

Each option entitles the holder to the issue of one fully paid ordinary share in the Company. Each option is issued for nil cash consideration. Any option not exercised prior to the expiry date will automatically lapse on the Expiry date. The options are not transferable without prior written approval of the Company. The options may be exercised on a cashless basis, where upon exercise the Company will transfer or allot to the holder the number of shares equal in value to the positive difference between the then Market Value of the shares at the time of exercise and the exercise price that would otherwise be payable to exercise the options. "Market Value" means, at any given date, the volume weighted average price per share traded on the ASX over the five (5) trading days immediately preceding that given date. No dividends are payable on the options.

Details of options over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the year ended 31 March 2025 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted \$	Value of options vested \$	Number of options lapsed	Value of options lapsed \$
Ms Fleeta Solomon	29/08/2024	29/08/2024	1,200,000	49,200	49,200	-	-
Mr Angus Caithness	29/08/2024	29/08/2024	2,000,000	82,000	82,000	-	-
Mr Paul Long	29/08/2024	29/08/2024	2,000,000	82,000	82,000	-	-

The options were issued at 150% of the Company's share price at the date of issue and the Black Scholes valuation inputs can be found at note 25 'Share-based payments'.

Performance rights

There were no performance rights over ordinary shares issued to key management personnel as part of compensation that were outstanding as at 31 March 2025.

Retention rights

Retention rights granted carry no dividend or voting rights.

Details of retention rights over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the year ended 31 March 2025 are set out below:

Name	Grant date	Vesting date	Number of rights granted	Value of rights granted \$	Value of rights vested \$	Number of rights lapsed	Value of rights lapsed \$
Mr Michael D Lynch-Bell	25/11/2024	31/03/2027	300,000	28,200	-	-	-
Dr Neale Fong	25/11/2024	31/03/2027	150,000	14,100	-	-	-
Ms Beatriz Vicén Banzo*	25/11/2024	31/03/2027	150,000	14,100	14,100	-	-
Mr David Fenlon	04/03/2025	31/03/2028	150,000	20,250	-	-	-

* In conjunction with Mr David Fenlon being appointed to the board in March 2025, Ms Beatriz Vicén Banzo resigned. As part of this, her outstanding retention rights vested early and were exercised.

For the retention rights granted during the current financial year, the fair value was determined based on the Company's prevailing share price at the grant date.

Additional information

The earnings of the Group for the four years to 31 March 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000
Sales revenue	36,841	25,803	19,859	10,530
Adjusted EBITDA	2,893	(1,601)	(5,907)	(15,976)
Adjusted EBIT	(831)	(4,680)	(8,891)	(17,730)
Profit/(loss) after income tax	3,324	(8,152)	(9,205)	(18,286)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022
Share price at financial year end (\$)	0.12	0.14	0.18	0.41
Total dividends declared (cents per share)	-	-	-	-
Basic earnings per share (cents per share)	1.10	(2.72)	(3.68)	(7.75)
Diluted earnings per share (cents per share)	1.10	(2.72)	(3.68)	(7.75)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Vested during the year	Other*	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr Michael D Lynch-Bell	1,688,450	70,000	-	-	1,758,450
Dr Neale Fong	1,515,729	35,000	-	-	1,550,729
Mr David Fenlon	-	-	100,000	-	100,000
Ms Beatriz Vicén Banzo	50,000	370,000	(420,000)	-	-
Ms Fleta Solomon	21,837,216	36,000	-	-	21,873,216
Mr Angus Caithness	11,449,441	32,000	-	-	11,481,441
Mr Paul Long	2,894,191	32,000	-	(231)	2,925,960
	<u>39,435,027</u>	<u>575,000</u>	<u>(320,000)</u>	<u>(231)</u>	<u>39,689,796</u>

* Mr David Fenlon received 100,000 shares at the time of joining the board and Ms Beatriz Vicén Banzo resigned prior to the year end.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Mr Michael D Lynch-Bell	250,000	-	-	(250,000)	-
Dr Neale Fong	125,000	-	-	(125,000)	-
Mr David Fenlon	-	-	-	-	-
Ms Beatriz Vicén Banzo	-	-	-	-	-
Ms Fleta Solomon	250,000	1,200,000	-	(250,000)	1,200,000
Mr Angus Caithness	250,000	2,000,000	-	(250,000)	2,000,000
Mr Paul Long	125,000	2,000,000	-	(125,000)	2,000,000
	<u>1,000,000</u>	<u>5,200,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>5,200,000</u>

Terms and conditions relating to options can be found in note 25 'Share-based payments'.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Mr Michael D Lynch-Bell	-	-	-	-	-
Dr Neale Fong	-	-	-	-	-
Mr David Fenlon	-	-	-	-	-
Ms Beatriz Vicén Banzo	-	-	-	-	-
Ms Fleta Solomon	3,000,000	-	-	-	3,000,000
Mr Angus Caithness	3,000,000	-	-	-	3,000,000
Mr Paul Long	3,000,000	-	-	-	3,000,000
	<u>9,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000,000</u>

Terms and conditions relating to performance rights can be found in note 25 'Share-based payments'.

Share rights

The number of share rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Share rights over ordinary shares</i>					
Mr Michael D Lynch-Bell	280,000	300,000	(70,000)	-	510,000
Dr Neale Fong	140,000	150,000	(35,000)	-	255,000
Mr David Fenlon	-	150,000	-	-	150,000
Ms Beatriz Vicén Banzo	220,000	150,000	(370,000)	-	-
Ms Fleta Solomon	1,036,000	-	(36,000)	-	1,000,000
Mr Angus Caithness	1,032,000	-	(32,000)	-	1,000,000
Mr Paul Long	1,032,000	-	(32,000)	-	1,000,000
	<u>3,740,000</u>	<u>750,000</u>	<u>(575,000)</u>	<u>-</u>	<u>3,915,000</u>

Terms and conditions relating to retention rights can be found in note 25 'Share-based payments'.

Loans to key management personnel and their related parties

In March 2023, the Company issued a loan of \$300,000 to Mr Paul Long to fund the exercise of 1,000,000 options at an exercise price of \$0.30 per share. The loan carried a fixed interest rate of 4.25% and was secured against the 1,000,000 shares acquired. On 13 August 2024, the loan terms were modified to a limited recourse arrangement, under which interest ceased accruing from that date and repayment of the outstanding balance of \$343,874 became limited to the proceeds from the sale of the 1,000,000 shares. As a result of this modification, the loan was derecognised and a share based payment expense of \$238,874 was recognised. Additionally, a deemed call option was recognised with a fair value of \$27,775, calculated using the Black Scholes model. The inputs used in this valuation are disclosed in note 25 'Share-based payments'. These two amounts have been included in his current year remuneration as equity settled share based payments.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Little Green Pharma Ltd under option at the date of this report are as follows:

Class	Issue date	Expiry date	Exercise price	Number of options
LGPAX	02/09/2024	31/07/2027	\$0.14	<u>7,200,000</u>

Shares under performance rights

Unissued ordinary shares of Little Green Pharma Ltd under performance rights at the date of this report are as follows:

Class	Issue date	Expiry date	Exercise price	Milestone	Vesting conditions	Number of rights
LGPAT Class F	19/07/2021	17/08/2026	\$0.00	Company's 20-day share price volume weighted average price equals at least \$0.95 before 17 August 2024.	<ul style="list-style-type: none"> - 500,000 rights vest 12-months after satisfaction of Milestone. - 500,000 rights vest 24-months after satisfaction of Milestone. - Holder must be employee at date of vesting. 	1,500,000
LGPAT Class G	19/07/2021	17/08/2026	\$0.00	Company's 20-day share price volume weighted average price equals at least \$1.10 before 17 August 2024.	<ul style="list-style-type: none"> - 500,000 rights vest 12-months after satisfaction of Milestone. - 500,000 rights vest 24-months after satisfaction of Milestone. - Holder must be employee at date of vesting. 	1,500,000
LGPAT Class H	19/07/2021	17/08/2026	\$0.00	Company's 20-day share price volume weighted average price equals at least \$1.25 before 17 August 2024.	<ul style="list-style-type: none"> - 500,000 rights vest 12-months after satisfaction of Milestone. - 500,000 rights vest 24-months after satisfaction of Milestone. - Holder must be employee at date of vesting. 	1,500,000
LGPAT Class I	31/01/2023	27/02/2028	\$0.00	Company's 20-day share price volume weighted average price equals at least \$0.50 before 27 February 2026.	<ul style="list-style-type: none"> - 666,667 rights vest 12-months after satisfaction of Milestone. - 666,667 rights vest 24-months after satisfaction of Milestone. - Holder must be employee at date of vesting. 	2,000,000
LGPAT Class J	31/01/2023	27/02/2028	\$0.00	Company's 20-day share price volume weighted average price equals at least \$0.60 before 27 February 2026.	<ul style="list-style-type: none"> - 666,667 rights vest 12-months after satisfaction of Milestone. - 666,667 rights vest 24-months after satisfaction of Milestone. - Holder must be employee at date of vesting. 	2,000,000

Class	Issue date	Expiry date	Exercise price	Milestone	Vesting conditions	Number of rights
LGPAT Class K	31/01/2023	27/02/2028	\$0.00	Company's 20-day share price volume weighted average price equals at least \$0.75 before 27 February 2026.	- 666,667 rights vest 12-months after satisfaction of Milestone. - 666,667 rights vest 24-months after satisfaction of Milestone. - Holder must be employee at date of vesting.	2,000,000
						<u>10,500,000</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares under retention rights

Unissued ordinary shares of Little Green Pharma Ltd under retention rights at the date of this report are as follows:

Class	Issue date	Vesting date	Exercise price	Milestone	Vesting conditions	Number of retention rights
LGPAS	06/09/2022	20/02/2025	\$0.00	None	Continued employment until date of vesting.	105,000
LGPAS	24/04/2023	01/04/2026	\$0.00	None	Continued employment until date of vesting.	4,000,000
LGPAS	27/09/2023	26/02/2026	\$0.00	None	Continued employment until date of vesting.	210,000
LGPAU	15/04/2024	01/04/2026	\$0.00	None	Continued employment until date of vesting.	1,405,000
LGPAY	25/11/2024	31/03/2027	\$0.00	None	Continued employment until date of vesting.	450,000
LGPAZ	04/03/2025	31/03/2028	\$0.00	None	Continued employment until date of vesting.	150,000
						<u>6,320,000</u>

No person entitled to exercise the retention rights had or has any right by virtue of the retention right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Little Green Pharma Ltd issued on the exercise of options post the year end 31 March 2025 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of Little Green Pharma Ltd issued on the exercise of performance rights post the year end 31 March 2025 and up to the date of this report.

Shares issued on the exercise of retention rights

There were 700,150 ordinary shares of Little Green Pharma Ltd issued on the exercise of retention rights post the year end 31 March 2025 and up to the date of this report. In addition to this, a further 6,900 retention rights lapsed during that period.

Indemnity and insurance of officers

Under the Company's constitution, the Company indemnifies any current or former Director, Company Secretary or Officer of the Company or a subsidiary of the Company out of the property of the Company against (a) any liability incurred by that person in that capacity, (b) legal costs incurred in connection with proceedings, or (c) legal costs incurred in good faith in obtaining legal advice on issues relevant to their performance of functions and duties if approved in accordance with Company policy, except where the Company is forbidden by law to indemnify against such liability or costs or would be void under law.

Each Director and Officer has also entered into a Deed of Indemnity, Access and Insurance that provides for indemnity against liability as a Director or Officer, except to the extent such liability is prohibited by the Corporations Act 2001 or any applicable law or recovered under a separate policy of insurance. Pursuant to the Deed, Directors and Officers may also obtain independent professional advice at the Company's cost in connection with any matter connected with the discharge of that person's responsibilities, subject to the Board's written consent, as well as advice in connection with any claim prior to the Company assuming conduct for the claim or with the Board's consent.

The Deed also entitles the Director or Officer to access Company documents and records, subject to undertakings as to security and maintenance of privilege, and to receive Directors' and Officers' insurance cover paid for by the Company.

During or since the end of the financial period, the Company has paid or agreed to pay a premium in respect of a contract of insurance insuring the Directors and Officers of the Company and its subsidiaries, against certain liabilities incurred in that capacity. The terms of that policy prohibit disclosure of the total amount of the premiums paid for that contract of insurance.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of the audit firm

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Michael D Lynch-Bell".

Mr Michael D Lynch-Bell
Chair

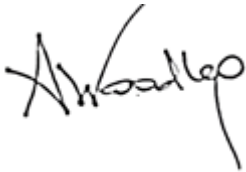
29 May 2025
London, United Kingdom

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

As lead auditor of Little Green Pharma Ltd for the year ended 31 March 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Ashleigh Woodley
Director

BDO Audit Pty Ltd
Perth
29 May 2025

Little Green Pharma Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2025



	Note	31 March 2025 \$'000	31 March 2024 \$'000
Revenue from contracts with customers	3	36,824	25,632
Other income	4	(29)	1,493
Interest revenue calculated using the effective interest method		17	171
Expenses			
Raw materials and consumables used		(11,565)	(5,706)
Employee benefits expense	5	(10,951)	(12,245)
Distribution expense		(6,262)	(5,489)
Depreciation and amortisation expense		(3,724)	(3,079)
Share-based payments expense		(2,413)	(2,253)
Professional services expense		(1,568)	(1,357)
Sales and marketing expense		(1,266)	(1,256)
Administration expenses		(1,202)	(1,309)
Write off of assets	5	(846)	(243)
Insurance expense		(786)	(710)
Finance costs	5	(384)	(635)
Net change in fair value of biological assets		(335)	(512)
Research and development expense		(290)	(584)
Other expenses		(12)	(70)
Total expenses	5	<u>(41,604)</u>	<u>(35,448)</u>
Loss before income tax benefit		(4,792)	(8,152)
Income tax benefit	6	<u>8,116</u>	<u>-</u>
Profit/(loss) after income tax benefit for the year attributable to the owners of Little Green Pharma Ltd		3,324	(8,152)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>2,711</u>	<u>873</u>
Other comprehensive income for the year, net of tax		<u>2,711</u>	<u>873</u>
Total comprehensive income/(loss) for the year attributable to the owners of Little Green Pharma Ltd		<u><u>6,035</u></u>	<u><u>(7,279)</u></u>
		Cents	Cents
Basic earnings/(loss) per share	7	1.10	(2.72)
Diluted earnings/(loss) per share	7	1.10	(2.72)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	31 March 2025 \$'000	31 March 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		2,376	4,974
Trade and other receivables	8	3,965	3,493
Biological assets	9	1,878	1,586
Inventories	10	13,829	10,930
Prepayments		667	581
Total current assets		<u>22,715</u>	<u>21,564</u>
Non-current assets			
Trade and other receivables	8	609	-
Property, plant and equipment	11	58,994	59,497
Intangible assets	12	4,219	3,463
Right-of-use assets		1,301	1,498
Deferred tax	6	8,116	-
Other financial assets		43	43
Prepayments		127	316
Total non-current assets		<u>73,409</u>	<u>64,817</u>
Total assets		<u>96,124</u>	<u>86,381</u>
Liabilities			
Current liabilities			
Trade and other payables	13	4,003	1,925
Accrued expenses		993	996
Borrowings	14	2,303	2,359
Lease liabilities		179	271
Income tax	6	240	-
Employee benefits		1,021	964
Total current liabilities		<u>8,739</u>	<u>6,515</u>
Non-current liabilities			
Borrowings	14	782	1,137
Lease liabilities		1,405	1,374
Employee benefits		182	98
Total non-current liabilities		<u>2,369</u>	<u>2,609</u>
Total liabilities		<u>11,108</u>	<u>9,124</u>
Net assets		<u>85,016</u>	<u>77,257</u>
Equity			
Share capital	15	102,228	101,932
Reserves	16	11,702	7,563
Accumulated losses		(28,914)	(32,238)
Total equity		<u>85,016</u>	<u>77,257</u>

Little Green Pharma Ltd
Consolidated statement of changes in equity
For the year ended 31 March 2025



	Share capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 April 2023	101,183	5,130	(24,086)	82,227
Loss after income tax expense for the year	-	-	(8,152)	(8,152)
Other comprehensive income for the year, net of tax	-	873	-	873
Total comprehensive income/(loss) for the year	-	873	(8,152)	(7,279)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	2,073	-	2,073
Transfer on issue	513	(513)	-	-
Shares issued	236	-	-	236
Balance at 31 March 2024	<u>101,932</u>	<u>7,563</u>	<u>(32,238)</u>	<u>77,257</u>

	Share capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 April 2024	101,932	7,563	(32,238)	77,257
Profit after income tax benefit for the year	-	-	3,324	3,324
Other comprehensive income for the year, net of tax	-	2,711	-	2,711
Total comprehensive income for the year	-	2,711	3,324	6,035
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	(689)	2,413	-	1,724
Transfer on issue	985	(985)	-	-
Balance at 31 March 2025	<u>102,228</u>	<u>11,702</u>	<u>(28,914)</u>	<u>85,016</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	31 March 2025 \$'000	31 March 2024 \$'000
Cash flows from operating activities			
Loss before income tax benefit for the year		(4,792)	(8,152)
Adjustments for:			
Depreciation and amortisation		3,724	3,079
Share-based payments		2,413	2,253
Write off of assets		846	243
Net change in fair value of biological assets		335	512
Interest received		(17)	(171)
Interest and other finance costs		384	635
		<u>2,893</u>	<u>(1,601)</u>
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		(46)	4,593
Increase in inventories		(3,160)	(2,357)
Increase in prepayments		(52)	(157)
(Increase)/decrease in other operating assets		(1,180)	506
Increase/(decrease) in trade and other payables		1,010	(404)
Increase/(decrease) in employee benefits		141	(49)
Decrease in other operating liabilities		(156)	-
		<u>(550)</u>	<u>531</u>
Interest received		17	171
Interest and other finance costs paid		(384)	(635)
		<u>(917)</u>	<u>67</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	23	11	(4,169)
Payments for property, plant and equipment	11	(237)	(716)
Payments for intangible assets	12	(489)	(728)
Loans to other parties		(609)	-
Proceeds from disposal of property, plant and equipment		-	2,738
Proceeds from release of security deposits		189	71
		<u>(1,135)</u>	<u>(2,804)</u>
Cash flows from financing activities			
Proceeds from issue of shares	15	-	55
Repayment of leases		(119)	(92)
Repayment of borrowings		(411)	(4,683)
		<u>(530)</u>	<u>(4,720)</u>
Net cash used in financing activities		<u>(530)</u>	<u>(4,720)</u>
Net decrease in cash and cash equivalents		(2,582)	(7,457)
Cash and cash equivalents at the beginning of the financial year		4,974	12,400
Effects of exchange rate changes on cash and cash equivalents		(16)	31
		<u>(16)</u>	<u>31</u>
Cash and cash equivalents at the end of the financial year		<u><u>2,376</u></u>	<u><u>4,974</u></u>

Note 1. General information

The financial statements cover Little Green Pharma Ltd as a Group consisting of Little Green Pharma Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Little Green Pharma Ltd's functional and presentation currency.

Little Green Pharma Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Little Green Pharma Ltd

13A Bedbrook Place
Shenton Park
Western Australia 6008

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 May 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention except for biological assets which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in within the respective notes where applicable.

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. The Directors believe that the entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report based on forecast cash flows which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements. The cash flow forecast is dependent on the Group achieving forecast targets for revenue, costs of production and overheads.

Note 2. Material accounting policy information (continued)

Comparatives

The amounts have been re-presented and comparatives have been realigned where necessary to be consistent with the current year presentation. There was no impact on the profit or loss, net assets or equity.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Little Green Pharma Ltd ('Company' or 'parent entity') as at 31 March 2025 and the results of all subsidiaries for the year then ended. Little Green Pharma Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Little Green Pharma Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 March 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Note 2. Material accounting policy information (continued)

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 April 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

The AASB has issued AASB 2024-2 to amend AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments.

This Standard amends requirements related to:

- settling financial liabilities using an electronic payment system; and
- assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.

This Standard also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

AASB 2024-2 applies to annual periods beginning on or after 1 January 2026. Earlier application is permitted. The Group does not expect these amendments to have a material impact.

Note 3. Revenue from contracts with customers

	31 March 2025 \$'000	31 March 2024 \$'000
Medicinal cannabis sales		
Flower products	23,206	15,762
Oil products	10,888	8,651
Vaporiser products	1,117	666
Other revenue	1,613	553
Revenue from contracts with customers	<u>36,824</u>	<u>25,632</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 March 2025 \$'000	31 March 2024 \$'000
Geographical regions		
Australia	30,097	22,475
Europe	6,727	3,157
	<u>36,824</u>	<u>25,632</u>

Note 3. Revenue from contracts with customers (continued)

Accounting policy:

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.

Note 4. Other income

	31 March 2025 \$'000	31 March 2024 \$'000
Net foreign exchange gain	(46)	7
Government grants	17	6
Research and development incentive	-	1,480
Other income	<u>(29)</u>	<u>1,493</u>

Note 5. Expenses

	31 March 2025 \$'000	31 March 2024 \$'000
Loss before income tax includes the following specific expenses:		
<i>Cash cost of goods sold reconciliation</i>		
Cost of goods sold excluding net fair value movement	18,049	12,002
Depreciation and amortisation	<u>(3,724)</u>	<u>(3,079)</u>
Cash cost of goods sold	<u>14,325</u>	<u>8,923</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on secured borrowings	236	543
Interest and finance charges paid/payable on lease liabilities	58	33
Other finance costs	<u>90</u>	<u>59</u>
Finance costs expensed	<u>384</u>	<u>635</u>
<i>Write off of assets</i>		
Inventories	<u>846</u>	<u>243</u>
<i>Employee benefits expense</i>		
Salaries and wages	10,662	11,877
Short-term incentives	<u>289</u>	<u>368</u>
	<u>10,951</u>	<u>12,245</u>

Note 6. Income tax

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(4,792)	(8,152)
Tax at the statutory tax rate of 25%	(1,198)	(2,038)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	603	512
Foreign entity adjustments	221	230
Entertainment	9	9
Research and development incentive	-	936
Movement in Australia deferred tax not recognised (recognised)	(1,034)	351
Movement in Denmark deferred tax not recognised (recognised)	(6,717)	-
Income tax benefit	(8,116)	-

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	4,593	22,249
Potential tax benefit @ 25%	1,148	5,562

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. Utilisation of carry forward tax losses is dependent upon the satisfaction of the requirements of the Income Tax Assessment Act 1936 and 1997 within Australia (continuity of ownership and same business test with no expiry if tests are achieved) and the relevant loss recoupment provisions in subsidiaries in foreign jurisdictions.

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Net deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	2,665	-
Employee benefits	178	159
Accrued expenses	146	159
40-880 tax balance	107	211
Leases	71	36
Allowance for expected credit losses	2	-
Unrealised foreign exchange gains	(13)	(10)
Prepayments	(84)	(594)
Property, plant and equipment	(603)	(595)
Biological assets	(1,371)	(968)
Tax losses	7,018	1,602
Deferred tax asset	8,116	-

Note 6. Income tax (continued)

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Provision for income tax</i>		
Provision for income tax	240	-

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Key estimate and judgement:

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of carry forward tax losses

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The estimation of future taxable profits is inherently uncertain and subject to change due to a variety of factors, including economic conditions, competitive pressures, and regulatory developments. If actual results differ from these estimates, or if future assessments indicate that it is no longer probable that sufficient taxable profits will be available, the carrying amount of deferred tax assets may need to be reduced.

Note 7. Earnings per share

	31 March 2025 \$'000	31 March 2024 \$'000
Profit/(loss) after income tax attributable to the owners of Little Green Pharma Ltd	<u>3,324</u>	<u>(8,152)</u>
	Number	Number
Weighted average number of shares used in calculating basic earnings per share	302,242,307	299,574,657
Adjustments for calculation of diluted earnings per share:		
Retention rights	<u>105,000</u>	<u>-</u>
Weighted average number of shares used in calculating diluted earnings per share	<u>302,347,307</u>	<u>299,574,657</u>
	Cents	Cents
Basic earnings/(loss) per share	1.10	(2.72)
Diluted earnings/(loss) per share	1.10	(2.72)

A total of 7,200,000 (31 March 2024: nil) share options have been excluded from the above calculations as their inclusion would be anti-dilutive. A further 10,500,000 (31 March 2024: 10,500,000) performance rights and 6,922,050 (31 March 2024: 7,140,000) retention rights have been excluded as the conditions have not yet been met at the reporting date

Note 8. Trade and other receivables

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Current assets</i>		
Trade receivables	3,638	2,630
Less: Allowance for expected credit losses	<u>(9)</u>	<u>-</u>
	<u>3,629</u>	<u>2,630</u>
Other receivables	<u>6</u>	<u>773</u>
Indirect tax receivable	<u>330</u>	<u>90</u>
	<u>3,965</u>	<u>3,493</u>
<i>Non-current assets</i>		
Other receivables	<u>609</u>	<u>-</u>
	<u>4,574</u>	<u>3,493</u>

Non current receivables have a variable interest rate of 7.50% (31 March 2024: nil%)

Allowance for expected credit losses

The Group has recognised a loss of \$nil (31 March 2024: \$nil) in profit or loss in respect of the expected credit losses for the year ended 31 March 2025.

Accounting policy:

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 8. Trade and other receivables (continued)

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Key estimate and judgement:

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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.

Note 9. Biological assets

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Current assets</i>		
Biological asset - at fair value	<u>1,878</u>	<u>1,586</u>

In the current year, the biological assets were approximately 49% complete (31 March 2024 - 54%) as to the next expected harvest date. The average number of days from the point of propagation to harvest is 93 days. The weighted average grams of dry cannabis expected to be harvested from a cannabis plant is 125 grams (31 March 2024 – 157 grams).

Accounting policy:

Biological assets are measured at their fair value less estimated point of sale costs.

Key estimate and judgement:

Biological assets are classified as Level 3 on the fair value hierarchy and are determined using the most recent market transaction price. 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; and
- 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.

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 \$376,000 at 31 March 2025 (31 March 2024: \$340,000). 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 \$470,000 at 31 March 2025 (31 March 2024: \$431,000). At harvest, the estimated average fair value of a gram of cannabis was \$2.37 (31 March 2024: \$2.86).

Note 10. Inventories

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Current assets</i>		
Work in progress - at net realisable value	9,155	7,957
Finished goods - at net realisable value	4,403	2,660
Stock on hand - at net realisable value	271	313
	<u>13,829</u>	<u>10,930</u>

Cost of inventories sold to customers amounting to \$18,049,000 was recognised as an expense during the year (31 March 2024: \$12,002,000).

Accounting policy:

Harvested cannabis is transferred from biological assets at its fair value at harvest less costs to sell, which becomes deemed cost. Any subsequent post-harvest costs are capitalised to work in progress. Inventory classified as work in progress consists of harvested or purchased cannabis intended to be processed into oil or sold as flower. The cost of inventory is determined using the average cost basis.

Note 11. Property, plant and equipment

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Non-current assets</i>		
Land and buildings - at cost	62,731	60,184
Less: Accumulated depreciation	(12,212)	(9,897)
	<u>50,519</u>	<u>50,287</u>
Leasehold improvements - at cost	275	295
Less: Accumulated depreciation	(75)	(47)
	<u>200</u>	<u>248</u>
Office equipment - at cost	1,247	1,262
Less: Accumulated depreciation	(1,112)	(1,064)
	<u>135</u>	<u>198</u>
Production equipment - at cost	15,565	14,483
Less: Accumulated depreciation	(7,425)	(6,164)
	<u>8,140</u>	<u>8,319</u>
Assets under construction - at cost	-	445
	<u>58,994</u>	<u>59,497</u>

Note 11. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings \$'000	Leasehold improvements \$'000	Office equipment \$'000	Production equipment \$'000	Assets under construction \$'000	Total \$'000
Balance at 1 April 2023	54,107	15	275	8,883	-	63,280
Additions	79	262	53	53	269	716
Assets moved from held for sale	-	-	-	18	176	194
Disposals	(2,755)	-	-	-	-	(2,755)
Depreciation expense	(1,727)	(29)	(130)	(720)	-	(2,606)
Exchange differences	583	-	-	85	-	668
Balance at 31 March 2024	50,287	248	198	8,319	445	59,497
Additions	-	32	14	363	-	409
Disposals	-	(26)	-	-	-	(26)
Transfers in/(out)	424	-	-	21	(445)	-
Business combinations (note 23)	-	-	-	67	-	67
Depreciation expense	(1,834)	(54)	(77)	(956)	-	(2,921)
Exchange differences	1,642	-	-	326	-	1,968
At 31 March 2025	<u>50,519</u>	<u>200</u>	<u>135</u>	<u>8,140</u>	<u>-</u>	<u>58,994</u>

Note 11. Property, plant and equipment (continued)

Accounting policy:

Property, plant and equipment is depreciated on a straight line basis over the lesser of the assets estimated useful life or its lease term as per below:

- Land – not depreciated
- Buildings – 40 years straight line
- Greenhouses – 20 years straight line
- Production equipment – 15 years straight line
- Office leasehold improvements – life of the lease
- Office equipment – 5 years straight line

Key estimate and judgement:

Estimation of useful lives of assets

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Changes can occur due to things such as technical innovations, obsolescence or abandonment of non-strategic assets.

Impairment

The Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations whereby management is required to make significant judgements concerning the identification of impairment indicators, such as changes in the expectations of growth, share price performance and other factors that may indicate impairment. Where an indication of impairment exists, a formal estimate of the recoverable amount is made at the reporting period. No impairment indicators were identified by management during or as at the reporting period.

Note 12. Intangible assets

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	856	-
Product development - at cost	3,477	3,107
Less: Accumulated amortisation	(642)	(217)
	<u>2,835</u>	<u>2,890</u>
Patents and trademarks - at cost	174	174
Less: Accumulated amortisation	(51)	(40)
	<u>123</u>	<u>134</u>
Software - at cost	290	222
Less: Accumulated amortisation	(193)	(146)
	<u>97</u>	<u>76</u>
Pharmaceutical Quality System - at cost	549	549
Less: Accumulated amortisation	(241)	(186)
	<u>308</u>	<u>363</u>
	<u><u>4,219</u></u>	<u><u>3,463</u></u>

Note 12. Intangible assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Product development \$'000	Patents and trademarks \$'000	Software \$'000	Pharmaceutical Quality System \$'000	Goodwill \$'000	Total \$'000
At 1 April 2023	3,023	89	109	418	-	3,639
Additions	672	52	4	-	-	728
R&D offset	(641)	-	-	-	-	(641)
Amortisation expense	(164)	(7)	(37)	(55)	-	(263)
At 31 March 2024	2,890	134	76	363	-	3,463
Additions	370	-	68	-	-	438
Amortisation expense	(425)	(11)	(47)	(55)	-	(538)
Business combinations (note 23)	-	-	-	-	856	856
At 31 March 2025	<u>2,835</u>	<u>123</u>	<u>97</u>	<u>308</u>	<u>856</u>	<u>4,219</u>

Accounting policy:

Intangible assets are amortised on a straight line basis over the assets estimated useful life:

- Product development costs – 5 to 10 years straight line
- Patents and trademarks – 20 years straight line
- Software – 2 to 5 years straight line
- Pharmaceutical Quality Systems – 10 years straight line

The Company's Pharmaceutical Quality System represents the policies, procedures and standards required to comply with Good Manufacturing Practices ('GMP').

Key estimate and judgement:

The capitalisation of product development projects are based on management's judgement that technological and economic feasibility have been confirmed, this usually occurs when a project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Accounting policy for intangible assets

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 13. Trade and other payables

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Current liabilities</i>		
Trade payables	3,934	1,535
Indirect tax payable	69	390
	<u>4,003</u>	<u>1,925</u>

Note 13. Trade and other payables (continued)

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

Note 14. Borrowings

	31 March 2025 \$'000	31 March 2024 \$'000
<i>Current liabilities</i>		
Property loan	1,857	1,857
Equipment financing	400	483
Electricity loan	46	19
	2,303	2,359
<i>Non-current liabilities</i>		
Equipment financing	667	984
Electricity loan	115	153
	782	1,137
	3,085	3,496

The Group has the following borrowings:

- The property loan repayment date was extended to 30 June 2027 post year end. The loan has a variable interest rate and is secured by the land and buildings held by the Company in Australia which has a carrying value of \$3,430,000 (31 March 2024: \$3,430,000). The current effective interest rate is 8.30% (31 March 2024: 7.28%)
- The equipment finance lease is secured by a chattel mortgage over the underlying equipment held by the Company. It has a five year term and carries a fixed interest rate of 7.68%.
- The electricity loan is unsecured, has an effective interest rate of 4.40% (31 March 2024: 4.40%), and is repayable over the life of the loan ending 31 October 2028.

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

Total secured liabilities

The total secured liabilities are as follows:

	31 March 2025 \$'000	31 March 2024 \$'000
Property loan	1,857	1,857
Equipment financing	1,067	1,467
	2,924	3,324

Assets pledged as security

The Property Loan is secured by a first mortgage over the Group's land and buildings at its Western Australia production site with the Equipment Financing being secured by the underlying equipment at the Western Australian site.

Note 14. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	31 March 2025 \$'000	31 March 2024 \$'000
Total facilities		
Property loan	1,857	1,857
Equipment financing	2,000	2,000
Electricity loan	161	172
	<u>4,018</u>	<u>4,029</u>
Used at the reporting date		
Property loan	1,857	1,857
Equipment financing	1,067	1,467
Electricity loan	161	172
	<u>3,085</u>	<u>3,496</u>
Unused at the reporting date		
Property loan	-	-
Equipment financing	933	533
Electricity loan	-	-
	<u>933</u>	<u>533</u>

The carrying value of external borrowings approximate its fair value because of the short-term nature and/or the loans are market rate interest-bearing loans.

Post year end, the Company obtained a \$3,000,000 inventory financing facility as detailed in note 27 'Events after the reporting period'.

Note 15. Share capital

	31 March 2025 Shares	31 March 2024 Shares	31 March 2025 \$'000	31 March 2024 \$'000
Ordinary shares - fully paid	<u>303,342,995</u>	<u>300,093,236</u>	<u>102,228</u>	<u>101,932</u>

Note 15. Share capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 April 2023	297,891,049		101,183
Issue of shares	24 April 2023	968,780	\$0.240	233
Exercise of options	24 April 2023	10,000	\$0.250	2
Issue of shares	7 July 2023	484,012	\$0.290	140
Issue of shares	6 July 2023	18,500	\$0.190	4
Exercise of options	14 July 2023	10,000	\$0.250	2
Issue of shares	1 August 2023	206,000	\$0.880	181
Issue of shares	27 September 2023	154,618	\$0.590	91
Issue of shares	27 September 2023	72,500	\$0.590	43
Share placement	27 September 2023	277,777	\$0.190	53
Balance	31 March 2024	300,093,236		101,932
Retention rights exercised	3 April 2024	105,000	\$0.840	88
Employee share plan shares issued	15 April 2024	765,100	\$0.485	371
Retention rights exercised	15 April 2024	210,000	\$0.880	185
Retention rights exercised	15 April 2024	430,000	\$0.170	73
Shares issued in lieu of salary	15 April 2024	157,270	\$0.141	22
Shares issued in lieu of services	10 October 2024	1,112,389	\$0.145	161
Employee share plan shares issued	4 March 2025	100,000	\$0.135	14
Retention rights exercised	19 March 2025	70,000	\$0.170	12
Retention rights exercised	19 March 2025	150,000	\$0.094	14
Retention rights exercised	19 March 2025	150,000	\$0.300	45
Transfer of shares				(689)
Balance	31 March 2025	<u>303,342,995</u>		<u>102,228</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 15. Share capital (continued)

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 March 2024 Annual Report.

The Group's objective when managing its capital is to ensure sufficient debt and equity financing to fund its planned operations in a way that maximises the shareholder return given the assumed risks of its operations. Through the ongoing management of its capital, the Company will modify the structure of its capital based on changing economic conditions. In doing so, the Company may issue new shares or take on debt. Annual budgeting is the primary tool used to manage the Group's capital. Updates are made as necessary to both capital expenditure and operational budgets in order to adapt to changes in risk factors, proposed expenditure programs and market conditions.

Note 16. Reserves

	31 March 2025 \$'000	31 March 2024 \$'000
Foreign currency reserve	5,833	3,122
Share-based payments reserve	5,869	4,441
	<u>11,702</u>	<u>7,563</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency \$'000	Share- based payments \$'000	Total \$'000
Balance at 1 April 2023	2,249	2,881	5,130
Foreign currency translation	873	-	873
Share-based payments	-	2,073	2,073
Transfer on exercise	-	(350)	(350)
Shares in lieu of services	-	(163)	(163)
	<u>3,122</u>	<u>4,441</u>	<u>7,563</u>
Balance at 31 March 2024	3,122	4,441	7,563
Foreign currency translation	2,711	-	2,711
Share-based payments	-	2,413	2,413
Transfer on exercise	-	(985)	(985)
	<u>5,833</u>	<u>5,869</u>	<u>11,702</u>
Balance at 31 March 2025	5,833	5,869	11,702

Note 17. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk management is carried out by the Audit and Risk Committee under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Audit and Risk Committee identifies, evaluates and manages financial risks within the Group's operating units, and reports to the Board on a regular basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Company's functional and presentation currency is the Australian dollar and the majority of its assets, liabilities, revenue and expenditures are Australian dollar denominated. The Company's German subsidiary has a Euro functional currency and the majority of its assets, liabilities and expenditures are Euro denominated while its Danish subsidiary has a DKK functional currency and the majority of its assets, liabilities and expenditures are Danish krone denominated. The Danish krone is pegged to the Euro. The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Europe.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities (expressed in Australian dollars) at the reporting date were as follows:

	31 March 2025 \$'000	Assets 31 March 2024 \$'000
Euros	523	697

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	31 March 2025		31 March 2024	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Property loan	8.30%	(1,857)	7.28%	(1,857)
Electricity loan	4.40%	(161)	4.40%	(172)
Non current receivable	7.50%	609	-	-
Net exposure to cash flow interest rate risk		<u>(1,409)</u>		<u>(2,029)</u>

Note 17. Financial risk management (continued)

31 March 2025	Basis points change	Basis points increase		Basis points change	Basis points decrease	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Variable rate borrowings	100	<u>(14)</u>	<u>(10)</u>	(100)	<u>14</u>	<u>10</u>

31 March 2024	Basis points change	Basis points increase		Basis points change	Basis points decrease	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on profit before tax
Variable rate borrowings	100	<u>(20)</u>	<u>(15)</u>	(100)	<u>20</u>	<u>15</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Allowance for expected credit losses

For the year ended 31 March 2025, the Group recognised an allowance for expected credit losses of \$9,000 (31 March 2024: \$nil).

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Refer to note 14 for details of the financing facilities available to the Group.

Financing arrangements

Unused borrowing facilities at the reporting date:

	31 March 2025 \$'000	31 March 2024 \$'000
Equipment financing	<u>933</u>	<u>533</u>

Note 17. Financial risk management (continued)

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

31 March 2025	%	1 year or less \$'000	Between 1 and 5 years \$'000	Remaining contractual maturities \$'000	Total \$'000
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables		4,003	-	-	4,003
Accrued expenses		993	-	-	993
<i>Interest-bearing - variable rate</i>					
Borrowings	7.99%	1,909	179	-	2,088
<i>Interest-bearing - fixed rate</i>					
Borrowings	7.68%	483	437	-	920
Lease liability	7.10%	255	938	852	2,045
Total non-derivatives		7,643	1,554	852	10,049

31 March 2024	%	1 year or less \$'000	Between 1 and 5 years \$'000	Remaining contractual maturities \$'000	Total \$'000
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables		1,925	-	-	1,925
Accrued expenses		996	-	-	996
<i>Interest-bearing - variable rate</i>					
Borrowings	7.04%	2,244	-	-	2,244
<i>Interest-bearing - fixed rate</i>					
Borrowings	7.68%	483	920	-	1,403
Lease liability	7.10%	205	950	1,096	2,251
Total non-derivatives		5,853	1,870	1,096	8,819

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The carrying value of the cash and cash equivalents, trade and other receivables, refundable deposits, trade and other payables and accrued expenses approximate their fair value because of the short-term nature. The carrying value of external borrowings approximate the fair value since the interest payable is either close to current market rates or the borrowings are of a short-term nature.

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.

Note 17. Financial risk management (continued)

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	31 March 2025 \$	31 March 2024 \$
Salaries and fees*	994,460	934,491
Short-term employee benefits	234,997	207,035
Post-employment benefits	97,227	71,333
Share-based payments	1,533,419	1,580,010
	<u>2,860,103</u>	<u>2,792,869</u>

* Salaries and fees include shares issued in lieu of salary, movements in the annual leave and long service leave provisions.

Loans to key management personnel are detailed in note 25 'Share-based payments'.

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, and its network firms:

	31 March 2025 \$	31 March 2024 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>167,156</u>	<u>129,259</u>
<i>Audit services - network firms</i>		
Audit or review of the financial statements	<u>41,400</u>	<u>33,158</u>

Note 20. Commitments

The Company has an off-take agreement for approximately 3 tonne of cannabis flower over a 3 year term.

Note 21. Related party transactions

Parent entity

Little Green Pharma Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 24 'Interests in subsidiaries'.

Key management personnel

Disclosures relating to key management personnel are set out in note 18 'Key management personnel disclosures' and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Note 21. Related party transactions (continued)

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date other than those disclosed in note 25 'Share-based payments'.

Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	31 March 2025 \$'000	31 March 2024 \$'000
Profit/(loss) after income tax	5,920	(7,200)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss)	5,920	(7,200)

Statement of financial position

	Parent	
	31 March 2025 \$'000	31 March 2024 \$'000
Total current assets	13,810	16,642
Total non-current assets	77,767	66,656
Total assets	91,577	83,298
Total current liabilities	5,715	4,930
Total non-current liabilities	846	1,113
Total liabilities	6,561	6,043
Net assets	<u>85,016</u>	<u>77,255</u>
Equity		
Share capital	102,228	101,932
Share-based payments reserve	5,870	4,349
Accumulated losses	(23,082)	(29,026)
Total equity	<u>85,016</u>	<u>77,255</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 March 2025 and 31 March 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 March 2025 and 31 March 2024.

Note 22. Parent entity information (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 March 2025 and 31 March 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 23. Business combinations

On 5 February 2025 Little Green Pharma Ltd acquired 100% of the ordinary shares of HHI (Australia) Pty Ltd, a wholesale and distribution business for \$nil consideration. The goodwill of \$856,000 represents the difference between the \$nil consideration and the net liabilities. The acquired business contributed revenues of \$141,000 and loss after tax of \$72,000 to the Group for the period from 5 February 2025 to 31 March 2025. The values identified in relation to the acquisition of HHI (Australia) Pty Ltd are provisional as at the date of this report.

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	11
Trade receivables	426
Inventories	74
Prepayments	34
Plant and equipment	118
Trade and other payables	(1,126)
Provision for income tax	(240)
Loans	(153)
	<hr/>
Net liabilities acquired	(856)
Goodwill	856
	<hr/>
Acquisition-date fair value of the total consideration transferred	-
	<hr/> <hr/>
Representing:	
Cash paid or payable to vendor	-
	<hr/> <hr/>
Acquisition costs expensed to profit or loss	-
	<hr/> <hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	-
Less: cash and cash equivalents	(11)
Less: payments made in prior periods	-
	<hr/>
Net cash received	(11)
	<hr/> <hr/>

Accounting policy:

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 23. Business combinations (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Key estimate and judgement:

Business combinations

As discussed above, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Revenue recognition

AASB 15 "Revenue from contracts with customers" differentiates between the revenue recognition of Principal's and Agents stating that:

"When (or as) an entity that is a principal satisfies a performance obligation, the entity recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. An entity is an agent if the entity's performance obligation is to arrange for the provision of the specified good or service by another party. An entity that is an agent does not control the specified good or service provided by another party before that good or service is transferred to the customer. When (or as) an entity that is an agent satisfies a performance obligation, the entity recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. An entity's fee or commission might be the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party."

With the release of the Therapeutic Goods Administration guidance "Importing, manufacturing and supplying medicinal cannabis in Australia" on 21 June 2022, which details the wholesale requirements for the supply of "unapproved" medicinal cannabis products, noting virtually all medicinal cannabis products in Australia are "unapproved" as they are not ARTG registered, it is clear that the majority of distributors are Agents as opposed to Principals:

"In Australia, the supply of unapproved medicinal cannabis products through wholesale arrangements is prohibited. This is the case even if the supply is to or by a wholesaler licensed under state or territory law. A sponsor of an unapproved therapeutic good will commit a criminal offence, and may be liable for civil penalties, if they supply that therapeutic good to another person and it is not subject to a relevant exemption, approval or authority.

Note 23. Business combinations (continued)

The TG Act further provides that it is a criminal offence for a person who is not the sponsor of an unapproved therapeutic good to supply that therapeutic good to 'another person who is not the ultimate consumer of the goods' (including by wholesale) unless the goods are registered or listed in the ARTG or subject to an exemption, approval or authority.

Although an ARTG exemption applies to finished medicinal cannabis products that are held under the direct control of the sponsor until supplied under an approved pathway, the exemption does not support wholesale arrangements. This is because wholesale arrangements generally involve the sale of the products to an intermediary or third party, which means that the products are no longer under the sponsor's direct control.

As the sponsor is no longer in direct control of the products prior to supply, the supply of the products is not subject to the ARTG exemption. This could also have implications for licences issued under the *Narcotic Drugs Act 1967*, Customs (Prohibited Imports) Regulations 1956 and state and territory legislation.

Sponsors can engage third parties to assist them in distributing the goods if the sponsor continues to own the goods, and has direct control over them, until they are supplied. Under a distribution arrangement, a third party generally provides services to the sponsor (such as warehousing, courier or brokering services) in relation to the products, but the sponsor does not relinquish ownership or control of those goods as would be the case with wholesale arrangements."

Given this, unless a distributor is also the sponsor of the unapproved medicinal cannabis product, which generally they are not, then the distributor is an Agent and not the Principal meaning they should be recognising a net service fee amount rather than a gross revenue amount. As such, the consolidated results incorporating HHI (Australia) Pty Ltd are showing a net service fee, however given this common misconception within the industry, we have observed variability in treatment with many wholesalers and distributors appearing to report gross revenue.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 March 2025 %	31 March 2024 %
Little Green Pharma AG	Germany	100%	100%
LGP Operations Pty Ltd	Australia	100%	100%
LGP Holdings Pty Ltd	Australia	100%	100%
Reset Mind Sciences Ltd	Australia	100%	100%
Little Green Pharma ApS	Denmark	100%	100%
Little Green Pharma Switzerland GmbH*	Switzerland	-	100%
Lab Services Denmark ApS**	Denmark	-	100%
HHI (Australia) Pty Ltd***	Australia	100%	-

* Dormant and deregistered during the period.

** Deregistered during the period with the business consolidated into Little Green Pharma ApS.

*** Acquired during the year, refer to note 23 'Business combinations'.

Note 25. Share-based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Note 25. Share-based payments (continued)

Options

Set out below are summaries of options granted under the plan:

	Number of options 31 March 2025	Weighted average exercise price 31 March 2025	Number of options 31 March 2024	Weighted average exercise price 31 March 2024
Outstanding at beginning of financial year	-	\$0.000	-	\$0.000
Granted	7,200,000	\$0.138	-	\$0.000
Forfeited	-	\$0.000	-	\$0.000
Exercised	-	\$0.000	-	\$0.000
Expired	-	\$0.000	-	\$0.000
Outstanding at the end of the financial year	<u>7,200,000</u>	\$0.138	<u>-</u>	\$0.000
Exercisable at the end of the financial year	<u>7,200,000</u>	\$0.138	<u>-</u>	\$0.000

Terms and conditions of the options issued during the year

Each option entitles the holder to the issue of one fully paid ordinary share in the Company. Each option is issued for nil cash consideration. Any option not exercised prior to the expiry date will automatically lapse on the Expiry date. The options are not transferable without prior written approval of the Company. The options may be exercised on a cashless basis, where upon exercise the Company will transfer or allot to the holder the number of shares equal in value to the positive difference between the then Market Value of the shares at the time of exercise and the exercise price that would otherwise be payable to exercise the options. "Market Value" means, at any given date, the volume weighted average price per share traded on the ASX over the five (5) trading days immediately preceding that given date. No dividends are payable on the options.

For the options granted during the current financial year, the black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/08/2024	31/07/2027	\$0.094	\$0.138	80.00%	-	3.54%	\$0.041

Note 25. Share-based payments (continued)

Performance rights

Set out below are summaries of performance rights granted under the plan:

	Number of rights 31 March 2025	Weighted average exercise price 31 March 2025	Number of rights 31 March 2024	Weighted average exercise price 31 March 2024
Outstanding at beginning of financial year	10,500,000	\$0.000	10,500,000	\$0.000
Granted	-	\$0.000	-	\$0.000
Forfeited	-	\$0.000	-	\$0.000
Exercised	-	\$0.000	-	\$0.000
Expired	-	\$0.000	-	\$0.000
	<u>10,500,000</u>	<u>\$0.000</u>	<u>10,500,000</u>	<u>\$0.000</u>
Outstanding at the end of the financial year	<u>10,500,000</u>	<u>\$0.000</u>	<u>10,500,000</u>	<u>\$0.000</u>
Exercisable at the end of the financial year	<u>-</u>	<u>\$0.000</u>	<u>-</u>	<u>\$0.000</u>

The weighted average fair value of the performance rights at the date of grant was \$0.41 per right with 4,500,000 expiring on 31 March 2026 and 6,000,000 expiring 30 January 2028.

Retention rights

Set out below are summaries of retention rights granted under the plan:

	Number of rights 31 March 2025	Weighted average exercise price 31 March 2025	Number of rights 31 March 2024	Weighted average exercise price 31 March 2024
Outstanding at beginning of financial year	7,140,000	\$0.000	360,000	\$0.000
Granted	750,000	\$0.000	6,780,000	\$0.000
Forfeited	(177,950)	\$0.000	-	\$0.000
Exercised	(685,000)	\$0.000	-	\$0.000
Expired	-	\$0.000	-	\$0.000
	<u>7,027,050</u>	<u>\$0.000</u>	<u>7,140,000</u>	<u>\$0.000</u>
Outstanding at the end of the financial year	<u>7,027,050</u>	<u>\$0.000</u>	<u>7,140,000</u>	<u>\$0.000</u>
Exercisable at the end of the financial year	<u>105,000</u>	<u>\$0.000</u>	<u>-</u>	<u>\$0.000</u>

Note 25. Share-based payments (continued)

31 March 2025

Issue date	Vesting date	Average fair value	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
06/09/2021	20/02/2024	\$0.840	105,000	-	(105,000)	-	-
20/07/2022	08/07/2025	\$0.300	150,000	-	(150,000)	-	-
06/09/2022	20/02/2025	\$0.315	105,000	-	-	-	105,000
06/09/2022	01/04/2024	\$0.880	165,000	-	(142,000)	(23,000)	-
09/09/2022	01/04/2024	\$0.880	68,000	-	(68,000)	-	-
24/04/2023	01/04/2026	\$0.170	2,000,000	-	-	-	2,000,000
24/04/2023	01/04/2026	\$0.180	2,000,000	-	-	-	2,000,000
27/09/2023	20/02/2026	\$0.170	280,000	-	(70,000)	-	210,000
15/04/2024	01/04/2025	\$0.169	575,000	-	-	-	575,000
15/04/2024	01/04/2026	\$0.169	710,000	-	-	-	710,000
15/04/2024	01/04/2025	\$0.485	162,000	-	-	(29,950)	132,050
15/04/2024	01/04/2026	\$0.169	820,000	-	-	(125,000)	695,000
25/11/2024	31/03/2027	\$0.094	-	600,000	(150,000)	-	450,000
04/03/2025	31/03/2028	\$0.135	-	150,000	-	-	150,000
			<u>7,140,000</u>	<u>750,000</u>	<u>(685,000)</u>	<u>(177,950)</u>	<u>7,027,050</u>

The fair value of retention rights is determined based on the Company's prevailing share price at the grant date with the expense being recognised on a straight line basis between the grant date and vesting date. Details of retention rights issued to KMP's in the current year can be found in the Remuneration Report.

In the prior year, the Company issued 2,000,000 retention rights to Executive Directors and 280,000 retention rights to Non-executive Directors with vesting occurring 1 April 2026 and 20 February 2026 respectively assuming the recipient remains employed by the Company. The retention rights have a nil exercise price and a weighted average fair value of \$0.17, based on the share price on grant date.

Loan to key management personnel

In March 2023, the Company issued a loan of \$300,000 to Mr Paul Long to fund the exercise of 1,000,000 options at an exercise price of \$0.30 per share. The loan carried a fixed interest rate of 4.25% and was secured against the 1,000,000 shares acquired. On 13 August 2024, the loan terms were modified to a limited recourse arrangement, under which interest ceased accruing from that date and repayment of the outstanding balance of \$343,874 became limited to the proceeds from the sale of the 1,000,000 shares. As a result of this modification, the loan was derecognised and a share based payment expense of \$238,874 was recognised. Additionally, a deemed call option was recognised with a fair value of \$27,775, calculated using the Black Scholes model.

For the deemed call option, the Black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free rate	Fair value at grant date
13/08/2024	13/08/2027	\$0.10	\$0.30	80.00%	-	4.25%	\$0.028

Accounting policy:

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 25. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Key estimate and judgement:

Fair value of share-based payment expenses

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options is determined using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The fair value of share-based payment expenses is estimated using the Black-Scholes option pricing model and relies on a number of estimated inputs, such as expected life of the option, the volatility of the underlying share price, and the risk-free rate of return. For share-based payments dependent upon milestones, significant estimates are required as to the probability of that milestone being achieved, along with estimates of each employee satisfying the required service condition. Changes in the underlying estimated inputs may result in materially different results.

The Board of Directors have 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.

Note 26. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments: Australia and Europe (cultivation, production and distribution of cannabis products to Australian and European customers). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments, net change in fair value of biological assets, write off of inventory and research and development incentives). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions

Intersegment transactions were made at market rates. The Australian operating segment purchases medicinal cannabis flower from the European operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

31 March 2025	Australia \$'000	Europe \$'000	Intersegment eliminations \$'000	Total \$'000
Revenue				
Sales	34,262	13,525	(10,946)	36,841
Total revenue	<u>34,262</u>	<u>13,525</u>	<u>(10,946)</u>	<u>36,841</u>
Adjusted EBITDA	(741)	4,611	(977)	2,893
Depreciation and amortisation	(1,385)	(2,339)	-	(3,724)
Interest revenue	1,224	-	(1,207)	17
Finance costs	(378)	(1,251)	1,245	(384)
Share-based payments	(2,413)	-	-	(2,413)
Net change in fair value of biological assets	(696)	361	-	(335)
Write off of inventory	(846)	-	-	(846)
Intercompany impairment	8,694	-	(8,694)	-
Profit/(loss) before income tax benefit	<u>3,459</u>	<u>1,382</u>	<u>(9,633)</u>	<u>(4,792)</u>
Income tax benefit				8,116
Profit after income tax benefit				<u>3,324</u>
Assets				
Segment assets	105,015	61,372	(70,263)	96,124
Total assets				<u>96,124</u>
Liabilities				
Segment liabilities	23,952	40,250	(53,094)	11,108
Total liabilities				<u>11,108</u>

Note 26. Operating segments (continued)

31 March 2024	Australia \$'000	Europe \$'000	Intersegment eliminations \$'000	Total \$'000
Revenue				
Sales	25,292	11,751	(11,240)	25,803
Total revenue	<u>25,292</u>	<u>11,751</u>	<u>(11,240)</u>	<u>25,803</u>
Adjusted EBITDA				
Depreciation and amortisation	(3,294)	2,337	(644)	(1,601)
Interest revenue	(740)	(2,339)	-	(3,079)
Finance costs	1,386	30	(1,245)	171
Share-based payments	(628)	(1,457)	1,450	(635)
Net change in fair value of biological assets	(2,253)	-	-	(2,253)
Write off of inventory	(1,213)	701	-	(512)
Intercompany impairment	(243)	-	-	(243)
	(1,106)	-	1,106	-
Profit/(loss) before income tax expense	<u>(8,091)</u>	<u>(728)</u>	<u>667</u>	<u>(8,152)</u>
Income tax expense				-
Loss after income tax expense				<u>(8,152)</u>
Assets				
Segment assets	95,348	52,021	(60,988)	86,381
Total assets				<u>86,381</u>
Liabilities				
Segment liabilities	19,885	39,777	(50,538)	9,124
Total liabilities				<u>9,124</u>

Note 27. Events after the reporting period

The \$1,857,000 property loan repayment date was extended post year end to 31 July 2027 as per note 14 'Borrowings'.

In addition to the above, the Company received confirmation of a \$3,000,000 inventory financing facility.

France's Health Ministry submitted three draft decrees to the European Commission covering cultivation, product authorisation, and quality standards. The transition period has been extended to 31 March 2026, ensuring uninterrupted patient access, with the commercial market expected to open in late calendar year 2025 or early calendar year 2026 following a 3–6 month EU notification period.

No other matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 March 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Michael D Lynch-Bell".

Mr Michael D Lynch-Bell
Chair

29 May 2025
London, United Kingdom

INDEPENDENT AUDITOR'S REPORT

To the members of Little Green Pharma Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Little Green Pharma Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2025, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Group's financial position as at 31 March 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of biological assets and inventory

Key audit matter	How the matter was addressed in our audit
<p>AASB 141 <i>Agriculture</i> requires biological assets to be measured at fair value less cost to sell or, in the absence of a fair value, at cost less impairment. Inventories of harvested cannabis are transferred from biological assets at their fair value less costs to sell up to the point of harvest, which becomes the initial deemed cost.</p> <p>Valuation of biological assets and inventory was a key audit matter due to the complexity of the valuation model and the extent of management estimates and judgements involved in determining appropriate inputs to the valuation model.</p> <p>Notes 9 and 10 of the financial report disclose a description of the accounting policy and significant estimates and judgements applied to the Group's biological assets and inventory balances.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining management's valuation model and considering whether the inputs are reasonable and the model is mathematically accurate; • Evaluating management's judgements and assumptions used in the valuation model; • Testing whether inventory is held at the lower of cost and net realisable value by comparing unit cost to recent sales prices achieved; • Assessing whether product used in or destined for use in research and development purposes has been adequately provided for; and • Reviewing disclosures in Notes 9 and 10 of the financial report and ensuring compliance with the accounting standard.

Recognition and recovery of deferred tax assets

Key audit matter	How the matter was addressed in our audit
<p>The Group recognised deferred tax assets mostly relating to tax losses carried forward, as disclosed in Note 6. Australian Accounting Standards require deferred tax assets to be recognised only to the extent that it is probable that sufficient future taxable profits will be generated in order for the benefits of the deferred tax assets to be realised. These benefits are realised by reducing tax payable in future taxable profits.</p> <p>This was a key audit matter due to the quantum of the deferred tax assets as well as the judgement behind preparing forecasts to demonstrate the future utilisation of these losses in accordance with the requirements of Australian Accounting Standards.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluating the deferred tax calculations and performing a recalculation of the amounts; • Assessing the ability to carry forward the tax losses for future use in reference to Australian Accounting Standards and tax law; • Assessing the competence and objectivity of the independent experts to which management has engaged to perform taxation services;

- Assessing the forecasted profits over the relevant utilisation period and evaluating whether the forecasts had been appropriately adjusted for the differences between accounting profits to taxable profits;
- Assessing and challenging management's judgements relating to the forecast of future taxable profit and evaluated the reasonableness of the assumptions underlying the preparation of these forecasts; and
- Reviewing disclosures in Note 6 of the financial report and ensuring compliance with the accounting standard.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 March 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 28 of the directors' report for the year ended 31 March 2025.

In our opinion, the Remuneration Report of Little Green Pharma Ltd, for the year ended 31 March 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



Ashleigh Woodley

Director

Perth, 29 May 2025

Consolidated entity disclosure statement

Entity name	Entity type	Country of incorporation	Ownership %	Tax residency
Little Green Pharma Ltd	Body Corporate	Australia	100.00%	Australia
Little Green Pharma AG	Body Corporate	Germany	100.00%	Germany
LGP Operations Pty Ltd	Body Corporate	Australia	100.00%	Australia
LGP Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia
Reset Mind Sciences Ltd	Body Corporate	Australia	100.00%	Australia
Little Green Pharma ApS	Body Corporate	Denmark	100.00%	Denmark
HHI (Australia) Pty Ltd	Body Corporate	Australia	100.00%	Australia

Basis of preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

1) *Australian tax residency* - The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5

2) *Foreign tax residency* - Where necessary, the consolidated entity has used independent tax advisers (see section 295(3A)(vii) of the Corporations Act 2001).

The shareholder information set out below was applicable as at 13 May 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	2,127	0.51	-	-
1,001 to 5,000	4,624	3.93	-	-
5,001 to 10,000	1,696	4.19	-	-
10,001 to 100,000	2,074	19.43	-	-
100,001 and over	249	71.94	7,200,000	100.00
	<u>10,770</u>	<u>100.00</u>	<u>7,200,000</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>6,204</u>	<u>3.58</u>	<u>-</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
UBS NOMINEES PTY LTD	57,078,524	18.82
MS FLETA JENNIFER SOLOMON	20,723,216	6.83
BARBRIGHT AUSTRALIA PTY LTD <INTERQUARTZ SUPER A/C>	13,732,793	4.53
BENONI PTY LTD <THE MKJ SUPER FUND A/C>	8,847,285	2.92
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	7,334,936	2.42
MR ANGUS CAITHNESS	5,751,441	1.90
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,649,133	1.86
BANQUO CONSULTING PTY LTD	5,413,333	1.78
CG NOMINEES (AUSTRALIA) PTY LTD	4,147,061	1.37
FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	4,049,454	1.33
JASFORCE PTY LTD	2,883,878	0.95
CITICORP NOMINEES PTY LIMITED	2,714,517	0.89
MR PAUL FREDERICK LONG <THE LONG A/C>	2,426,191	0.80
MS JENNY LORRAINE MCKAY <J & K MCKAY FAMILY A/C>	2,229,746	0.74
MS RHIANNA LOUISE BELCHAM	2,100,000	0.69
MR DAMIEN MATTHEW BOOTH <DAMIEN BOOTH FAMILY A/C>	1,858,639	0.61
MR MICHAEL DAVID LYNCH-BELL	1,758,450	0.58
NURTURING EVOLUTIONARY DEVELOPMENT PTY LTD	1,708,000	0.56
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,636,358	0.54
ASSERT CORPORATE & INVESTOR RELATIONS PTY LTD CHAPTER ONE ADVISORS>	1,556,821	0.51
	<u>153,599,776</u>	<u>50.63</u>

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	7,200,000	4
Performance rights	10,500,000	4
Share rights	6,320,000	51

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
TIGA TRADING PTY LTD (THORNEY INVESTMENTS)	59,962,402	19.77
MS FLETA JENNIFER SOLOMON	21,873,216	7.21

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary Shares	31 March 2026	2,000,000



Phone: +61 8 6280 0050

Email: cosec@lgp.global

Website: www.littlegreenpharma.com

PO Box 101, Wembley WA 6913