

LITTLE GREEN PHARMA
ABN 44 615 586 215

HALF YEAR FINANCIAL *Report*

30 SEPTEMBER 2024

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A world of *difference*



1. Company details

Name of entity:	Little Green Pharma Ltd
ABN:	44 615 586 215
Reporting period:	For the half-year ended 30 September 2024
Previous period:	For the half-year ended 30 September 2023

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	36.8% to	17,535
Loss for the half-year attributable to the owners of Little Green Pharma Ltd	up	58.7% to	(3,457)

Comments

The loss for the Group after providing for income tax amounted to \$3,457,000 (30 September 2023: \$2,179,000).

Revenue from ordinary activities is up from \$12,816,000 for the half-year ending 30 September 2023 to \$17,535,000 for the half-year ending 30 September 2024. 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 \$1,005,000, depreciation and amortisation of \$1,804,000, a net fair value increase in biological assets of \$71,000, a write down of inventory of \$798,000, a finance charge of \$211,000 and interest revenue of \$22,000 resulting in an Adjusted EBITDA of \$268,000 up from a negative Adjusted EBITDA of \$511,000. The net operating cash inflow was \$738,000 for the half-year ending 30 September 2024 up from a cash outflow of \$1,820,000 for the half-year ending 30 September 2023.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>22.93</u>	<u>25.90</u>

4. Control gained over entities

Not applicable.

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 were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

The Interim Report of Little Green Pharma Ltd for the half-year ended 30 September 2024 is attached.

12. Signed

Signed



Date: 26 November 2024

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) Ms Beatriz Vicén Banzo (Independent Non-Executive Director) Ms Fleeta Solomon (Executive Director) Mr Angus Caithness (Executive Director)
Company secretary	Mr Alistair Warren
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

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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 half-year ended 30 September 2024.

Directors

The following persons were Directors of Little Green Pharma Ltd during the whole of the financial half-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
Ms Beatriz Vicén Banzo	Independent Non-Executive Director
Ms Fleta Solomon	Executive Director
Mr Angus Caithness	Executive Director

Principal activities

During the financial half-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, construction of a psilocybin mushroom cultivation facility, and establishment of a psychedelic treatment clinic.

Review of operations

The loss for the Group after providing for income tax amounted to \$3,457,000 (30 September 2023: \$2,179,000).

The Group's half-year financial results included record revenues and positive Adjusted EBITDA and operating cash flows, 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 half-year was \$17,535,000 up from \$12,816,000 in the prior comparative period. This performance was driven by sales growth in both domestic and international markets and across most product categories.
- **Adjusted EBITDA:** The Group's Adjusted EBITDA for the half-year was \$266,000 up from a negative \$511,000 in the prior comparative period. This performance was driven primarily by sales growth and early signs of economies of scale.
- **Net tangible assets:** The Group's net tangible assets at the end of the half-year were \$69,200,000 down from \$73,942,000 at 31 March 2024. The decrease was driven by depreciation of the Group's fixed assets and foreign exchange movements on overseas assets.
- **Debt:** The Group's debt remained low at the end of the half-year at \$3,294,000 down from \$3,496,000 at 31 March 2024.
- **Cash position:** The Group's cash position at the end of the half-year was \$4,832,000 down from \$4,974,000 at 31 March 2024. The Group's operating cash inflow for the half-year was \$738,000 up from a cash outflow of \$1,820,000 in the prior comparative period.

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Key operational outcomes

- *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 and launched its new Indicare brand in September 2024.
- *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.
- *Australian market performance:* The House of Brands strategy yielded positive results during the half 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 which is 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, with the publication of the 12-month results from the Company's QUEST Initiative expected imminently. During the period, leading French cancer hospital Gustave Roussy's 'Pandora' trial was also approved for the use of LGP's CBD 200 for the treatment of breast cancer chemotherapy symptoms.

Regulatory and corporate updates

- *Rising global regulatory enforcement:* The period saw a marked increase in regulatory enforcement actions by regulators in Australia and Europe, with this development expected to benefit trusted industry participants such as LGP.
- *Head office relocation:* In July 2024, the Company relocated its registered office and principal place of business to Shenton Park in Western Australia which is expected to reduce 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 noting that an independent remuneration review had been commissioned during the previous financial year which indicated the Executive were being paid well below market rates.
- *Change in substantial holding:* In October 2024, Thorney Investment Group acquired the majority of Hancock Prospecting shareholding thereby increasing its shareholding to 19.8%.

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 will complete dosing at the end of calendar year 2024 with a 12-month follow-up period.
- *Clinic readiness and operational capacity:* Reset's clinic in Perth, which was fully fitted out during the half-year, is now ready to support clinical operations.

Significant changes in the state of affairs

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

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 306(3)(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

26 November 2024
London, United Kingdom

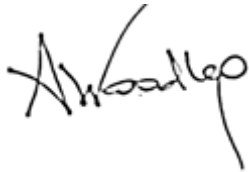
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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF LITTLE GREEN PHARMA LTD

As lead auditor for the review of Little Green Pharma Ltd for the half-year ended 30 September 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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



Ashleigh Woodley
Director

BDO Audit Pty Ltd
Perth
26 November 2024

Little Green Pharma Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2024



	Note	30 Sep 2024 \$'000	30 Sep 2023 \$'000
Revenue from contracts with customers	3	17,513	12,796
Other income	4	21	1,513
Interest revenue calculated using the effective interest method		22	20
Expenses			
Raw materials and consumables used		(6,342)	(4,125)
Employee benefits expense	5	(5,495)	(6,220)
Distribution expense		(3,323)	(2,856)
Depreciation and amortisation expense		(1,804)	(1,517)
Share based payments expense		(1,005)	(649)
Professional services expense		(835)	(727)
Write off of assets	5	(798)	(243)
Administration expenses		(754)	(625)
Sales and marketing expense		(676)	(706)
Insurance expense		(305)	(288)
Research and development expense		(247)	(333)
Finance costs		(211)	(306)
Other expenses		(12)	(70)
Net change in fair value of biological assets		71	(453)
Changes in inventories		723	2,610
Total expenses	5	<u>(21,013)</u>	<u>(16,508)</u>
Loss before income tax expense		(3,457)	(2,179)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Little Green Pharma Ltd		(3,457)	(2,179)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(1,530)</u>	<u>(57)</u>
Other comprehensive loss for the half-year, net of tax		<u>(1,530)</u>	<u>(57)</u>
Total comprehensive loss for the half-year attributable to the owners of Little Green Pharma Ltd		<u>(4,987)</u>	<u>(2,236)</u>
		Cents	Cents
Basic earnings per share	6	(1.15)	(0.73)
Diluted earnings per share	6	(1.15)	(0.73)

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

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Note 30 Sep 2024 31 Mar 2024
 \$'000 \$'000

Assets

Current assets

Cash and cash equivalents		4,832	4,974
Trade and other receivables		2,234	3,404
Biological assets	7	2,222	1,586
Inventories	8	10,743	10,930
Prepayments	9	910	581
Total current assets		20,941	21,475

Non-current assets

Trade and other receivables		270	-
Property, plant and equipment	10	56,751	59,497
Intangible assets	11	3,589	3,463
Right-of-use assets	12	1,336	1,498
Other financial assets		43	43
Prepayments	9	118	316
Total non-current assets		62,107	64,817

Total assets

83,048 **86,292**

Liabilities

Current liabilities

Trade and other payables	13	3,299	1,835
Accrued expenses		886	996
Borrowings	14	2,303	2,359
Lease liabilities		138	271
Employee benefits	15	1,309	964
Total current liabilities		7,935	6,425

Non-current liabilities

Borrowings	14	991	1,137
Lease liabilities		1,407	1,374
Employee benefits	15	135	98
Total non-current liabilities		2,533	2,609

Total liabilities

10,468 **9,034**

Net assets

72,580 **77,258**

Equity

Share capital	16	101,975	101,932
Reserves	17	6,299	7,563
Accumulated losses		(35,694)	(32,237)

Total equity

72,580 **77,258**

Little Green Pharma Ltd
Consolidated statement of changes in equity
For the half-year ended 30 September 2024



	Share capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 April 2023	101,183	5,130	(24,085)	82,228
Loss after income tax expense for the half-year	-	-	(2,179)	(2,179)
Other comprehensive loss for the half-year, net of tax	-	(57)	-	(57)
Total comprehensive loss for the half-year	-	(57)	(2,179)	(2,236)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	547	-	547
Transfer on issue	694	(694)	-	-
Share placements	55	-	-	55
Balance at 30 September 2023	<u>101,932</u>	<u>4,926</u>	<u>(26,264)</u>	<u>80,594</u>
	Share capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 April 2024	101,932	7,563	(32,237)	77,258
Loss after income tax expense for the half-year	-	-	(3,457)	(3,457)
Other comprehensive loss for the half-year, net of tax	-	(1,530)	-	(1,530)
Total comprehensive loss for the half-year	-	(1,530)	(3,457)	(4,987)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,005	-	1,005
Transfer on issue	43	(739)	-	(696)
Balance at 30 September 2024	<u>101,975</u>	<u>6,299</u>	<u>(35,694)</u>	<u>72,580</u>

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

Note 30 Sep 2024 30 Sep 2023
 \$'000 \$'000

Cash flows from operating activities

Loss before income tax expense for the half-year (3,457) (2,179)

Adjustments for:

Depreciation and amortisation 1,804 1,517

Share-based payments 1,005 649

Interest received (22) (20)

Interest and other finance costs 211 306

(459) 273

Change in operating assets and liabilities:

Decrease in trade and other receivables 477 366

Decrease/(increase) in inventories 187 (2,013)

Increase in prepayments (329) (299)

Decrease/(increase) in other operating assets (685) 295

Increase/(decrease) in trade and other payables 1,464 (215)

Increase in employee benefits 382 59

Decrease in other operating liabilities (110) -

927 (1,534)

Interest received 22 20

Interest and other finance costs paid (211) (306)

Net cash from/(used in) operating activities 738 (1,820)

Cash flows from investing activities

Payment for purchase of business, net of cash acquired - (4,110)

Payments for property, plant and equipment 10 (171) (260)

Payments for intangibles 11 (316) (234)

Loans to other parties (273) -

Proceeds from disposal of property, plant and equipment - 2,738

Proceeds from release of security deposits 198 99

Net cash used in investing activities (562) (1,767)

Cash flows from financing activities

Proceeds from issue of shares 16 - 55

Repayment of borrowings (302) (2,651)

Net cash used in financing activities (302) (2,596)

Net decrease in cash and cash equivalents (126) (6,183)

Cash and cash equivalents at the beginning of the financial half-year 4,974 12,400

Effects of exchange rate changes on cash and cash equivalents (16) (24)

Cash and cash equivalents at the end of the financial half-year 4,832 6,193

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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 half-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 26 November 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 September 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

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 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.

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 Group expected to demerge Reset Mind Sciences Ltd in the financial half-year ended 30 September 2023. This transaction did not eventuate and as such Reset Mind Sciences Ltd is no longer classified as a disposal group held for sale. As such, 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.

Note 3. Revenue from contracts with customers

	30 Sep 2024 \$'000	30 Sep 2023 \$'000
Medicinal cannabis sales		
Flower products	10,754	7,560
Oil products	5,686	4,662
Vaporiser products	564	180
Other revenue	509	394
	<u>17,513</u>	<u>12,796</u>
Revenue from contracts with customers	<u>17,513</u>	<u>12,796</u>

Disaggregation of revenue

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

	30 Sep 2024 \$'000	30 Sep 2023 \$'000
<i>Geographical regions</i>		
Australia	15,276	10,816
Europe	2,237	1,980
	<u>17,513</u>	<u>12,796</u>

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

	30 Sep 2024 \$'000	30 Sep 2023 \$'000
Net foreign exchange gain	4	27
Government grants	17	6
Research and development incentive	-	1,480
	<u>21</u>	<u>1,513</u>
Other income	<u>21</u>	<u>1,513</u>

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Note 5. Expenses

	30 Sep 2024 \$'000	30 Sep 2023 \$'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	8,347	5,382
Depreciation and amortisation	<u>(1,804)</u>	<u>(1,517)</u>
Cash cost of goods sold	<u>6,543</u>	<u>3,865</u>
<i>Write off of assets</i>		
Inventories	<u>798</u>	<u>243</u>
<i>Employee benefits expense</i>		
Salaries and wages	5,353	6,062
Short-term incentives	<u>142</u>	<u>158</u>
	<u>5,495</u>	<u>6,220</u>

Note 6. Earnings per share

	30 Sep 2024 \$'000	30 Sep 2023 \$'000
Loss after income tax attributable to the owners of Little Green Pharma Ltd	<u>(3,457)</u>	<u>(2,179)</u>
	Number	Number
Weighted average number of shares used in calculating basic earnings per share	<u>301,639,270</u>	<u>299,056,078</u>
Weighted average number of shares used in calculating diluted earnings per share	<u>301,639,270</u>	<u>299,056,078</u>
	Cents	Cents
Basic earnings per share	(1.15)	(0.73)
Diluted earnings per share	(1.15)	(0.73)

A total of 7,200,000 (30 September 2023: nil) share options, 10,500,000 (30 September 2023: 10,500,000) performance rights and 7,016,600 (30 September 2023: 7,140,000) retention rights have been excluded from the above calculations as their inclusion would be anti-dilutive.

Note 7. Biological assets

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Current assets</i>		
Biological asset - at fair value	<u>2,222</u>	<u>1,586</u>

In the current period, the biological assets were approximately 64% 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 143 grams (31 March 2024 - 157 grams).

Note 7. Biological assets (continued)

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 \$436,000 at 30 September 2024 (31 March 2024: \$344,573). 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 \$545,000 at 30 September 2024 (31 March 2024: \$430,716). At harvest, the estimated average fair value of a gram of cannabis was \$2.10 (31 March 2024: \$2.86).

Note 8. Inventories

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Current assets</i>		
Work in progress - at net realisable value	6,271	7,957
Finished goods - at net realisable value	4,097	2,660
Stock on hand - at net realisable value	375	313
	<u>10,743</u>	<u>10,930</u>

Cost of inventories sold to customers amounting to \$8,347,000 was recognised as an expense during the half-year (30 September 2023: \$5,382,000).

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 9. Prepayments

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Current assets</i>		
Prepayments	910	581
<i>Non-current assets</i>		
Security deposits	118	316
	<u>1,028</u>	<u>897</u>

Note 10. Property, plant and equipment

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Non-current assets</i>		
Land and buildings - at cost	58,803	60,184
Less: Accumulated depreciation	(10,536)	(9,897)
	<u>48,267</u>	<u>50,287</u>
Leasehold improvements - at cost	270	295
Less: Accumulated depreciation	(48)	(47)
	<u>222</u>	<u>248</u>
Office equipment - at cost	1,169	1,262
Less: Accumulated depreciation	(1,006)	(1,064)
	<u>163</u>	<u>198</u>
Production equipment - at cost	14,563	14,483
Less: Accumulated depreciation	(6,464)	(6,164)
	<u>8,099</u>	<u>8,319</u>
Assets under construction - at cost	-	445
	<u>56,751</u>	<u>59,497</u>

Reconciliations

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

	Land and buildings \$'000	Leasehold improve- ments \$'000	Office equipment \$'000	Production equipment \$'000	Assets under construc- tion \$'000	Total \$'000
At 1 April 2024	50,287	248	198	8,319	445	59,497
Additions	-	9	5	7	-	21
Disposals	-	(18)	-	-	-	(18)
Transfers	-	11	-	434	(445)	-
Depreciation expense	(913)	(28)	(38)	(473)	-	(1,452)
Exchange differences	(1,107)	-	(2)	(188)	-	(1,297)
At 30 September 2024	<u>48,267</u>	<u>222</u>	<u>163</u>	<u>8,099</u>	<u>-</u>	<u>56,751</u>

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Note 10. 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 11. Intangible assets

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Non-current assets</i>		
Product development - at cost	3,083	3,107
Less: Accumulated amortisation	(328)	(217)
	<u>2,755</u>	<u>2,890</u>
Patents and trademarks - at cost	174	174
Less: Accumulated amortisation	(46)	(40)
	<u>128</u>	<u>134</u>
Software - at cost	279	222
Less: Accumulated amortisation	(168)	(146)
	<u>111</u>	<u>76</u>
Pharmaceutical Quality System - at cost	549	549
Less: Accumulated amortisation	(214)	(186)
	<u>335</u>	<u>363</u>
Clinical trial expenditure - at cost	260	-
	<u>3,589</u>	<u>3,463</u>

Note 11. Intangible assets (continued)

Reconciliations

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

	Product development \$'000	Patents and trademarks \$'000	Software \$'000	Pharmaceutical Quality System \$'000	Clinical trial \$'000	Total \$'000
At 1 April 2024	2,890	134	76	363	-	3,463
Additions	-	-	56	-	260	316
Amortisation expense	(135)	(6)	(22)	(27)	-	(190)
At 30 September 2024	<u>2,755</u>	<u>128</u>	<u>110</u>	<u>336</u>	<u>260</u>	<u>3,589</u>

Accounting policy:

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

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

Note 12. Right-of-use assets

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	1,601	1,962
Less: Accumulated depreciation	<u>(265)</u>	<u>(464)</u>
	<u>1,336</u>	<u>1,498</u>

The Group has a 5 year lease relating to its head office (including production facility) which expires 30 June 2028. It has an option to extend the lease for a further 5 years with various escalation clauses. On renewal, the terms of the lease are renegotiated.

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Note 12. Right-of-use assets (continued)

Reconciliations

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

	Land and buildings \$'000
At 1 April 2024	1,498
Additions	-
Depreciation expense	(162)
	<hr/>
At 30 September 2024	<u>1,336</u>

Note 13. Trade and other payables

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Current liabilities</i>		
Trade payables	3,267	1,535
Indirect tax payable	32	300
	<hr/>	<hr/>
	<u>3,299</u>	<u>1,835</u>

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

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Current liabilities</i>		
Property loan	1,857	1,857
Equipment financing	400	483
Electricity loan	46	19
	<hr/>	<hr/>
	<u>2,303</u>	<u>2,359</u>
<i>Non-current liabilities</i>		
Equipment financing	867	984
Electricity loan	124	153
	<hr/>	<hr/>
	<u>991</u>	<u>1,137</u>
	<hr/>	<hr/>
	<u>3,294</u>	<u>3,496</u>

The Group has the following borrowings:

- The property loan is due for repayment on 31 July 2025. 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 \$3,409,000 (31 March 2024: \$3,430,000). The current effective interest rate is 8.27%.
- 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 4.4%, and is repayable over the life of the loan ending 31 October 2028.

Note 14. Borrowings (continued)

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

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

Total secured liabilities

The total secured liabilities are as follows:

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
Property loan	1,857	1,857
Equipment financing	1,267	1,467
	<u>3,124</u>	<u>3,324</u>

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.

Financing arrangements

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

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
Total facilities		
Property loan	1,857	1,857
Equipment financing	1,267	1,467
Electricity loan	170	172
	<u>3,294</u>	<u>3,496</u>
Used at the reporting date		
Property loan	1,857	1,857
Equipment financing	1,267	1,467
Electricity loan	170	172
	<u>3,294</u>	<u>3,496</u>
Unused at the reporting date		
Property loan	-	-
Equipment financing	-	-
Electricity loan	-	-
	<u>-</u>	<u>-</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.

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Note 15. Employee benefits

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
<i>Current liabilities</i>		
Annual leave	494	631
Employee benefits	815	333
	<u>1,309</u>	<u>964</u>
<i>Non-current liabilities</i>		
Long service leave	135	98
	<u>1,444</u>	<u>1,062</u>

Note 16. Share capital

	30 Sep 2024 Shares	31 Mar 2024 Shares	30 Sep 2024 \$'000	31 Mar 2024 \$'000
Ordinary shares - fully paid	<u>301,760,606</u>	<u>300,093,236</u>	<u>101,975</u>	<u>101,932</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 April 2024	300,093,236		101,932
Issue of shares - retention rights	3 April 2024	105,000	\$0.840	88
Issue of shares - employee share plan	15 April 2024	765,100	\$0.485	371
Issue of shares - retention rights	15 April 2024	210,000	\$0.880	185
Issue of shares - retention rights	15 April 2024	430,000	\$0.170	73
Issue of shares - in lieu of salary	15 April 2024	157,270	\$0.141	22
Transfer of shares				(696)
Balance	30 September 2024	<u>301,760,606</u>		<u>101,975</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. 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.

Note 17. Reserves

	30 Sep 2024 \$'000	31 Mar 2024 \$'000
Foreign currency reserve	1,592	3,122
Share-based payments reserve	4,707	4,441
	<u>6,299</u>	<u>7,563</u>

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Note 17. Reserves (continued)

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 financial half-year are set out below:

	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Total \$'000
Balance at 1 April 2024	3,122	4,441	7,563
Foreign currency translation	(1,530)	-	(1,530)
Share based payments	-	1,005	1,005
Transfer on exercise	-	(739)	(739)
	<u>1,592</u>	<u>4,707</u>	<u>6,299</u>
Balance at 30 September 2024	1,592	4,707	6,299

Note 18. Commitments

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

Note 19. 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.

Options

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

	Number of options 30 Sep 2024	Weighted average exercise price 30 Sep 2024	Number of options 30 Sep 2023	Weighted average exercise price 30 Sep 2023
Outstanding at beginning of financial half-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
	<u>7,200,000</u>	<u>\$0.138</u>	<u>-</u>	<u>\$0.000</u>
Outstanding at the end of the financial half-year	7,200,000	\$0.138	-	\$0.000
Exercisable at the end of the financial half-year	<u>7,200,000</u>	<u>\$0.138</u>	<u>-</u>	<u>\$0.000</u>

The options were issued at a 50% premium to the prevailing share price at the date of grant and expire on 31 July 2027. Their weighted average fair value using a Black and Scholes model was \$0.041 per option .

Note 19. Share-based payments (continued)

Performance rights

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

	Number of rights 30 Sep 2024	Weighted average exercise price 30 Sep 2024	Number of rights 30 Sep 2023	Weighted average exercise price 30 Sep 2023
Outstanding at beginning of financial half-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
Outstanding at the end of the financial half-year	<u>10,500,000</u>	\$0.000	<u>10,500,000</u>	\$0.000
Exercisable at the end of the financial half-year	<u>-</u>	\$0.000	<u>-</u>	\$0.000

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 30 Sep 2024	Weighted average exercise price 30 Sep 2024	Number of rights 30 Sep 2023	Weighted average exercise price 30 Sep 2023
Outstanding at beginning of financial half-year	7,140,000	\$0.000	360,000	\$0.000
Granted	214,600	\$0.000	6,780,000	\$0.000
Forfeited	(23,000)	\$0.000	-	\$0.000
Exercised	(315,000)	\$0.000	-	\$0.000
Expired	-	\$0.000	-	\$0.000
Outstanding at the end of the financial half-year	<u>7,016,600</u>	\$0.000	<u>7,140,000</u>	\$0.000
Exercisable at the end of the financial half-year	<u>-</u>	\$0.000	<u>-</u>	\$0.000

The weighted average fair value of the retention rights at the date of grant was \$0.18 per right with 1,106,000 vesting during the 2025 calendar year and 5,910,000 vesting on 31 March 2026. In addition to the above, 600,000 retention rights with a fair value of \$0.094 per right, vesting in 3 years time were approved for issue to the Independent Non Executive Directors at the 2024 AGM.

Note 20. 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.

Note 20. Operating segments (continued)

The CODM reviews Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments, research and development incentives, write offs and net change in fair value of biological assets). 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

30 September 2024	Australia \$'000	Europe \$'000	Inter- segment eliminations \$'000	Total \$'000
Revenue				
Sales to external customers	17,534	6,528	(6,527)	17,535
Total revenue	<u>17,534</u>	<u>6,528</u>	<u>(6,527)</u>	<u>17,535</u>
Adjusted EBITDA	(1,194)	1,966	(504)	268
Depreciation and amortisation	(641)	(1,163)	-	(1,804)
Interest revenue	611	-	(589)	22
Finance costs	(208)	(592)	589	(211)
Share based payments	(1,005)	-	-	(1,005)
Net change in fair value of biological assets	96	(25)	-	71
Write off of inventory	(798)	-	-	(798)
Profit/(loss) before income tax expense	<u>(3,139)</u>	<u>186</u>	<u>(504)</u>	<u>(3,457)</u>
Income tax expense				-
Loss after income tax expense				<u>(3,457)</u>
Assets				
Segment assets	109,550	48,101	(74,603)	83,048
Total assets				<u>83,048</u>
Liabilities				
Segment liabilities	16,269	35,893	(41,694)	10,468
Total liabilities				<u>10,468</u>

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Note 20. Operating segments (continued)

	Australia \$'000	Europe \$'000	Inter- segment eliminations \$'000	Total \$'000
30 September 2023				
Revenue				
Sales to external customers	12,378	3,593	(3,155)	12,816
Total revenue	12,378	3,593	(3,155)	12,816
Adjusted EBITDA				
Depreciation and amortisation	(352)	(1,165)	-	(1,517)
Interest revenue	562	15	(557)	20
Finance costs	(303)	(560)	557	(306)
Share based payments	(649)	-	-	(649)
Net change in fair value of biological assets	(966)	513	-	(453)
Write off of inventory	(243)	-	-	(243)
Research and development incentive	1,480	-	-	1,480
Profit/(loss) before income tax expense	(3,602)	1,679	(256)	(2,179)
Income tax expense				-
Loss after income tax expense				(2,179)
31 Mar 2024				
Assets				
Segment assets	110,261	52,021	(75,990)	86,292
Total assets				86,292
Liabilities				
Segment liabilities	13,875	39,690	(44,531)	9,034
Total liabilities				9,034

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 September 2024 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.

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In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 September 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Michael D Lynch-Bell
Chair

26 November 2024
London, United Kingdom

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Little Green Pharma Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Little Green Pharma Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 September 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the Group's financial position as at 30 September 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, light blue BDO logo watermark.

Ashleigh Woodley

Director

Perth, 26 November 2024