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LGP SIGNS EXCLUSIVE DISTRIBUTION AGREEMENT WITH LEADING POLISH PHARMACEUTICAL GROUP

ASX ANNOUNCEMENT

Highlights:

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LGP appoints Medezin Sp. s.o.o, a subsidiary of Pelion SA, as its exclusive partner for the distribution of LGP's medicinal cannabis oil and high THC flower products in Poland
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Pelion SA is the largest operator in the Polish and Lithuanian healthcare sector with 10 billion PLN (A\$3.5 billion) annual revenue and thirty years' experience operating in the Polish market
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Medezin targets to sell Products equivalent to $\geq 20\%$ of the Market for cannabis oil medicines and $\geq 10\%$ of the Market for high-THC cannabis flower medicines
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Distribution partnership represents another key plank in LGP's rapidly expanding EU sales platform

Little Green Pharma Ltd (ASX: LGP, "LGP" or the "Company") is pleased to announce a five-year exclusive pharmaceutical distribution agreement ("**Agreement**") with Medezin Sp. z.o.o ("**Medezin**") for the distribution of LGP's cannabis medicines into Poland.

LGP will supply medicinal cannabis oils and medicinal cannabis flower product ("**Products**") for distribution into Poland by Medezin under the Agreement, which provides Medezin with the exclusive rights to distribute LGP medicinal cannabis products, subject to meeting certain sales hurdles.

Medezin is targeting the sale of Products equivalent to:

- at least 20% of the Polish medicinal cannabis oil Market; and
- at least 10% of the Polish high-THC medicinal cannabis flower Market.





**Commenting on the Agreement,
LGP Managing Director Fleta Solomon said:**

“Our distribution agreement with Medezin reflects LGP’s strategic ambition to acquire and maintain a substantial share of the Total Addressable Market in each jurisdiction we supply. We are very pleased to have partnered with Medezin, a highly experienced and large-scale pharmaceutical distributor servicing the Polish market, to help us achieve this goal.”

The financial value of the Agreement will be contingent upon the final number of orders under the Agreement, which in turn are subject to the Minimum Order requirement. The price of the Products for LGP will be determined by the market at the time of sale. Given the variable nature of the number of units likely to be sold under the Agreement, the floating calculation of the Minimum Quota and variable pricing arrangements, LGP is unable to provide further guidance on the financial impact of the Agreement at this time but will provide updates on the value of the Agreement on an ongoing basis as part of its quarterly reporting obligations.

Material terms of Agreement

The Agreement is for a term of five years beginning on the date of grant of the first Marketing Authorisation and automatically renews for successive one-year periods unless terminated. The Parties will agree a GMP Agreement governing the technical requirements of the Products prior to first shipment.

The Parties have already substantially progressed the first Marketing Authorisation dossier for LGP’s medicinal cannabis flower Product and the parties anticipate submission by mid-June 2021. Typically, Polish Marketing Authorisations require 210 days for assessment and grant.

Medezin’s distribution exclusivity is conditional upon it purchasing a minimum quota of Products (“**Minimum Quota**”). In each case, the Minimum Quota is calculated annually in the relevant market (“**Market**”) the previous 12 months of sales as collected and reported by the Polish medicines regulator.

Medezin may only terminate the Agreement due to LGP’s material default or if the safety of the Products is disputed by the Polish regulators.

Pelion SA Group

Pelion SA is the largest company in the Polish and Lithuanian healthcare sector, with nearly 10 billion PLN (~A\$3.5 billion) in annual revenue and a 30-year operating history covering all areas of pharmaceutical distribution.

Medezin specializes in services to local and offshore pharmaceutical manufacturers and distributors, helping them with market access, importation, distribution & logistics, medical marketing or repackaging.



Medezin is a 100% owned subsidiary of Polska Grupa Farmaceutyczna S.A. (“PGF”), one of the three leading full-range wholesalers in Poland with a 20% share of domestic deliveries to pharmacies. Its sister company Urtica is the largest distributor of drugs for inpatient treatment in hospitals while another sister company, DOZ SA, manages over 1000 pharmacies with its doz.pl platform the largest e-commerce platform in Poland.

Polish market

Poland has a population of ~38 million making it the fifth largest country in the EU. All doctors are eligible to prescribe medicinal cannabis in Poland and there is no definitive list of health conditions that can be prescribed.¹ Currently the Polish market relies solely on imported cannabis medicines, with medicinal cannabis flower products currently retailing at between 650-700 PLN (A\$226 – 244) for 10g.²

1. Prohibition Partners, *The Poland Cannabis White Paper* (October 2019)

2. <https://mjbizdaily.com/polish-medical-cannabis-market-growing-rapidly-but-remains-very-small/>

ENDS

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About Little Green Pharma

Little Green Pharma is a vertically integrated medicinal cannabis business with operations from cultivation and production through to manufacturing and distribution.

The Company has an indoor cultivation facility and manufacturing facility in Western Australia for the production of its own-branded range of GMP-grade medicinal cannabis products.

Little Green Pharma products comply with all required Therapeutic Goods Administration regulations and testing requirements. With a growing range of products containing differing ratios of active ingredients, Little Green Pharma supplies medical-grade cannabis products to Australian and overseas markets.

The Company has a strong focus on patient access in the emerging global medicinal cannabis market and is actively engaged in promoting education and outreach programs, as well as participating in clinical investigations and research projects to develop innovative new delivery systems.

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

Help us be Green

LGP investors are encouraged to go paperless and receive Company communications, notices and reports by email. This will ensure efficient communication during COVID-19 while also helping to reduce our costs and environmental footprint.

To easily update your communication preferences, visit: www.computershare.com.au/easyupdate/lgp

