LiveVerdure

ASX Release
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Commencement of Sales on Amazon US

Highlights

- "13 Seeds" hemp seed oil capsules are now ranged on Amazon USA with initial sales commencing.
- Amazon US provides Live Verdure with a **significant** opportunity to broaden its reach into the lucrative US nutraceuticals market by leveraging the Marketplaces 300m+ active user base[1].
- Live Verdure Ltd ("LV1"), owns fast-growing direct-to-consumer ("DtoC") brands "13 Seeds" and "8 Seeds".
- LV1 will utilise and benefit from Amazon's advanced order fulfilment network and services *(known as "Fulfilled by Amazon" or "FBA")* including 24/7 customer service and support, payment processing and fraud protection, packing and delivery.
- North America is the largest player in the global nutraceuticals market which is forecast to grow to US$722.5 billion by 2027[2].
- Amazon is the leading e-retailer in the United States with close to 386 billion U.S. dollars in 2020 net sales, with more than 50% of these sales being attributable to their online marketplace.[3]

Following on from where Live Verdure Ltd (ASX: "LV1" or "the Company") previously announced the commencement of sales in the US market *(ASX Announcement 22 April 2021)* we are pleased to announce that "13 Seeds" range of hemp-based gel capsules have been approved by Amazon to be sold through their US-facing marketplace, with sales having recently commenced.

Significant Opportunity for LV1

This opportunity is strategically material for LV1 as Amazon US is not only a retailer but one of the world's leading product discovery platforms. LV1 is now able to sell and distribute products to its millions of customers at a low cost by using Amazon's Fulfillment by Amazon (FBA) service. A complimentary service offered to approved sellers where Amazon handles the physical packing and shipping of products from one of their warehouses to customers.

[1] https://codisto.com/choosing-international-amazon-marketplace.html
[2] https://www.grandviewresearch.com/industry-analysis/nutraceuticals-market
[3] https://www.statista.com/topics/846/amazon/#dossierSummary

Given the positive signs we have seen since launching our 13 Seeds products on the Amazon AU marketplace *(ASX Announcement 6 April 2021),* Amazon US was naturally the next step for LV1 and presents a significantly larger international opportunity.

Amazon US

Amazon holds the title as the world's largest online retailer and has become a household name, synonymous with a reliable and efficient online shopping experience.

In the last reported financial year, the multinational e-commerce company's net revenue was ~US$386 bn, up from ~US$280 bn in 2019. As of 2020, the company generates the majority of its net revenue through online marketplace product sales, followed by third-party retail seller services, Amazon Web Services, and retail subscription services including Amazon Prime[4].

Given Amazon was founded in North America and continues to base the company headquarters there, it's not surprising Amazon offers more services in North America than any other country. As a result, the majority of the company's net revenue has always been earned in this region. In 2020, ~US$236 bn was earned in North America compared to roughly US$104 bn internationally[5].

The Online Marketplace Model

Under the Amazon model, Live Verdure has been approved to join their online US marketplace platform and initially advertise the approved 13 Seeds range of hemp-based gel capsules on its e-commerce marketplace.

Live Verdure continues to maintain control over the price of each item and how our products are marketed within the quality assurance framework Amazon has established. This ensures all products sold through Amazon US adhere to any nation-specific product liability requirements, a feature that customers of Amazon have grown to know and love.

LV1 is confident that the approval for sales on both Amazon US and AU will increase brand discovery and recognition, a factor known to amplify the success of any new product launch. We look forward to updating the market as more "13 Seeds" products are developed and released for sales during the course of 2021 and beyond.

The Nutraceuticals Market

Nutraceuticals are food-based compounds that are used to help prevent and/or cure illness and disease[6].

In 2019, the global nutraceutical market was estimated at US$382.51 billion, with a CAGR of 8.3% forecast to reach USD 722.5 billion by 2027[7]. After North America, Japan and China are the main users of nutraceuticals. These countries account for roughly 78 percent of the Asia Pacific region's overall nutraceuticals industry[8].

[4] https://www.statista.com/statistics/266282/annual-net-revenue-of-amazoncom/
[5] https://www.statista.com/statistics/672747/amazons-consolidated-net-revenue-by-segment/
[6] https://pharmaceutical-journal.com/article/ld/1-what-is-a-nutraceutical
[7] https://www.grandviewresearch.com/industry-analysis/nutraceuticals-market
[8] https://www.unleashedsoftware.com/blog/the-nutraceutical-industry-in-2021-top-trends-and-projections

Personal wellbeing has become more critical than ever for the general public in the aftermath of the COVID-19 pandemic and people are consuming more nutraceuticals in their everyday diet than ever before.

Sales and revenue growth are being driven by an increased global understanding of, and concern for, health and wellness. As a result, the nutraceuticals industry may be poised for even more growth and prosperity than previously predicted for 2021 and beyond.

The US Nutraceuticals Market

LV1 has chosen to enter the US as its first international market for the following reasons:

- The US is the world's largest consumer of nutraceuticals,
- The US has one of the highest percentages of eCommerce users per capita,
- Australian made goods are regarded as safe and healthy in the United States; and
- Online marketing content can easily be scaled across the country, with no language barriers and low geopolitical risk (i.e. no trade wars).

LV1 will continue to increase its marketing in the United States through:

- Creating Google ad campaigns,
- Investigating local online partner channels; and
- Increasing the use and of multiple social media platforms for our Direct-to-Consumer sales.

LV1's Managing Director, Ran Vaingold, said:

"LV1 is thrilled to now have our products approved for sale in two Amazon Marketplace regions. This paves the way for Live Verdure to quickly and easily bring our customers more products in the future. We are confident Amazon's exceptional customer service and delivery times will enhance LV1's product reach, bringing us closer to our goal of having 13 Seeds products in all health and wellness conscious households worldwide."

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ASX Release authorised by Mr Gernot Abl

About Live Verdure (ASX:LV1)

Live Verdure Limited (ASX:LV1) ("LV1" or the "Company") is an Australian Direct to Consumer (DtoC) plant-based food, nutraceutical and skincare company that owns the rapidly growing hemp consumer brand "13 Seeds" and "8 Seeds", with 100% Tasmanian hemp as its hero ingredient.

LV1 is built based on a deep understanding of our consumers' needs and purchasing behaviour. This company-wide focus on building and nurturing long-term relationships with our customers means they return time after time to shop for more wellness products.