LiveVerdure

ASX Release
29 September 2022

COMPANY UPDATE

Highlights

- Live Verdure successfully completes A$2m capital raise via placement to new and existing institutional and sophisticated investors
- A further $100,000 to be raised through director participation in the placement, subject to shareholder approval at the upcoming General Meeting.
- Acquisition of Edible Beauty, a highly complementary founder-led online retail platform of naturopathically formulated health, wellness, and skincare products, to complete on, or around, the 28th of October.
- Newly appointed CEO, and former Managing Director of Loreal, Mark Tucker, has begun optimising the group structure & accelerating profitable growth across all brands.
- Acceleration of inorganic growth pathways driven by strong inbound partnership & acquisition enquiries.

Live Verdure Ltd (ASX: LV1) ("LV1", "Live Verdure" or the "Company") is pleased to provide this Company update to shareholders.

Successful Capital Raise

LV1 has successfully completed the first tranche (A$2m) of its previously announced A$2.1m capital raise *(ASX Announcement 24 August)*. Subject to shareholder approval at the Company's upcoming General Meeting a further $100,000 will be raised through director participation. The placement will fund the acquisition of Edible Beauty, including working capital requirements. It will also accelerate future Live Verdure acquisition opportunities and growth initiatives, such as; investment against inventory, profitable customer acquisition, revenue growth, and new product development for Edible Beauty and 8 Seeds skincare.

CPS Capital acted as Lead Manager on the Placement.

Edible Beauty Acquisition Update

The acquisition of Edible Beauty is expected to complete on or around the date of the General Meeting of Shareholders; the 28th of October 2022.

Edible Beauty is a highly complementary, founder-led, online retail platform of naturopathically formulated health, wellness, and skincare products.

Edible Beauty has two product categories: a 25 SKU skincare category and a 5 SKU wellness category. The skincare category includes moisturisers, serums, oils, face masks and an SPF, while the wellness category products are consumables such as supplements and gut powders. National and international distribution is through D2C, wholesale distributors, and retail channels – including David Jones.

The transaction significantly extends and broadens the Company's position within those markets.

Key strategic drivers for the acquisition include:

- **Additional complementary D2C channel.**

  Providing another eCommerce direct-to-customer channel enables end-to-end margin and customer behaviour data capture.

- **Significant brand equity and cultural alignment.**

  Edible Beauty's outstanding reputation and loyal customer base were built on the back of its founder-led team, and the brand's values resonate strongly amongst health and environmentally conscious consumers.

- **Cross-sell opportunities.**

  Edible Beauty's strong distribution network provides Live Verdure with the opportunity to expand its own "13 Seeds" and "8 Seeds" brand footprints across wholesale distributor and retail channels.

- **Strong synergy potential.**

  Edible Beauty's naturopathically formulated range, offering products with a high concentration of Australian bio-active native extracts, is highly complementary to Live Verdure's product portfolio. The acquisition provides an immediate opportunity to capitalise on the supply chain overlap; in particular, procurement of ingredients and raw materials. Additionally, Live Verdure intends to add in-house digital marketing expertise to accelerate the financial profile of Edible Beauty.



Operations Update

Since his appointment as CEO of LV1 *(ASX Announcement 24 August)*, and ahead of completion of the acquisition of Edible Beauty, Mark Tucker has begun to optimise the group structure to accelerate profitable growth. Plans for the soft launch of the 8 Seeds skin care brand later this year are also continuing to take shape.

Mark has already implemented several initiatives to accelerate the Company's financial profile. These include:

- Adding in-house digital marketing expertise to the Edible Beauty business ahead of completion to facilitate increased profitable digital marketing spend.
- Leveraging his vast retail and distributor connections within the beauty industry to expand traditional retail distribution and move into international markets.
- Investing in additional inventory across all brands.
- Implementing immediate cost reductions by leveraging Live Verdure's data, technology, finance, marketing, and new product development infrastructure.

Live Verdure's newly appointed Chief Executive Officer, Mark Tucker said:

"*The integration of Edible Beauty into LV1 has been a seamless process. We have already begun implementing new strategic directions covering Sales, Marketing, Product Range, NPD, and COGS. Overhead rationalisation has commenced in earnest, and I hope to continue to identify significant cost savings as we move forward.*

Edible Beauty founder and now General Manager, Anna Mitsios, has extensive knowledge of ingredients and marketing. Working with her has been inspiring, and I believe we make a powerful team.

Cross-promotion between the Edible Beauty and 13 Seeds databases has been initiated and will develop over the next six months as we gain more insight into the way each brands customers behave online. We then plan to segment our databases further to tailor a more personalised shopping experience, with targeted brand messages and offers. Our data analytics platform has been extended to Edible Beauty enabling clarity of performance on key indicators including ROAS, CAC and CLTV. Edible Beauty is also working through the approval process to become a seller on Amazon in the USA and Australia to attract new, profitable customers.

I am truly excited about the future."

Inbound Partnership & Acquisition Enquiries Continue

Since the announcement of the acquisition of Edible Beauty, Live Verdure has fielded an increased number of inquiries regarding companies looking to partner with or be acquired by LV1. Equion Capital, our specialist M&A corporate adviser is also facilitating target outreach.

The M&A focus remains on profitable, small to midsize companies with an established product suite in the Health and Wellness, or Skincare sectors. Our target companies are founder-led, with established and engaged audiences to ensure future scalability and continuous growth. Live Verdure will naturally explore any potential synergies.

The Company looks forward to updating shareholders with further detail as soon as possible, and we thank you for your patience and continued support.

-Ends-

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This announcement has been authorised for release by the Board of LV1.

About Live Verdure (ASX:LV1)

Live Verdure Ltd (ASX:LV1) ("LV1" or the "Company") is an Australian Direct to Consumer (D2C) plant-based food, nutraceutical and skincare company that owns fast-growing hemp consumer brands "13 Seeds" and "8 Seeds", with Tasmanian hemp as its hero ingredient.

LV1 is built based on a deep understanding of our consumers' purchasing behaviour, focusing on building long-term relationships where consumers return time and time again to shop for more wellness products.