LiveVerdure

Live Verdure Ltd

ABN 28 614 347 269

Annual Report - 30 June 2022

Live Verdure Ltd
Corporate directory
30 June 2022

Directors	Mr Gernot Abl (Non-executive Chairman) Mr Ran Vaingold (Non-executive Director) Mr Corey Montry (Non-executive Director)
Company secretary	Mr Justin Mouchacca
Registered office	Level 21 459 Collins Street Melbourne, Victoria 3000
Principal place of business	Level 21 459 Collins Street Melbourne, Victoria 3000
Auditor	JTP Assurance 10th Floor, 446 Collins Street Melbourne, Victoria, 3000
Stock exchange listing	Live Verdure Ltd shares are listed on the Australian Securities Exchange (ASX code: LV1)
Website	www.liveverdure.com.au
Corporate Governance Statement	The Company's Corporate Governance Statement has been released to ASX on this day and is available on the Company's website at the following link: https://liveverdure.com.au/governance/

Live Verdure Ltd
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Review of Operations

Record Online Sales and Cash Receipts

During the financial year, the Company continued to deliver consistent growth in sales, culminating in sales revenue for the financial year of $1,886,901 representing an increase of 211% from FY21 ($607,531).

During the year, LV1 continued implementing profitable customer acquisition strategies outlined in the March 2022 quarterly review.

In FY22 LV1 successfully acquired over 15,000 new customers and fulfilled over 21,000 orders.

LV1's fast growth has been recognised nationally as the Company was voted as one of the countries fastest growing companies in the AFR Fast Starters.

With LV1 successful growth, the Company started receiving inbound inquiries from various companies in a similar space expressing interest in acquisition and creating partnerships.

Strong Inbound Partnership & Acquisition Enquiries

During the June 2022 quarter, the Company fielded a significant number of inbound inquiries regarding companies looking to partner with or be acquired by LV1.

In light of this interest, the Board has resolved to explore all opportunities further and, therefore, has engaged a specialist M&A corporate adviser. This strategy aligns with LV1's long-term strategic objectives, as well as significantly enhancing our medium-term goals of growth and becoming EBITDA positive.

The initial M&A focus is on profitable, small to midsize companies with an established product suite in the Health and Wellness, and Skincare sectors. LV1's target companies will be founder-led and have established and engaged audiences, ensuring future scalability and continuous growth. Live Verdure will naturally explore any potential synergies.

The Board is confident that the Company is well-positioned to take advantage of any consolidation in the sector - especially during the current broader market downturn – and leverage its direct to customer (D2C) capabilities and valuable relationships.

Events subsequent to year end

Transformative acquisition of Edible Beauty with successful $2.1m capital raise

Subsequent to year end, Live Verdure announced that it has entered into a binding sale and purchase agreement to acquire 100% of the issued shares in The Beauty Apothecary Australia Pty Ltd ("Edible Beauty") for $1 million (consisting of 75% in cash and 25% in shares) on a cash-free and debt-free basis, plus deferred consideration based on future revenue generated by Edible Beauty. Edible Beauty is a naturopathically formulated range providing pure, active, and sustainable skincare and wellness products, targeting the health-focused and environmentally conscious demographics.

LV1 has also received binding commitments from a range of existing and new institutional and sophisticated investors to subscribe to an equity placement (the "**Placement**") of $2.1 million at an issue price of A$0.15 per share.

About Edible Beauty

Launched in 2014 by Sydney-based naturopath and nutritionist Anna Mitsios, Edible Beauty is a naturopathically formulated range providing pure, active, and sustainable skincare and wellness products.

The brand offers 100% PETA-certified vegan and cruelty-free formulations, with a high concentration of Australian bio-active native extracts and the highest quality natural botanicals from around the world. Edible Beauty products offer clinically proven, powerful skin-transforming results.

Anna developed the range of natural and efficacious products to fill a void for anyone seeking pure, vegan, and sustainable beauty formulas. Anna and her team are on a mission to transform people's skin holistically.

Edible Beauty has two product categories; a 25 SKU skincare category, including moisturisers, serums, oils, face masks and SPF, and a wellness category with 5 SKUs, including supplements and gut powders. National and international distribution is through D2C, wholesale distributors, and retail channels – including David Jones.

As the Edible Beauty brand grows and launches more products, it continues to broaden its customer demographic, capturing wider consumer targets.

Strategic Rationale for the Edible Beauty Acquisition

The Edible Beauty acquisition highlights Live Verdure's ability to identify and execute highly complementary transactions, as the transaction will double[1] the Company's current revenue footprint. The transaction significantly extends and broadens the Company's position within the health, wellness, and skincare markets.

Key strategic drivers for the acquisition include:

- Transformative acquisition: On a pro-forma basis for FY22 (unaudited), the Edible Beauty business, combined with Live Verdure's existing operations delivered $4.2m[2] of revenue. The pro-forma revenue is not expected to diminish sales cannibalisation across brands, given the minimal customer, product, and channel overlap.
- Additional complementary D2C channel: Providing another channel direct to customer, enabling 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 their founder-led team, and their values resonate strongly amongst health and environmentally conscious consumers.
- Cross-sell opportunities: The Edible Beauty 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 also provides an immediate opportunity to capitalise on existing overlap in the supply chain of both businesses, in particular, procurement of key ingredients and other materials. Additionally, Live Verdure expects to utilise in-house digital marketing expertise to accelerate the financial profile of Edible Beauty.

Mark Tucker Appointed Chief Executive Officer

Live Verdure Limited announced the appointment of Mark Tucker, former L'Oréal Managing Director, as Chief Executive Officer, effective 24 August 2022.

Mark's significant experience at all stages of the growth curve is invaluable to LV1 as the company begins to consolidate and grow Edible Beauty under its acquisition strategy. Mark will also work to profitably scale LV1's existing brands, 13 Seeds and 8 Seeds, in Australia and internationally.

Mark is a visionary Executive with over 30 years of experience building and leading, both large corporations and startups across Australia, New Zealand, and the Asia Pacific region. He has also successfully created and launched brands across many major beauty categories.

For 8 years, Mark held the position of Managing Director at L'Oréal Australia, and prior to that, General Manager Consumer for 6 years. During his tenure, revenue grew from A$12m to more than A$400m - making L'Oréal the leading beauty business in the Australian market.

More recently, Mark co-founded a successful startup in the natural health and beauty industry. Through a combination of vast knowledge, practical experience, and his extensive distribution network, the company is now a leading supplier in Australia, New Zealand, Canada, the United States, and Europe.

As a result of the appointment, Mr Ran Vaingold stepped aside as Managing Director on 24 August 2022, moving to Non-Executive Director of the Company. Ran played a pivotal role as Managing Director of the Company since December 2020, overseeing the beginning of the Company's listed journey. Ran remains a highly supportive substantial shareholder of LV1.

[1] Based on FY22 unaudited revenue

[2] Based on the unaudited preliminary final report of Live Verdure and the unaudited results for Edible Beauty for FY22.


Native
Collagen








Beauty Dew

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Live Verdure Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors
The following persons were directors of Live Verdure Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Gernot Abl (Non-executive Chairman)
Mr Corey Montry (Non-executive Director)
Mr Ran Vaingold (Managing Director until 24 August 2022 and transitioned to Non-executive Director)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:
- development of Australian hemp food, beauty and nutraceutical products; and

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $3,964,057 (30 June 2021: $3,457,400).

During the financial year the Company progressed the development of new food products whilst also increasing its spend on marketing and promotional activities to $2,898,863 (2021: $1,096,204).

Financial Performance

During the financial year, revenue from ordinary activities increased by 210% to $1,886,901 compared to $607,531 in the previous corresponding period. The increase in revenue resulted from an increase in online sales and customer growth numbers.

Other income during the financial year increased to $150,000 which primarily resulted from the Research and Development tax incentive grants for FY21 amounting to $115,209 and Export Market Development Grant income of $33,772.

The Company saw an increase in online sales which was a result of additional sales and marketing expenditure compared to the previous financial year.

During the financial year, a share based payment expense was booked amounting to $546,649 relating to the issue of options and performance rights to Directors and employees.

Financial Position

The net assets decreased during the financial year from a positive $3,711,728 at 30 June 2021 to a positive $362,117.

The cash reserves of the Company decreased to $533,075 as at 30 June 2022.

Matters subsequent to the end of the financial year
Subsequent to the end of the financial year, the consolidated entity announced the following:

The appointment of Mark Tucker, former L'Oréal Managing Director, as Chief Executive Officer (CEO) of the Company.

On 24 August 2022, the Company announced that it had entered into a binding sale and purchase agreement to acquire 100% of the issued shares in The Beauty Apothecary Australia Pty Ltd ("Edible Beauty") for $1 million (consisting of 75% in cash and 25% in shares) on a cash-free and debt-free basis, plus deferred consideration based on future revenue generated by Edible Beauty. Edible Beauty is a naturopathically formulated range providing pure, active, and sustainable skincare and wellness products, targeting the health-focused and environmentally conscious demographics.

An equity placement (the "Placement") of $2.1 million at an issue price of A$0.15 per share.

On 5 September 2022, the Company announced that it had issued 2,500,000 fully paid ordinary shares for the conversion of 2,500,000 Class A performance rights which were on issue and had been exercised.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The future developments and expected results of operations of the Company will be dependent on the continued efforts on direct to consumer sales, advertising of the Company's products in a growing industry and also conducting research and development of new hemp food and nutraceutical and skin products.

Business risk management
The Company is committed to the effective management of risk to reduce uncertainty in the Company's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Company's strategic objectives and future prospects.

Key risks and mitigation activities associated with the Company's objectives are set out below:

COVID-19 Impacts
The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals and governments to operate. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the pandemic on the Company's business (or on the operations of other businesses on which it relies), and there is no guarantee that the Company's efforts to address the adverse impacts of COVID-19 will be effective. The impact to date has included periods of significant volatility in financial, commodities and other markets. This volatility, if it continues could have an adverse impact on the Company's results of operations.

The pandemic may lead to delays or restrictions regarding customer interaction and the Company's ability to freely move people and equipment to and from the Company's locations, leading to delays and cost increases.

There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions.

The impact of some or all of these factors could cause significant disruption to the Company's operations and financial performance. The Company continues to put in place mitigation strategies in relation to the COVID-19 pandemic and ensures a COVID safe environment is carried out at all of its locations.

Competition risks
The Company currently competes with other companies offering hemp-based food and nutraceutical products and there can be no assurance that the Company can compete effectively with these other companies. Additionally, existing competitors and new competitors to the market may replicate a business model similar to that of the Company, which could result in a loss of market share or a decrease in profitability.

Furthermore, the Company's products could be rendered uneconomical by the emergence of new competitors and products, substitute products, technological advances affecting the cost of production, marketing, or pricing actions by one or more of the Company's competitors. The Company's business, financial condition or results of operations could be materially adversely affected by any one or more of such developments. The Company aims to mitigate the risks associated with competition risks by implementing new and innovative products to market.

Future funding risk
As at the date of this report, the Company is currently loss making and is not cash flow positive, meaning it is reliant on raising funds from investors to continue to fund its operations and product development. Although the Directors consider that the Company will, following completion of the recent capital raising subsequent to the end of the financial year, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its products and to meet its other longer-term objectives.

Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

As noted above, subsequent to the end of the financial year, the Company has raised approximately $2.1 million to fund an acquisition and for additional working capital which will mitigate the current funding requirements of the Company.

Products liability risk
The Company supplies hemp-based food, skin care and nutraceutical products. As with all food, skin care and nutraceutical products, there is a risk that the products sold by Live Verdure could cause serious or unexpected side effects, including injury to consumers. Should any of the Company's products be associated with safety risks such as misuse or abuse, mislabelling, tampering or product contamination or spoilage, a number of materially adverse outcomes could occur, including:

(i) litigation or claims by the parties affected;
(ii) regulatory authorities may revoke any approvals granted, impose more onerous regulatory requirements under any licence or approval, or force Live Verdure to conduct a product recall;
(iii) regulatory action or being sued by the regulatory authority and being held liable for any harm caused to customers; or
(iv) Live Verdure's brand and reputation being damaged.

Additionally, material risks to the health and safety of customers may force the Company to voluntarily suspend or terminate sales and/or operations.

Regardless of insurance and quality standards applied by the Company, as in any manufacturing concern, there remains a risk of defective products. These defects or problems could result in the loss or delay in revenue, or a material cost to the Company.

The Company continues to test new products before they are placed into the market place in order to ensure that there are no product liability risks which may arise in the future.

Environmental regulation
The Company is subject to environmental regulation under Australian and State law with respect to its Hemp food manufacturing licence.

Information on directors

Name:	Mr Gernot Abl
Title:	Non-executive Chairman
Experience and expertise:	Mr Abl's background is in Law, Corporate Finance and Strategic Consulting and has over 18 years of entrepreneurial, business strategy, and investment experience gained as a management consultant with Deloitte Consulting and Deloitte Corporate Finance. Mr Abl has had significant success in the online gaming industry and currently serves as a director of several private start-up technology companies. Mr Abl also currently serves as the Non-Executive Chairman of Esports Mogul Limited (ASX:ESH) – an esports media and software business.
Other current directorships:	Mogul Games Group Limited (ASX: MGG)
Former directorships (last 3 years):	None
Interests in shares:	4,331,963 fully paid ordinary shares
Interests in options:	6,165,981 unlisted options
Interests in rights:	1,250,000 Class B Performance rights

Name:	Mr Ran Vaingold
Title:	(Managing Director until 24 August 2022 and transitioned to Non-executive Director)
Experience and expertise:	Mr Ran Vaingold holds a Master of Business Administration from Melbourne Business School (Melbourne University) and a Bachelor of Business (Professional Accountancy) from RMIT University. He is an experienced corporate strategy professional having previously founded the Melbourne office of a $400m asset manager, advising fast growth companies on mergers, acquisitions, capital raisings and strategy. Prior to that, Mr Vaingold was an Executive at a mid-market M&A firm where he focused on transactions in the food and agriculture space, advising clients like Bega Cheese and Select Harvests.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	4,269,463 fully paid ordinary shares
Interests in options:	6,134,731 unlisted options
Interests in rights:	1,250,000 Class B Performance rights

Name:	Mr Corey Montry
Title:	Non-executive Director
Experience and expertise:	Mr Montry is a former General Motors (GM) Executive with over 20 years of commercial finance and accounting senior leadership experience working in U.S. multinational organisations as a U.S./Australia dual citizen. He has executive experience across diverse and complex Australian sectors & businesses including FMCG (Group Financial Controller, Metcash - CFO, IRexchange - GM Finance, Marlin Brands), Defence (Regional Controller - APAC, Leidos) and Health (Finance Director, Melbourne Health). Mr Montry relocated with his young family to Australia in 2010 as Corporate Controller and Chief Accounting Officer of GM Holden before leading Holden's commercial finance organisation as Director of Revenue and Future Product Programs. He is a Certified Public Accountant in the U.S. and holds a Bachelor's Degree in Business Administration (Accounting) and a Master's Degree in Business Administration (Finance). He is currently Vice President, Finance at Verra Mobility.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	1,000,000 unlisted options
Interests in rights:	Nil

'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.

Company secretary
Mr Justin Mouchacca CA, FGIA

Mr Mouchacca is a qualified Chartered Accountant with over 15 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements. He graduated from RMIT University in 2008 with a Bachelor of Business majoring in Accounting. Mr Mouchacca completed the Chartered Accountants Program in 2011 and has been appointed Company Secretary and Financial Officer for a number of entities listed on the ASX and unlisted public companies. He specialises in the preparation of listing companies on stock exchanges, Corporations Act legislation, corporate governance policies, statutory report writing requirements, shareholder meeting requirements and assistance in the preparation of prospectuses, information memorandums and other disclosure documents.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Gernot Abl	7	7
Mr Ran Vaingold	7	7
Mr Corey Montry	7	7

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel 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 consolidated entity's executive 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 executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the company.

The reward framework is designed to align executive 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
- 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
- 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 separate.

Non-executive directors remuneration

The Constitution of the company and the ASX Listing Rules establish an aggregate or maximum level of remuneration available to non-executive directors, to be divided amongst the directors as agreed. The aggregate amount approved by shareholders to be available for remuneration of non-executive directors is $250,000 per annum.

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 Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- 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 Board based on individual and business unit performance, the overall performance of the company 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 consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the company's direct competitors.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section below for details of the earnings and total shareholders return for the last five years.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')
At the 2021 AGM, 99.82% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Live Verdure Ltd:
- Mr Gernot Abl (Non-executive Chairman)
- Mr Ran Vaingold ((Managing Director until 24 August 2022 and transitioned to Non-executive Director)
- Mr Corey Montry (Non-executive Director)

And the following person:
- Mr Justin Mouchacca (Company Secretary) - resigned as Chief financial officer on 27 July 2021 and no longer KMP

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Gernot Abl	90,000	-	-	9,000	-	-	99,000
Corey Montry*	36,000	-	-	3,600	-	128,090	167,690
Executive Directors:							
Ran Vaingold	185,000	-	-	18,500	-	-	203,500
	311,000	-	-	31,100	-	128,090	470,190

* Equity settled amounts relate to the share based payment value of unlisted options and performance rights issued during the financial year. These amounts are non cash and being accounted for in accordance with AASB 2 – Share Based Payments.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Gernot Abl*	71,250	75,000	-	6,769	-	832,360	985,379
Corey Montry	31,500	-	-	2,993	-	-	34,493
Executive Directors:							
Ran Vaingold*	166,651	75,000	-	15,832	-	832,360	1,089,843
Other Key Management Personnel:							
Justin Mouchacca	83,000	-	-	-	-	-	83,000
	352,401	150,000	-	25,594	-	1,664,720	2,192,715

* Equity settled amounts relate to the share based payment value of unlisted options and performance rights issued during the financial year. These amounts are non cash and being accounted for in accordance with AASB 2 – Share Based Payments.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2022	2021	2022	2021	2022	2021
Non-Executive Directors:						
Gernot Abl	100%	8%	-	8%	-	84%
Corey Montry	14%	100%	-	-	86%	-
Executive Directors:						
Ran Vaingold	100%	17%	-	7%	-	76%
Other Key Management Personnel:						
Justin Mouchacca	-	100%	-	-	-	-
Terry Memory	-	100%	-	-	-	-
Gemma Memory	-	100%	-	-	-	-

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:	Mr Ran Vaingold
Title:	Managing Director (transitioned to a Non-executive Director on 24 August 2022, subsequent to 30 June 2022)
Agreement commenced:	14 December 2020
Term of agreement:	No fixed term
Details:	The remuneration payable to Mr Ran Vaingold is $185,000 per annum (excluding statutory superannuation) from admission of the Company to the official list. The Agreement continues until terminated by either the Company or Mr Vaingold giving not less than six months' written notice of termination to the other party.

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 directors and other key management personnel as part of compensation during the year ended 30 June 2022.

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
3 December 2020	3 December 2020	14 December 2025	$0.20	$0.145
8 October 2021	8 October 2021	8 October 2024	$0.30	$0.000
26 November 2021	26 November 2021	9 August 2024	$0.3975	$0.252

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Gernot Abl	4,000,000	3 December 2020	3 December 2020	14 December 2025	$0.20	$0.145
Ran Vaingold	4,000,000	3 December 2020	3 December 2020	14 December 2025	$0.20	$0.145
Corey Montry	1,000,000	18 November 2021	18 November 2021	9 August 2024	$0.3975	$0.252

Options granted carry no dividend or voting rights.

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 30 June 2022 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 $
Mr Gernot Abl	8 October 2021	8 October 2021	1,353,616	-	-	-	-
Mr Gernot Abl	8 October 2021	8 October 2021	812,365	-	-	-	-
Mr Rain Vaingold	8 October 2021	8 October 2021	1,388,250	-	-	-	-
Mr Rain Vaingold	8 October 2021	8 October 2021	746,481	-	-	-	-
Mr Corey Montry	18 November 2021	18 November 2021	1,000,000	128,090	128,090	-	-

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

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date
Mr Gernot Abl*	1,250,000	3 December 2020	Subject to vesting conditions	14 December 2025	$0.20
Mr Gernot Abl	1,250,000	3 December 2020	Subject to vesting conditions	14 December 2025	-
Mr Ran Vaingold*	1,250,000	3 December 2020	Subject to vesting conditions	14 December 2025	$0.20
Mr Ran Vaingold	1,250,000	3 December 2020	Subject to vesting conditions	14 December 2025	-

* During the financial year, these options vested and were exercisable. The performance rights were exercised subsequent to the end of the financial year.

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Sales revenue	1,886,901	607,531	398,673	165,342	247,454
Profit/(loss) after income tax	(3,964,057)	(3,457,400)	(1,318,486)	(446,261)	(190,714)

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

	2022	2021	2020	2019	2018
Share price at financial year end ($)*	0.18	0.19	-	-	-
Basic earnings per share (cents per share)	(7.16)	(7.19)	(3.28)	(4,462.60)	(1,907.10)
Diluted earnings per share (cents per share)	(7.16)	(7.19)	(3.28)	(4,462.60)	(1,907.10)

* The Company was listed on ASX in December 2020.

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 consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Gernot Abl	4,331,963	-	-	-	4,331,963
Ran Vaingold	4,269,463	-	-	-	4,269,463
Corey Montry	-	-	-	-	-
	8,601,426	-	-	-	8,601,426

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 consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as Remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Gernot Abl	4,000,000	-	-	2,165,981	6,165,981
Ran Vaingold	4,000,000	-	-	2,134,731	6,134,731
Corey Montry	-	1,000,000	-	-	1,000,000
	8,000,000	1,000,000	-	4,300,712	13,300,712

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 consolidated entity, 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
Performance rights over ordinary shares					
Mr Gernot Abl - Class A performance rights	1,250,000	-	-	-	1,250,000
Mr Gernot Abl - Class B performance rights	1,250,000	-	-	-	1,250,000
M Ran Vaingold - Class A performance rights	1,250,000	-	-	-	1,250,000
M Ran Vaingold - Class B performance rights	1,250,000	-	-	-	1,250,000
	5,000,000	-	-	-	5,000,000

During the previous financial year, the Company issued 5,000,000 unlisted performance rights to Directors of the Company. The performance rights will vest in two equal tranches following satisfaction of vesting conditions as follows and expire 5 years from 14 December 2020:

- 2,500,000 unlisted performance rights (Class A Rights) will vest following 3 consecutive months of Monthly Recurring Revenue of no less than $150,000 per month; and

- 2,500,000 unlisted performance rights (Class B Rights) will vest following 3 consecutive months of Monthly Recurring Revenue of no less than $250,000 per month.

As at the date of this financial report and subsequent to end of the Financial Year, the Class A rights were exercised and the Class B rights remain on issue and not exercisable.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Live Verdure Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
3 December 2020	14 December 2025	$0.20	8,000,000
3 December 2020	14 December 2023	$0.25	4,000,000
9 April 2021	4 March 2024	$0.30	2,000,000
15 July 2021	15 July 2024	$0.30	1,000,000
9 August 2021	9 August 2024	$0.3975	400,000
4 October 2021	4 October 2024	$0.30	32,602,267
26 November 2021	9 August 2024	$0.3975	1,000,000
			49,002,267

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights
Unissued ordinary shares of Live Verdure Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
3 December 2020	14 December 2025	-	2,500,000

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 issued on the exercise of options
The following ordinary shares of Live Verdure Ltd were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
4 October 2021	$0.30	178,422

Shares issued on the exercise of performance rights
The following ordinary shares of Live Verdure Ltd were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
3 December 2020	-	2,500,000

On 5 September 2022, the Company issued 2,500,000 fully paid ordinary shares for the exercise of Class A performance rights.

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.

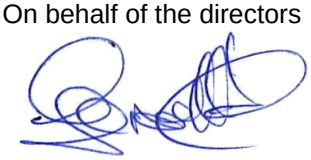
Officers of the company who are former partners of JTP Assurance
There are no officers of the company who are former partners of JTP Assurance.

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.

Auditor
JTP Assurance continues in office in accordance with section 327 of the Corporations Act 2001.

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



Gernot Abl
Non-executive Chairman

30 September 2022

JTP | JTP ASSURANCE

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LIVE VERDURE LTD
ABN: 28 614 347 269

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LIVE VERDURE LTD

As lead auditor for the audit of Live Verdure Ltd, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

JTP Assurance

JTP ASSURANCE
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 30th day of September 2022

Live Verdure Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Revenue			
Revenue from sale of goods		1,886,901	607,531
Cost of sales		(445,640)	(327,391)
Gross profit		1,441,261	280,140
Other income	5	150,000	127,981
Expenses			
Administration, corporate & share based payments expenses	6	(1,004,326)	(2,246,925)
Sales and marketing expenses	6	(2,898,863)	(1,096,204)
Technical, new product and market development		(488,575)	(165,425)
Selling and distribution		(298,390)	(119,529)
Finance costs		(859,546)	(230,416)
Depreciation and amortisation expense	6	(5,618)	(7,022)
Loss before income tax expense		(3,964,057)	(3,457,400)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Live Verdure Ltd		(3,964,057)	(3,457,400)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Live Verdure Ltd		(3,964,057)	(3,457,400)
		Cents	**Cents**
Basic earnings per share	27	(7.16)	(7.19)
Diluted earnings per share	27	(7.16)	(7.19)

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

Live Verdure Ltd
Statement of financial position
As at 30 June 2022

LiveVerdure

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	8	533,075	3,658,056
Trade and other receivables	9	96,509	72,290
Inventories	10	593,758	359,787
Other	11	39,932	53,711
Total current assets		1,263,274	4,143,844
Non-current assets			
Property, plant and equipment	12	22,472	28,090
Total non-current assets		22,472	28,090
Total assets		1,285,746	4,171,934
Liabilities			
Current liabilities			
Trade and other payables	13	866,710	415,685
Employee benefits	14	56,919	38,626
Total current liabilities		923,629	454,311
Non-current liabilities			
Provisions	15	-	5,895
Total non-current liabilities		-	5,895
Total liabilities		923,629	460,206
Net assets		362,117	3,711,728
Equity			
Issued capital	16	7,052,506	6,984,709
Reserves	17	2,710,144	2,163,495
Accumulated losses		(9,400,533)	(5,436,476)
Total equity		362,117	3,711,728

The above statement of financial position should be read in conjunction with the accompanying notes

Live Verdure Ltd
Statement of changes in equity
For the year ended 30 June 2022

LiveVerdure

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	1,695,189	-	(1,979,076)	(283,887)
Loss after income tax expense for the year	-	-	(3,457,400)	(3,457,400)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,457,400)	(3,457,400)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	5,289,520	-	-	5,289,520
Share-based payments (note 28)	-	2,163,495	-	2,163,495
Balance at 30 June 2021	6,984,709	2,163,495	(5,436,476)	3,711,728

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	6,984,709	2,163,495	(5,436,476)	3,711,728
Loss after income tax expense for the year	-	-	(3,964,057)	(3,964,057)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,964,057)	(3,964,057)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	67,797	-	-	67,797
Share-based payments (note 28)	-	546,649	-	546,649
Balance at 30 June 2022	7,052,506	2,710,144	(9,400,533)	362,117

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

Live Verdure Ltd
Statement of cash flows
For the year ended 30 June 2022

LiveVerdure

	Note	Consolidated 2022 $	Consolidated 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,862,682	628,489
Payments to suppliers and employees (inclusive of GST)		(5,171,512)	(2,209,192)
Receipts of R&D tax incentive grant		115,209	50,755
Interest received		843	1,370
Receipts of government grants		-	57,740
Net cash used in operating activities	26	(3,192,778)	(1,470,838)
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		81,151	5,500,000
Share issue transaction costs		(13,354)	(514,377)
Net cash from financing activities		67,797	4,985,623
Net increase/(decrease) in cash and cash equivalents		(3,124,981)	3,514,785
Cash and cash equivalents at the beginning of the financial year		3,658,056	143,271
Cash and cash equivalents at the end of the financial year	8	533,075	3,658,056

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

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

Live Verdure Ltd is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity'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 30 September 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations adopted

The company 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.

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

(b) 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, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 consolidated entity'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 note 3.

(c) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

(d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Live Verdure Ltd ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Live Verdure Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(e) Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(f) Going concern
During the financial year ended 30 June 2022 the Company incurred an operating loss of $3,964,057 (2021: $3,457,400) and a negative cash outflow from operating activities of $3,192,778 (2021: $1,470,838).

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on securing additional funding through new or existing investors to fund its operational and marketing activities, together with the successful execution of various cost saving measures currently being implemented. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Subsequent to the end of the financial year, the Company raised a total of $2,100,000 through the issue of new fully paid ordinary shares to fund both the acquisition of Edible Beauty and for ongoing working capital requirements.

The Directors believe that the Company will continue as a going concern. As a result, the financial statements has been prepared on a going concern basis. However should any future fundraising and costs saving measures be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of assets and classification of liabilities that might be necessary should the Company not continue as a going concern.

(g) Revenue recognition
The consolidated entity recognises revenue as follows:

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Research and development tax incentive grants
Research and Development tax incentive grants are recognised when they are probable of recovery and the amounts can be reliably measured, which presently is in the year when the claim is received.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

(h) 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.

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.

(i) Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(j) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Trade and other receivables
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.

The consolidated entity 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.

Note 2. Significant accounting policies (continued)

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

(l) Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

The cost of manufactured products include direct material, direct labour and an appropriate portion of fixed and variable overheads, the latter being applied on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(n) Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 2. Significant accounting policies (continued)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(o) Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(p) Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(q) Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(s) Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2. Significant accounting policies (continued)

(t) Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(u) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
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.

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 consolidated entity 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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.

Note 2. Significant accounting policies (continued)

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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

(v) Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(w) Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 2. Significant accounting policies (continued)

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.

(y) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Live Verdure Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(z) Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The consolidated entity 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 is determined by using either the Binomial or 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.

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.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax
The consolidated entity 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 consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity'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 deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments
The company is organised into one operating segment: sale of hemp and food nutraceutical. 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 EBITDA (earnings before interest, tax, depreciation and amortisation). 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.

Note 5. Other income

	Consolidated 2022 $	Consolidated 2021 $
Research and development tax incentive grant	115,209	50,755
Export development grant	33,772	34,855
COVID-19 government grants	-	41,118
Interest Income	1,019	1,253
Other income	150,000	127,981

Note 6. Expenses

	Consolidated 2022 $	Consolidated 2021 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	5,618	7,022
Superannuation expense		
Defined contribution superannuation expense	69,125	38,111
Share-based payments expense		
Share-based payments expense relating to director and employee incentives	546,649	1,715,815
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	698,625	395,785

Note 7. Income tax expense

	Consolidated 2022 $	Consolidated 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,964,057)	(3,457,400)
Tax at the statutory tax rate of 25% (2021: 26%)	(991,014)	(898,924)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	136,662	446,112
R&D income not assessable	(37,245)	(13,196)
Current year tax losses not recognised	891,597	466,008
Income tax expense	-	-

	Consolidated 2022 $	Consolidated 2021 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	6,789,778	3,223,390
Potential tax benefit @ 25%	1,697,445	805,848

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed and the Company generates sufficient taxable earnings.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Cash at bank	533,075	3,658,056

Note 9. Current assets - trade and other receivables

	Consolidated 2022 $	Consolidated 2021 $
Trade receivables	6,908	3,746
Other receivables	68,383	27,627
GST receivable	21,218	40,917
	96,509	72,290

Note 10. Current assets - Inventories

	Consolidated 2022 $	Consolidated 2021 $
Raw materials, packaging and consumables	247,091	268,789
Finished goods	346,667	90,998
	593,758	359,787

Note 11. Current assets - other

	Consolidated 2022 $	Consolidated 2021 $
Prepayments	38,832	52,611
Security deposit	1,100	1,100
	39,932	53,711

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Plant and equipment - at cost	50,000	50,000
Less: Accumulated depreciation	(27,528)	(21,910)
	22,472	28,090

Note 13. Current liabilities - trade and other payables

	Consolidated 2022 $	Consolidated 2021 $
Trade payables	640,931	320,797
Other payables	225,779	94,888
	866,710	415,685

Refer to note 19 for further information on financial instruments.

Note 14. Current liabilities - employee benefits

	Consolidated 2022 $	Consolidated 2021 $
Annual leave	56,919	38,626

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the company does not have an unconditional right to defer settlement. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 15. Non-current liabilities - provisions

	Consolidated 2022 $	Consolidated 2021 $
Long service leave	-	5,895

Note 16. Equity - issued capital

	Consolidated 2022 Shares	Consolidated 2021 Shares	Consolidated 2022 $	Consolidated 2021 $
Ordinary shares - fully paid	55,425,722	55,425,722	7,052,506	6,984,709

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	42,275,000		1,695,189
Settlement for consulting fee	31 August 2020	95,000	$0.10	9,500
Conversion of Convertible Notes	09 September 2020	26,674	$0.08	2,134
Issue of seed capital shares	11 September 2020	7,500,000	$0.05	375,000
Issue of seed capital shares	15 September 2020	2,500,000	$0.05	125,000
Consolidation of shares - 2 for 1	12 October 2020	(26,198,335)	-	-
Issue of IPO shares	3 December 2020	25,000,000	$0.20	5,000,000
Conversion of Convertible Notes	3 December 2020	4,048,961	$0.16	647,833
Issue of IPO broker options		-	-	(447,680)
Capital raising costs		-	-	(422,267)
Balance	30 June 2021	55,247,300		6,984,709
Issue of unlisted options	8 October 2021	-	-	23,415
Issue of unlisted options	20 October 2021	-	-	4,209
Exercise of options	22 October 2021	125,000	$0.30	37,500
Exercise of options	2 November 2021	13,672	$0.30	4,102
Exercise of options	12 November 2021	27,250	$0.30	8,175
Exercise of options	20 April 2022	12,500	$0.30	3,750
Capital raising costs		-	-	(13,354)
Balance	30 June 2022	55,425,722		7,052,506

Note 16. Equity - issued capital (continued)

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.

Capital risk management
The consolidated entity'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 consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity 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 consolidated entity 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.

The capital risk management policy remains unchanged from the 2021 Annual Report.

Note 17. Equity - reserves

	Consolidated	
	2022	2021
	$	$
Share-based payments reserve	2,710,144	2,163,495

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:

Consolidated	Share based payments reserve $	Total $
Balance at 1 July 2020	-	-
Share based payments	2,163,495	2,163,495
Balance at 30 June 2021	2,163,495	2,163,495
Share based payments	546,649	546,649
Balance at 30 June 2022	2,710,144	2,710,144

Note 18. Equity - dividends

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

Note 19. Financial instruments

Financial risk management objectives
The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The company'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 company.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Price risk
The consolidated entity is not exposed to any significant price risk.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity 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 consolidated entity 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.

Remaining contractual maturities
The following tables detail the consolidated entity'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.

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	447,871	-	-	-	447,871
Other payables	-	225,779	-	-	-	225,779
Total non-derivatives		673,650	-	-	-	673,650

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	267,702	-	-	-	267,702
Other payables	-	94,888	-	-	-	94,888
Total non-derivatives		362,590	-	-	-	362,590

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

Note 19. Financial instruments (continued)

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

Note 20. Key management personnel disclosures

Directors
The following persons were directors of Live Verdure Ltd during the financial year:

Mr Gernot Abl	Non-executive Chairman
Mr Ran Vaingold	Managing Director (Managing Director until 24 August 2022 and transitioned to Non-executive Director)
Mr Corey Montry	Non-executive Director

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2022 $	Consolidated 2021 $
Short-term employee benefits	311,000	502,401
Post-employment benefits	31,100	25,594
Share-based payments	128,090	1,664,720
	470,190	2,192,715

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by JTP Assurance, the auditor of the company:

	Consolidated 2022 $	Consolidated 2021 $
Audit services - JTP Assurance		
Audit or review of the financial statements	30,750	30,000

Note 22. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in note 24.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 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.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 23. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022	**2021**
	$	**$**
Loss after income tax	(3,964,057)	(3,457,400)
Total comprehensive income	(3,964,057)	(3,457,400)

Statement of financial position

	Parent	
	2022	**2021**
	$	**$**
Total current assets	1,263,274	4,143,844
Total assets	1,285,746	4,171,934
Total current liabilities	923,629	454,311
Total liabilities	923,629	460,206
Equity		
Issued capital	7,052,506	6,984,709
Share-based payments reserve	2,710,144	2,163,495
Accumulated losses	(9,400,533)	(5,436,476)
Total equity	362,117	3,711,728

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 2022 and 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 2022 and 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 2022 and 2021.

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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 2022 %	Ownership interest 2021 %
13 Seeds Pty Ltd*	Australia	100.00%	100.00%
8Skincare Pty Ltd**	Australia	100.00%	100.00%
Therajoint Pty Ltd***	Australia	100.00%	-

* Incorporated 17 February 2021.
** Incorporated 17 February 2021.
*** Incorporated 5 July 2021

Note 25. Events after the reporting period

Subsequent to the end of the financial year, the consolidated entity announced the following:

The appointment of Mark Tucker, former L'Oréal Managing Director, as Chief Executive Officer (CEO) of the Company.

On 24 August 2022, the Company announced that it had entered into a binding sale and purchase agreement to acquire 100% of the issued shares in The Beauty Apothecary Australia Pty Ltd ("Edible Beauty") for $1 million (consisting of 75% in cash and 25% in shares) on a cash-free and debt-free basis, plus deferred consideration based on future revenue generated by Edible Beauty. Edible Beauty is a naturopathically formulated range providing pure, active, and sustainable skincare and wellness products, targeting the health-focused and environmentally conscious demographics.

An equity placement (the "Placement") of $2.1 million at an issue price of A$0.15 per share.

On 5 September 2022, the Company announced that it had issued 2,500,000 fully paid ordinary shares for the conversion of 2,500,000 Class A performance rights which were on issue and had been exercised.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2022 $	Consolidated 2021 $
Loss after income tax expense for the year	(3,964,057)	(3,457,400)
Adjustments for:		
Depreciation and amortisation	5,618	7,002
Share-based payments	546,649	1,715,815
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(24,219)	34,888
Decrease/(increase) in inventories	(233,971)	62,970
Decrease/(increase) in prepayments	13,779	(4,599)
Increase in trade and other payables	451,025	138,826
Increase in employee benefits	12,398	31,660
Net cash used in operating activities	(3,192,778)	(1,470,838)

Note 27. Earnings per share

	Consolidated 2022 $	Consolidated 2021 $
Loss after income tax attributable to the owners of Live Verdure Ltd	(3,964,057)	(3,457,400)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	55,361,851	48,110,875
Weighted average number of ordinary shares used in calculating diluted earnings per share	55,361,851	48,110,875
	Cents	**Cents**
Basic earnings per share	(7.16)	(7.19)
Diluted earnings per share	(7.16)	(7.19)

No options or performance rights have been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights to options are non-dilutive as the consolidated entity is loss generating.

Note 28. Share-based payments

During the previous financial year, the Company issued 4,000,000 unlisted options to brokers following completion of the Company's initial public offering (IPO). The unlisted options are exercisable at $0.25 (25 cents) per option and expire on 14 December 2023.

During the previous financial year, the Company issued 5,000,000 unlisted performance rights to Directors of the Company. The performance rights will vest in two equal tranches following satisfaction of vesting conditions as follows and expire 5 years from 14 December 2020:

- 2,500,000 unlisted performance rights (Class A Rights) will vest following 3 consecutive months of Monthly Recurring Revenue of no less than $150,000 per month; and
- - 2,500,000 unlisted performance rights (Class B Rights) will vest following 3 consecutive months of Monthly Recurring Revenue of no less than $250,000 per month.

During the financial year, the Company granted a total of 400,000 unlisted options exercisable at $0.3975 (39.75 cents) per option on or before 9 August 2024 to employees of the Company. A further 1,000,000 options were issued to the Company's Non-executive Director following receipt of shareholder approval at the Company's 2021 Annual General Meeting of shareholders.

During the financial year, the Company granted 2,000,000 options to a consultant of the Company with each option being exercisable at $0.30 (30 cents) per option and expiring 3 years from the grant date. The options were also subject to certain vesting conditions.

A share based payment expense amounting to $500,000 has been booked in the previous financial year in relation to the issue of performance rights.

In accordance with conditions to the waiver from Listing Rule 1.1 condition 12 as set out in the Company's announcement of 11 December 2020, the Company confirms that the 2,500,000 performance rights with a nil exercise price issued to its Managing Director and Non-executive Chairman, remain on issue and have not been converted. Subsequent to the end of the financial year, the Company converted 2,500,000 performance rights with 2,500,000 remaining on issue as at the date of this report.

Note 28. Share-based payments (continued)

The Company has adopted an Employee Securities Incentive Plan (ESIP), whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the company to certain employees and consultants of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

During the financial year, the Company issued a total of 1,400,000 unlisted options in accordance with the ESIP.

Below are summaries of options granted during the current and previous financial year:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
09/04/2021	05/03/2024	$0.30	2,000,000	-	-	-	2,000,000
03/12/2020	14/12/2025	$0.20	8,000,000	-	-	-	8,000,000
03/12/2020	14/12/2023	$0.25	4,000,000	-	-	-	4,000,000
15/07/2021	15/07/2024	$0.30	-	1,000,000	-	-	1,000,000
09/08/2021	09/08/2024	$0.3975	-	400,000	-	-	400,000
26/08/2021	26/08/2024	$0.30	-	1,000,000	-	-	1,000,000
26/11/2021	09/08/2024	$0.3975	-	1,000,000	-	-	1,000,000
			14,000,000	3,400,000	-	-	17,400,000

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2022 Number	2021 Number
03/12/2020	14/12/2025	8,000,000	8,000,000
03/12/2020	14/12/2023	4,000,000	4,000,000
09/04/2021	05/03/2024	1,249,999	-
15/07/2021	15/07/2024	666,667	-
09/08/2021	09/08/2024	200,000	-
26/08/2021	26/08/2024	300,000	-
26/11/2021	09/08/2024	500,000	-
		14,916,666	12,000,000

For the options granted during the current financial year, the 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
15/07/2021	15/07/2024	$0.23	$0.30	74.98%	-	0.64%	$0.101
09/08/2021	09/08/2024	$0.27	$0.3975	74.98%	-	0.64%	$0.112
26/08/2021	26/08/2024	$0.29	$0.30	74.98%	-	0.64%	$0.144
26/11/2021	09/08/2024	$0.475	$0.3975	74.98%	-	0.64%	$0.252

Live Verdure Ltd
Directors' declaration
30 June 2022

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 consolidated entity's financial position as at 30 June 2022 and of its performance for the financial 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.

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



Gernot Abl
Non-executive Chairman

30 September 2022

JTP | JTP ASSURANCE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVE VERDURE LTD
ABN 28 614 347 269

Report on the Audit of the Financial Report

Opinion

We have audited the financial report , being a general purpose financial report ,of Live Verdure Ltd (the Company), and Controlled entities (the Group) which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Live Verdure Ltd and Controlled entities, is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and its financial performance for the year then ended;

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

Material Uncertainty Related to Going Concern

We draw your attention to Note 2 (f) (Going Concern) in the financial report, which indicates the Group incurred an operating loss of $3,964,057 and a negative cash outflow from operating activities of $3,192,778.

As stated in Note 2(f), this event or condition, along with other matters as set forth in Note 2(f), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Share Options and Equity Transactions (refer to notes 16,17 and 28)

The Company issued shares and options to directors and senior management under a share-based compensation plan. These arrangements have differing terms and conditions that give rise to different accounting outcomes.

Share based payment arrangements require judgemental assumptions including volatility rate and expected life in determining the fair value of the arrangements and the expensing of that fair value over the estimated service period.

In recognising these transactions, the Company performed a valuation to calculate the accounting expense. Details of the share based payment arrangements offered to directors, executive management, third parties and shareholders, are disclosed in the Remuneration Report and notes 16,17 and 28 to the financial report.

The audit of the share-based payment arrangements and the associated expense is a key audit matter due to the judgements required in determining fair value.

How our audit addressed the key audit matter

To evaluate the share transactions, we performed the following procedures, amongst others:

- In performing our procedures we assessed the terms of the share based payment arrangements issued during the period including review of documentation issued to shareholders.
- We assessed the methodology used by the Company in valuing the share options.
- We assessed the expense recorded on the statement of comprehensive income.
- We assessed whether the disclosures in notes 16,17 and 28 in relation to the arrangements was adequate and whether it complied with Australian Accounting Standards.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly 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 the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability 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 have 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 at: http://www.auasb.gov.au/Home.aspx. 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 10 to 16 of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Live Verdure Ltd, for the year ended 30 June 2022, 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.

JTP Assurance

W. Tarrant

JTP ASSURANCE
Chartered Accountants

WAYNE TARRANT
PARTNER

Signed at Melbourne this 30th day of September 2022

Live Verdure Ltd
Shareholder information
30 June 2022

LiveVerdure

The shareholder information set out below was applicable as at 23 September 2022.

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	10	-	-	-
1,001 to 5,000	56	0.23	-	-
5,001 to 10,000	54	0.66	5	2.00
10,001 to 100,000	202	14.09	8	8.00
100,001 and over	111	85.02	60	90.00
	433	100.00	73	100.00
Holding less than a marketable parcel	3	-	-	-

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
Hardwood Holdings Pty Ltd	4,534,236	6.36
Mr Andrew D Wilson (Wilson Family A/C)	4,275,000	6.00
KG Venture Holdings Pty Ltd	3,957,232	5.55
SQ Nominees Pty Ltd (447 A/C)	2,776,500	3.90
Seed Strategic Advisory Pty Ltd	2,742,963	3.85
Galleon Capital Pty Ltd	2,120,000	2.98
Blue Boat Group Limited	2,100,000	2.95
Lean Nation Holdings Limited	2,015,983	2.83
Vincent Corp Pty Ltd (The V Barbagallo Family A/C)	1,750,000	2.46
CSNA Pty Ltd (CGL A/C)	1,624,731	2.28
Kli Pty Ltd (The Teh's Family A/C)	1,550,000	2.18
Kitara Investments Pty Ltd (Kumova Family A/C #1)	1,430,000	2.01
Cityscape Asset Pty Ltd (Citscape Family A/C)	1,250,000	1.75
Cyber Science Pty Ltd	1,000,000	1.40
Mr Gordon Waterfall (G & S Waterfall Family A/C)	1,000,000	1.40
Chifley Portfolios Pty Limited (David Hanon A/C)	891,347	1.25
Transact Capital Pty Ltd	750,000	1.05
Malcora Pty Ltd (C & C Cenviva A/C)	700,000	0.98
Mr Justin J Nichol (JM Investment A/C)	700,000	0.98
Mrs Sonia L Finnegan	675,000	0.95
Totals: Top 20 holders of Ordinary Fully Paid Shares (Total)	37,842,992	53.11

Live Verdure Ltd
Shareholder information
30 June 2022

LiveVerdure

Unquoted equity securities

	Number on issue	Number of holders
Options exercisable at $0.25 on or before 14 December 2023	4,000,000	4
Options exercisable at $0.20 on or before 14 December 2025	8,000,000	2
Options exercisable at $0.30 on or before 4 March 2024	2,000,000	1
Options exercisable at $0.30 on or before 15 July 2024	1,000,000	1
Options exercisable at $0.3975 on or before 9 August 2024	1,400,000	3
Options exercisable at $0.30 on or before 4 October 2024	32,602,627	60
Performance rights	2,500,000	2

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Gernot Abl - KG Venture Holdings Pty Ltd and CSNA Pty Ltd (CGL A/C)	5,581,963	7.83
Mr Ran Vaingold - Seed Strategic Advisory Pty Ltd and SQ Nominees Pty Ltd (447 A/C)	5,519,463	7.75
Mr Andrew Wilson and associated entities	4,560,000	6.40
Hardwood Nominees Pty Ltd	4,534,236	6.36

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.

Restricted securities

Class	Expiry date	Number of shares
Fully paid ordinary shares	14 December 2022	15,861,397
Options exercisable at $0.20 on or before 14 December 2025	14 December 2022	8,000,000
Options exercisable at $0.25 on or before 14 December 2023	14 December 2022	4,000,000
Performance rights	14 December 2022	2,500,000
		30,361,397

Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with ASX Listing Rule 4.10.9, the consolidated entity states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objectives are maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Company. Consistent with the use of funds which were disclosed in the Company's Prospectus dated 26 October 2020, the consolidated entity believes it has used its cash in a consistent manner for the following purposes:

- expenses of the Public Offer;
- sales and marketing costs;
- raw materials and packaging costs;
- administration costs; and
- research and new product development.