ASX Release
31st July 2023

LV1 JUNE 2023 QUARTERLY BUSINESS REVIEW & APPENDIX 4C

Live Verdure Ltd (ASX: LV1) ("LV1", "Live Verdure" or the "Company") is pleased to release our quarterly activities report and Appendix 4C for the three months ended 30th June 2023.

June 2023 Quarter Highlights

- Strong sales of approximately **$535,000** recorded for the quarter.
- Company-wide mission to optimise resources and further reduce costs continue.
- Robust NPD pipeline, with seven new products expected to launch during the second half of 2023.
- New international distributor secured, and discussions with major Australian retailers are progressing at pace.
- **Live Verdure Group ROAS continues to grow, reaching 4.39x for the quarter.**

Live Verdure reports strong sales, operational improvements, and further cost reductions

The Company is pleased to advise that we have delivered unaudited sales for the quarter of approximately **$535,000**, up from ~$505,000 in the March Quarter and an **increase of ~9%** from the equivalent quarter in 2022. Gross Margin on this revenue was $427k, an **increase of 13%** compared to the same period in 2022.

As a direct result of lower cost yet higher-performing marketing and reducing the level and frequency of discounting, Edible Beauty EBITDA improved by 12% this quarter. The Company will continue to find avenues to reduce costs without negatively impacting revenue.

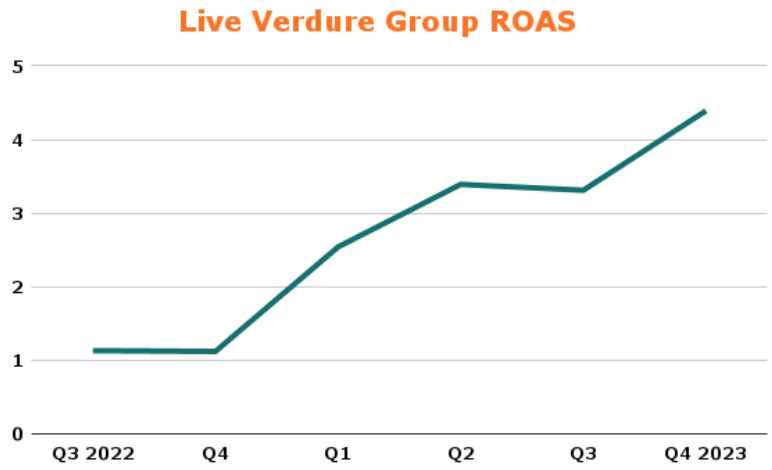

Figure 1: Blended ROAS has more than tripled since Q4 2022 and continues to grow despite reduced discretionary spending.

The Introduction of a new paid media agency is already yielding positive results in key metric across all Live Verdure brands, including the total number of orders placed, AOV, number of new customers, and Blended ROAS whilst reducing the cost of New Customer Acquisition.

Seven new **Edible Beauty** products will go to market in September/October, which we expect to positively impact revenue. The brand has also secured a new distributor for Hong Kong, Macau, and China Cross Border sales, with a tripled minimum sales commitment. The opening purchase order, worth ~$53,000, is scheduled for dispatch in July.

Discussions with additional major Australian retailers are progressing, and the Company looks forward to updating the market in due course.

13 Seeds concluded the sale of the remaining discontinued food products. The choice to discontinue this range was based on low margins and low rate of sales, high manufacturing quantities and short expiry dates. SKU rationalisation allows the Company to focus resources on the more popular and higher-margin supplements range.

In line with the company-wide mission of resource optimisation, 13 Seeds has implemented significant improvements in hemp seed storage and have sold 26,000kg of excess seed to improve the brand's waste management. In the future, 13 Seeds will no longer purchase hemp seed directly, utilising quality third-party manufacturers instead.

13 Seeds' flagship product, "TheraJoint," has officially passed formal 2-year stability testing. The quality of the product is stronger than ever, reaffirming our dedication to delivering top-notch solutions for joint health and improved general well-being.

Marketing optimisations continue to deliver positive results

Edible Beauty achieved a blended ROAS of 4.58x this quarter, a considerable increase of 31% from Q3. The brand gained 2,184 new subscribers this quarter while increasing the AOV by 11% and reducing the CAC by 22%, from $110 to $86.

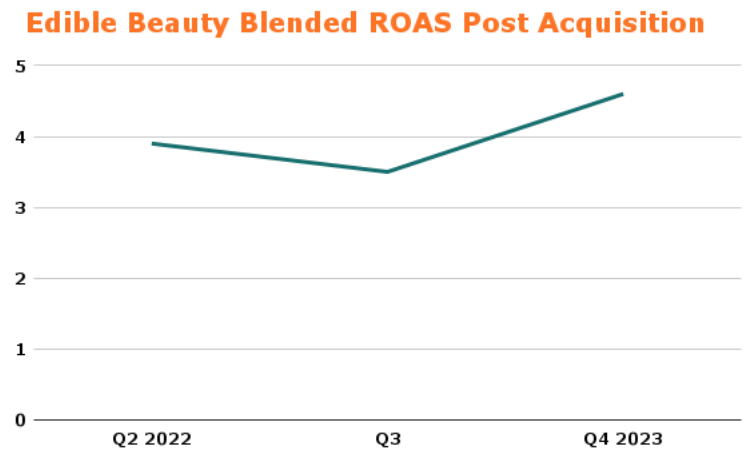

Figure 2: Edible Beauty's blended ROAS since acquisition completion in October 2022.

13 Seeds recorded new subscriber numbers for the quarter of 1,387 and improved Blended ROAS by 37% to 3.93x, an impressive 251% increase from the corresponding 2022 quarter.

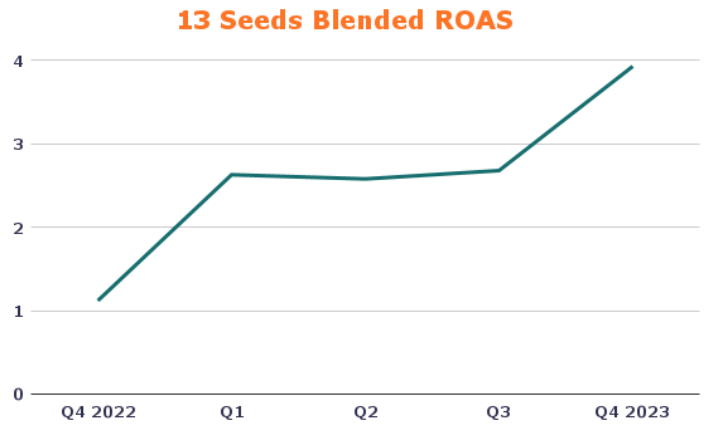

Figure 3: 13 Seeds blended ROAS has more than doubled since Q4 2022.

Additional note-worthy improvements in metrics across the 13 Seeds brand include a reduction in CAC by 33%, a 90% reduction in ad spend, a 192% increase in conversion rate, and a 7% increase in AOV compared to the equivalent 2022 quarter.

Live Verdure Group continues to closely monitor marketing metrics to refine customer targeting, grow campaign reach and improve the effectiveness of sales funnels, leading to an improved return on advertising funds invested.

New Product Development Pipeline and Existing Product Improvements

We are thrilled to announce the successful development and listing on the TGA for our innovative formulation, the "Botanical Beauty Sleep Support." This new Edible Beauty product promises exceptional results and helps customers achieve a rejuvenating beauty sleep.

The highly anticipated "Beauty Dew" is also en route. Following a meticulous formulation revamp to ensure enhanced quality, efficacy, and cost-effectiveness, we predict this product will be available for purchase during the next quarter.

New cutting-edge formulations for Edible Beauty's "Bioluminescence" topical and ingestible product line are complete, promising to redefine beauty and wellness routines with their remarkable benefits.

Additionally, rigorous testing of the "Skin + Gut Renew powder", and the "Skin + Liver Cleanse" products have resulted in a shelf-life extension, bringing the total shelf life to three years. This extension will greatly aid in planning and inventory control while ensuring our customers receive the freshest product and most effective outcome.

In response to the high demand from our valued customers and popularity across the global wellness markets, we are currently exploring formulations for gummies. By collaborating with new manufacturers who offer low MOQ, we can economically address and capitalise on the identified market gap.

M&A: Local and international acquisition enquiries

Since completing the acquisition of Edible Beauty, Live Verdure has continued to field an increased number of local and international inquiries regarding companies looking to be acquired by LV1.

The Company is looking forward to updating the market in accordance with its continuous disclosure obligations.

-Ends-

For further information, please contact:

Live Verdure

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Chief Executive Officer	Non-Executive Chairman
E: mark@liveverdure.com.au	**E:** gernot@liveverdure.com.au

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

About Live Verdure (ASX:LV1)

Live Verdure is an Australian Health, Wellness and Skincare company making a range of naturally-based products with effective active ingredients. Its products are primarily sold Direct-to-Consumer (D2C), using the Company's websites to market directly to a growing database of loyal consumers. Social media paid advertising is also used to introduce new consumers to Live Verdure's product ranges and database. Live Verdure is committed to making innovative products that are high quality, sustainable and provide effective results for their consumers.

The Company is now focused on both organic growth and expansion by acquisition within the verticals of Health, Wellness and Skincare. Live Verdure's marketing strategy continues to be underpinned by an ability to identify the needs of a growing current and addressable customer base after due regard for the latter's available purchasing power.

To learn more, please visit: www.liveverdure.com.au/

APPENDIX 4C

QUARTERLY CASH FLOW REPORT FOR ENTITIES SUBJECT TO LISTING RULE 4.7B

Name of Entity

Live Verdure Ltd

ABN	**Quarter ended ("current quarter")**
28 614 347 269	30 June 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	529	2,258
1.2	Payments for		
	(a) research and development	(121)	(430)
	(b) product manufacturing and operating costs	(229)	(952)
	(c) advertising and marketing	(299)	(1,696)
	(d) leased assets	-	-
	(e) staff costs	(227)	(779)
	(f) administration and corporate costs	(171)	(1,361)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	37	189
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(481)**	**(2,771)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(257)	(722)
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(257)**	**(722)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	267	3,385
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(264)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(3)	3

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**257**	**3,124**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	650	538
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(481)	(2,771)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(257)	(722)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	257	3,124
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**169**	**169**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	169	650
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**169**	**650**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(482)
8.2	Cash and cash equivalents at quarter end (item 4.6)	169
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	169
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.35
	Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, expenditure on discretionary expenses have been and will continue to be curtailed as needed, dependent on available cash reserves.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The last tranche of the placement announced on March 2nd has been received on 18th July 2023. The Company continues to undertake preliminary discussions regarding potential future capital raising and is confident it can raise sufficient capital as and when required to fund its future operations.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, as set out in section 8.6.2

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance Statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

31 July 2023

Date: .....

The Board of Directors

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.