Live Verdure Ltd
Appendix 4E
Preliminary final report

LiveVerdure

1. Company details

Name of entity:	Live Verdure Ltd
ABN:	28 614 347 269
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	17.4%	to	2,215,922
Loss from ordinary activities after tax attributable to the owners of Live Verdure Ltd	down	28.5%	to	(2,834,224)
Loss for the year attributable to the owners of Live Verdure Ltd	down	28.5%	to	(2,834,224)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $2,834,224 (30 June 2022: $3,964,057).

Financial Performance
During the financial year, revenue from ordinary activities increased by 17.4% to $2,215,922 compared to $1,886,901 in the previous corresponding period. The increase in revenue resulted from an increase in online sales and customer growth numbers.

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

Financial Position
The net assets increased during the financial year from $362,117 at 30 June 2022 to $922,977 at 30 June 2023. The increase in net assets of the Company was due to a capital raise conducted throughout the year.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.28)	0.65

4. Control gained over entities

Name of entities (or group of entities)	The Beauty Apothecary Australia Pty Ltd (Edible Beauty)
Date control gained	2 November 2022

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(208)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This report is in the process of being audited. At the date of this report, the Directors are not aware of any matter that will result in a qualification of the audit report.

11. Attachments

Details of attachments (if any):

Preliminary Financial Report for the year ended 30 June 2023.

12. Signed

Signed  Date: 31 August 2023

Gernot Abl
Non-executive Chairman

Live Verdure Ltd
Corporate directory
30 June 2023

Directors	Mr Gernot Abl (Non-executive Chairman) Mr Ran Vaingold (Non-executive Director) Mr Corey Montry (Non-executive Director)
Chief Executive Officer	Mark Tucker
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 Level 5, North Tower 485 La Trobe Street Melbourne, Victoria, 3000
Stock exchange listing	Live Verdure Ltd shares are listed on the Australian Securities Exchange (ASX code: LV1 and LV1OA)
Website	www.liveverdure.com.au

Live Verdure Ltd
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Live Verdure Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

LiveVerdure

	Note	Consolidated 2023 $	Consolidated 2022 $
Revenue			
Revenue from sale of goods		2,215,922	1,886,901
Cost of sales		(836,176)	(445,640)
Gross profit		1,379,746	1,441,261
Other income	4	190,385	150,000
Expenses			
Administration, corporate & share based payments expenses		(2,118,469)	(1,004,326)
Technical, new product and market development		(584,282)	(488,575)
Sales and marketing expenses		(1,044,638)	(2,898,863)
Selling and distribution		(490,367)	(298,390)
Finance costs		(124,959)	(859,546)
Depreciation and amortisation expense		(41,640)	(5,618)
Loss before income tax expense		(2,834,224)	(3,964,057)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Live Verdure Ltd		(2,834,224)	(3,964,057)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Live Verdure Ltd		(2,834,224)	(3,964,057)
		Cents	**Cents**
Basic earnings per share		(3.87)	(7.16)
Diluted earnings per share		(3.87)	(7.16)

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 2023

LiveVerdure

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents		168,561	533,075
Trade and other receivables	5	129,075	96,509
Inventories	6	919,929	593,758
Other		49,089	39,932
Total current assets		1,266,654	1,263,274
Non-current assets			
Property, plant and equipment		9,008	22,472
Intangibles acquired		1,158,535	-
Trademark registration		16,702	-
Right-of-use assets		42,265	-
Total non-current assets		1,226,510	22,472
Total assets		2,493,164	1,285,746
Liabilities			
Current liabilities			
Trade and other payables		1,141,554	866,710
Lease liabilities		43,870	-
Employee benefits		59,624	56,919
Total current liabilities		1,245,048	923,629
Non-current liabilities			
Other payables		325,139	-
Total non-current liabilities		325,139	-
Total liabilities		1,570,187	923,629
Net assets		922,977	362,117
Equity			
Issued capital	7	9,714,646	7,052,506
Reserves		3,443,088	2,710,144
Accumulated losses		(12,234,757)	(9,400,533)
Total equity		922,977	362,117

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 2023

LiveVerdure

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 7)	67,797	-	-	67,797
Share-based payments (note 11)	-	546,649	-	546,649
Balance at 30 June 2022	7,052,506	2,710,144	(9,400,533)	362,117

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	7,052,506	2,710,144	(9,400,533)	362,117
Loss after income tax expense for the year	-	-	(2,834,224)	(2,834,224)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,834,224)	(2,834,224)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 7)	3,281,500	-	-	3,281,500
Share-based payments (note 11)	(619,360)	732,944	-	113,584
Balance at 30 June 2023	9,714,646	3,443,088	(12,234,757)	922,977

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 2023

LiveVerdure

	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	2,258,000	1,862,682
Payments to suppliers and employees (inclusive of GST)	(5,184,341)	(5,171,511)
Receipts of R&D tax incentive grant	189,000	115,209
Interest received	1,709	843
Net cash used in operating activities	(2,735,632)	(3,192,777)
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(749,883)	-
Net cash used in investing activities	(749,883)	-
Cash flows from financing activities		
Proceeds from issue of shares	3,385,000	81,151
Share issue transaction costs	(264,000)	(13,354)
Net cash from financing activities	3,121,000	67,797
Net decrease in cash and cash equivalents	(364,515)	(3,124,980)
Cash and cash equivalents at the beginning of the financial year	533,076	3,658,056
Cash and cash equivalents at the end of the financial year	168,561	533,076

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.

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.

(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 2023 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.

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.

Note 2. Significant accounting policies (continued)

(f) Going concern
During the financial year ended 30 June 2023 the Company incurred an operating loss of $2,834,224 (2022: $3,964,057) and a negative cash outflow from operating activities of $2,735,632 (2022: $3,192,777).

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 Directors have plans to undertake further capital raisings in the ensuing 12 months, together with continued growth in revenue and containment of discretionary expenditure as appropriate. As a result, the Directors believe that the Company will continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis. 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.

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 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. 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 4. Other income

	Consolidated	
	2023	**2022**
	$	**$**
Government grant	188,676	148,981
Interest Income	1,709	1,019
Other income	190,385	150,000

Note 5. Current assets - trade and other receivables

	Consolidated	
	2023	**2022**
	$	**$**
Trade receivables	89,173	6,908
Other receivables	20,900	68,383
GST receivable	19,002	21,218
	129,075	96,509

Note 6. Current assets - Inventories

	Consolidated 2023 $	Consolidated 2022 $
Raw materials, packaging and consumables at realisable value	500,414	247,091
Finished goods at realisable value	419,515	346,667
	919,929	593,758

Note 7. Equity - issued capital

	Consolidated 2023 Shares	Consolidated 2022 Shares	Consolidated 2023 $	Consolidated 2022 $
Ordinary shares - fully paid	84,759,056	55,425,722	9,714,646	7,052,506

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 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
Exercise of performance rights	5 September 2022	2,500,000	-	-
Issue of shares for capital raising	5 September 2022	13,333,334	$0.15	2,000,000
Issue of shares for acquisition of Edible Beauty	3 November 2022	1,666,667	$0.15	250,000
Issue of shares to settle creditors	3 November 2022	166,667	$0.15	25,000
Issue of shares for capital raising	3 November 2022	666,666	$0.15	100,000
Issue of shares for placement	14 March 2023	11,000,000	$0.10	1,100,000
Capital raising costs		-	-	(812,860)
Balance	30 June 2023	84,759,056		9,714,646

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.

Note 7. Equity - issued capital (continued)

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 2022 Annual Report.

Note 8. Business combinations

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.

Details of the acquisition and provisional fair values of the identifiable net assets acquired are as follows:

	Fair value $
Cash and cash equivalents	7,094
Trade receivables	74,084
Other receivables	12,420
Inventories	572,410
Trademarks	16,702
Trade payables	(265,857)
Borrowings	(34,834)
Net assets acquired	382,019
Goodwill and intangibles	1,158,535
Acquisition-date fair value of the total consideration transferred	1,540,554
Cash used to acquire business, net of cash acquired:	
Less: shares issued by company as part of consideration	(250,000)
Less: total deferred consideration	(492,789)
Less: cash acquired	(7,094)
Net cash received	(749,883)

The Company is to pay a cash consideration of $0.75 million ($250,000 of this is held in trust pending release to the vendors) and issued 1,666,667 fully paid ordinary shares with a fair value of $0.15 per share to the vendors of Edible Beauty. The acquisition is also subject to deferred consideration and an estimate of $533,577 has been recorded as at 30 June 2023. The deferred consideration payable is equal to 10% of the unaudited revenue generated by Edible Beauty across the 24 months following completion.

Note 8. Business combinations (continued)

(a) Acquisition related costs

Acquisition-related costs amounting to 209,549 are not included as part of consideration for the acquisition and have been recognised as transaction costs. These costs have been included within administration expenses in the statement of profit or loss and other comprehensive income.

(b) Identifiable net assets

As at 30 June 2023, the Company has provisionally assessed the net identifiable assets which have been acquired as part of the acquisition as follows:

- Brand Intellectual Property - $0.099 million
- Customer database - $0.162 million
- Trademarks - $0.072 million
- Domain names - $0.018 million
- Social media accounts - $0.009 million
- Formulations - $0.036 million
- Manufacturer contract - $0.018 million

(c) Goodwill

Goodwill of $0.671 million was primarily related to the providing the company a significant opportunity to accelerate growth in the consumer health and wellness sectors. Goodwill was allocated to a single cash generating unit as at acquisition date. The goodwill that arose from this business combination is not deductible for tax purposes.

(d) Contribution to the Consolidated Entity's result

Edible Beauty contributed revenues of $1.149 million and net loss of $0.208 million from the date of the acquisition to 30 June 2023.

In accordance with the Australian Accounting Standards (AASB3), the consolidated entity has up to 12 months from the date of acquisition to complete its initial acquisition accounting. The consolidated entity will commence an exercise to consider the fair value of intangible assets acquired. As at the date of this report, this assessment is not complete.

Note 9. 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:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2023 %**	**2022 %**
13 Seeds Pty Ltd	Australia	100.00%	100.00%
8Skincare Pty Ltd	Australia	100.00%	100.00%
The Beauty Apothecary Australia Pty Ltd*	Australia	100.00%	-

* Acquired in November 2022

Note 10. Events after the reporting period

On 18 July 2023 the Company, as part of the placement conducted on 2 March 2023 issued a further 5,000,000 shares at 10 cents ($0.10 cents) to raise a further $5,000,000 as part of a tranche 2. As part of the capital raisings, broker options valued at $209,520 were issued after year end. $300,000 cash was received in June 2023, with the remaining $200,000 received post year-end. The company also issued a further 16,000,000 options along side the new shares as a free attaching option (1 for 2 basis) with an exercise price of $0.25, expiring 31 August 2025.

Note 11. Share-based payments

During the 2023 financial period, the Company issued 8,000,000 broker options with an exercise price of $0.25 on before 31 August 2025 in accordance with a lead manager mandate. The value of the options using a Black Scholes valuation method is $619,360.

During the 2021 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. The vesting conditions of these performance rights were previously achieved and exercised during the current period; 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.

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.

Below is a summary of options granted during the current and previous financial periods:

2023

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
03/12/2020	14/12/2025	$0.30	8,000,000	-	-	-	8,000,000
03/12/2020	14/12/2023	$0.20	4,000,000	-	-	-	4,000,000
09/04/2021	05/03/2024	$0.25	2,000,000	-	-	-	2,000,000
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
28/10/2022	31/08/2025	$0.25	-	8,000,000	-	-	8,000,000
			17,400,000	8,000,000	-	-	25,400,000

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

Grant date	Expiry date	2023 Number	2022 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	09/08/2024	200,000	-
26/08/2021	26/08/2024	300,000	100,000
26/11/2021	09/08/2024	500,000	500,000
15/07/2021	15/07/2024	666,667	-
09/04/2021	05/03/2024	1,249,999	-
28/10/2022	31/08/2025	8,000,000	-
		22,916,666	12,600,000

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
28/10/2022	31/08/2025	$0.15	$0.25	100.00%	-	3.43%	$0.07742