ASX Release
25th January 2024

LV1 DECEMBER 2023 QUARTERLY BUSINESS REVIEW

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 31st December 2023.

Highlights

- Live Verdure completes $1,050,000 private placement from new and existing sophisticated shareholders.
- Live Verdure receives a further $1,000,000 through the exercise of unlisted options by supportive shareholders.
- The Company has incorporated an R&D subsidiary ("Decidr.AI") for the purposes of developing cutting edge technological solutions which will further streamline the existing LV1 businesses.
- Partnership & M&A opportunities continue to be assessed to return value back to shareholders.

Private Placement & Options Exercise

On 21 December 2023, Live Verdure announced that it had received commitments for a $1,050,000 placement from existing sophisticated and professional shareholders (placement completed on 5 January 2024). It was also announced that a further $1,000,000 was received through the exercise of unlisted options by supportive shareholders.

The funds raised would be used to fund working capital requirements,

Decidr.AI

The Company also announced that it had recently incorporated an R&D subsidiary ("Decidr.AI") for the purpose of developing game changing cutting edge technological solutions which will leverage artificial intelligence ("A.I"). Decidr.AI has begun to engage with Decidr Pty Ltd – founded & led by AI visionary Paul Chan - to develop bespoke technology and application features to be integrated into the existing 13 Seeds and Edible Beauty businesses.

It is anticipated that these technological developments will further streamline the existing LV1 businesses and deliver human resource and digital marketing optimisations and other growth driving solutions to LV1 Brands. It is also being developed with the aim of driving notable reductions in operational costs through AI - without a negative impact on margins. The Decidr solution will offer groundbreaking technological advancements potentially supercharging margins and growth.

LV1 will also leverage this technology to fuel innovation through new product development, allowing its existing businesses to develop pioneering new products, services, and customer experiences in the plant-based food, nutraceutical and skin care markets, to unlock rapid growth and gain a competitive edge for its existing businesses and its go-to market strategy.

Since Incorporating Decidr.AI, Paul has started moving forward with the building of both the go to market team and finalizing appropriate platform functionality. We continue to be optimistic and excited by the very large market opportunity and look forward to pursuing the opportunity given the nascent undefined markets that will reform around the new power of AI – especially within the health and wellness sector.

We will continue to update the market as we progress with product development ahead of integration and launch in the months ahead.

13 Seeds and Edible Beauty

Continued Reduction in Marketing and Operational Costs

The Company continues to optimise online advertising spend and implement other cost-reduction initiatives, in order to devise a profitability path for each brand.

In line with its cost reduction initiatives, LV1 implemented a number of cost-reduction strategies, including a significant reduction in executive headcount, while maintaining or increasing gross margins for the 13 Seeds and Edible Beauty brands. The impact of these cost reduction strategies will only be fully reflected in future quarters.

Macro trends around increased inflation rates have translated into increased operational uncertainties and production costs. Customer acquisition costs have also continued to remain higher. Consumers have continued to expect the pandemic-related trends of steep discounting and free shipping, reducing profit margins.

Growing Wholesale Channels

Live Verdure continues to grow its retail, wholesale, and distributor connections as it continues to execute against an omnichannel strategy to provide customers with a seamless and unified brand experience, regardless of which channel they use.

Existing tier-1 retailers such as David Jones and Heinemann were complemented by the addition of the long-established TV Sales organisation 'TVSN', a new distributor for Hong Kong, Macau, and China cross-border sales. We remain in discussion with several US based retailers to range Edible Beauty products in 2024 and will update the market in accordance with its continuous disclosure obligations.

Given the significant working capital implications of growing wholesale channels, LV1 will continue to strategically assess all wholesale partnerships to ensure that any such partnership opportunities will provide for top-line revenue growth and meaningful EBITDA contribution in the long term.

M&A Assessments

LV1 continues to search for innovative strategies to set themselves apart in what is now a fiercely competitive world of eCommerce. Live Verdure continues to receive a number of local and international inquiries regarding companies looking to partner with existing LV1 brands.

Live Verdure looks forward to updating the market in accordance with its continuous disclosure obligations.

Expenditure during the quarter

During the quarter, the Company incurred the following cash expenditure:

- Research and development expenditure amounted to $138,000;
- Product and manufacturing expenditure amounted to $293,000;
- Staff related expenditure amounted to $279,000;
- Advertising and marketing expenditure amounted to $271,000; and
- Administrative and corporate costs amounted to $439,000.

The expenditure during the quarter was in line with the Company's budgets.

Additional Information

The amount of ~$80,000 included in section 6.1 of the accompanying Appendix 4C (payments to related parties) relates to Directors fees and superannuation payments for the December 2023 quarter.

In accordance with conditions to the Listing Rule 1.1 condition 12 waiver in the Company's announcement of 11th December 2020, the Company confirms that 5,000,000 performance rights with a nil exercise price were issued to the Managing Director and Non-executive Chairman. 2,500,000 of these performance rights have been exercised and subsequently converted. The remaining 2,500,000 performance rights remain on issue and have not vested and therefore have not been converted.

-Ends-

For further information, please contact:

Live Verdure

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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 client 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	31 December 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	593	1,148
1.2	Payments for		
	(a) research and development	(138)	(251)
	(b) product manufacturing and operating costs	(293)	(504)
	(c) advertising and marketing	(271)	(532)
	(d) leased assets	-	-
	(e) staff costs	(279)	(505)
	(f) administration and corporate costs	(439)	(934)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	-
1.5	Interest and other costs of finance paid	(4)	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	12	235
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(814)**	**(1,343)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(48)
	(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	(89)	(89)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(89)**	**(137)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	2,880
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	11	11
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(63)	(260)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(37)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**948**	**2,594**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,238	169
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(814)	(1,343)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(89)	(137)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	948	2,594
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,283**	**1,283**

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	1,283	1,238
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)**	**1,283**	**1,238**

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	80
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)	40	-
7.4	**Total financing facilities**	**40**	**-**

7.5	**Unused financing facilities available at quarter end**	40
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.	

A subsidiary of the Company has an unsecured commercial overdraft facility with StGeorge bank. The Overdraft limit is $40,000 with an interest rate of 13.71%. The facility is unused at quarter end.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(814)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,283
8.3	Unused finance facilities available at quarter end (item 7.5)	40
8.4	Total available funding (item 8.2 + item 8.3)	1,323
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.63

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: Yes.

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: Yes, as announced on 21 December 2023, the Company raised a further $1.05m with settlement of the Capital Raising taking place on 5 January 2024.

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, refer to 8.6.2 above.

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.

25/01/2024

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.