LiveVerdure

ASX Release
30 April 2024

LV1 March 2024 Quarterly Business Review & Appendix 4C

Live Verdure Ltd (ASX :LV1) ("LV1", "LiveVerdure" or the "Company"), owner of Health & Wellness brands Edible Beauty, 13 Seeds and strategic partner of Decidr.ai ("Decidr), is pleased to release its quarterly activities report and Appendix 4C for the three months ended 31st March 2024.

Highlights

- Live Verdure engages in a Board renewal, appointing David Brudenell as non-executive Chairman and Adrian Bunter as non-executive director.
- The Company received $1.05M through the issue of equity securities by way of a placement and $0.727M via exercise of unlisted options by supportive shareholders.
- The Company's incorporated R&D entity, Decidr.ai Pty Ltd ("Decidr.ai") began scoping of proof-of-concept ("POC") AI workflow technology into the Edible Beauty business.
- The Edible Beauty business posted a revenue of $327K, a 14% increase vs pcp, while continuing with its cost reduction and performance improvement initiatives from the prior quarter.
- Partnership & M&A opportunities continue to be assessed to leverage LV1's health & wellness and AI investments to deliver value to shareholders.

Group Position

The Company exited the quarter with a strong cash position and continued to execute on its cost and marketing optimisation. These initiatives yielded revenue increases compared to prior periods and were driven by increases in net new customers. Cost control initiatives were also successful with reductions in customer acquisition costs in Edible Beauty and continued resizing in the 13 Seeds business.

In addition, following the incorporation of the R&D entity Decidr.ai, the Company continued to work with Decidr Group Pty Ltd, towards the integration of its novel approach to whole-business AI into the LV1 brands. This AI enablement strategy gained considerable momentum with the release of the Decidr V1.0 operating platform and subsequent commencement of scoping for implementation of Decidr technology into Edible Beauty.

Edible Beauty

Continued delivery on cost and marketing optimization

Edible Beauty continued its focus on cost and performance improvements in Q3. Growth in revenue was due to improved eCommerce revenue performance (+38% vs pcp). This revenue was underpinned by increases in first-time customers (+78% vs pcp). The business also had early success in decreasing customer acquisition cost ("CAC") by 47% versus the prior quarter.

Wholesale channels

Edible Beauty continues to grow its domestic wholesale channel. A new contract was started with Oborne Health, a leading Australian distributor of traditional and complementary health products, providing an opportunity for growth in the retail health and wellness channel. Long-standing and largest channel partner Heinemann Australia, Duty Free continued with consistent performance in the period.

Group technology leverage

The Edible Beauty business began implementation scoping with Decidr.ai, identifying six (6) pilot areas across multiple business areas for AI enablement. These areas have been selected as they offer promising cost and revenue leverage points for the Edible Beauty business, and represent common workflows for many companies.

Commenting on the trading performance of the Edible Beauty business, LV1 Chairman, David Brudenell said, "While trading conditions remain challenging, Edible Beauty has had a solid start to 2024, with both revenue and active customers up on the same period last year. Encouragingly, Edible Beauty has also begun the preparations for AI-enablement piloting with Decidr, which could unlock more growth opportunities in a business with existing momentum."

Founder and Managing Director of Edible Beauty, Anna Mitsios, said of recent trading performance: "The results of our birthday sale promotion provide a solid start to our performance for 2024. Our strong growth in new customers reflects our continued focus on improved customer acquisition. Also, our existing customer basket value shows that our digital roadmap and product suite are performing well."

On the topic of AI enablement with Decidr, Anna said: "The Decidr technology is very exciting for a business like Edible Beauty. There are many areas of our growing business where classic, labour investment does not make sense. Decidr's AI business operating platform can increase personalisation, unlock lower customer acquisition costs and higher long-term customer revenue. I'm working closely with the Decidr team and am looking forward to working through our identified pilot areas."

13Seeds

The Company continues to optimise eCommerce and product positioning in the 13Seeds business. Cost reduction initiatives have resulted in a decrease in losses by 81% vs pcp. Further focus is required in this business and the board is reviewing approaches to continue to improve overall performance with a view to delivering a positive contribution to the group.

Decidr.ai

The incorporated and 45% owned R&D entity Decidr.ai continued the expansion and maturation of its go-to-market ("GTM") team and strategy respectively. In the period, POC scoping began with the Edible Beauty business and will represent the first deployment of the Decidr architecture and AI micro-specialist roles across Edible Beauty workflows.

It is anticipated that these POC deployments will deliver human capital savings, improvement in acquisition metrics and will improve overall business performance. These POC areas were also selected as they represent some of the most common business opportunity areas, regardless of business size, territory, revenue profile or industry. The Decidr.ai business is commercialising and furthering development of the proprietary technology of Decidr Pty Ltd.

In-line with the GTM expansion, development in functionality continued on the version 1.0 platform release. The platform effort is grouped in four (4) areas: business onboarding, integrations, model inference and continuous user experience. Team expansion across all platform areas has begun and will continue into the near future.

LV1 looks forward to providing further updates for shareholders regarding the development and progress of Decidr.ai.

M&A Assessments

The business continues to explore innovative strategies and approaches to complement our eCommerce businesses and AI operating platform via Decidr. LV1 has received several enquiries to partner with these businesses.

We look forward to updating our shareholders as we explore these opportunities in line with our continuous disclosure obligations.

Expenditure during the quarter

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

- Research and development expenditure amounted to $49,000;
- Product and manufacturing expenditure amounted to $149,000;
- Advertising and marketing expenditure amounted to $171,000;
- Staff related expenditure amounted to $215,000; and
- Administrative and corporate costs amounted to $581,000.

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

- Payments for the acquisition of business of $162,000, which relates to the earn-out payment for the first 12 month period associated with the acquisition of the Edible Beauty business; and
- Loan funds of $371,000 provided to Decidr.ai to assist with the development of Decidr.ai's business.

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

Additional Information

The amount of $198,000 included in section 6.1 of the accompanying Appendix 4C (payments to related parties) relates to Directors fees and superannuation payments for March 2024 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 previous 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 were cancelled during the quarter following resignation of the Directors.

–Ends–

For further information, please contact:

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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), via eCommerce digital marketing channels to existing and new customers. 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 delivering growth and business-wide optimisations by developing and deploying cutting-edge technical applications into the existing 13 Seeds and Edible Beauty business ecosystems. 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.

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 March 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	442	1,590
1.2	Payments for		
	(a) research and development	(49)	(300)
	(b) product manufacturing and operating costs	(149)	(653)
	(c) advertising and marketing	(171)	(703)
	(d) leased assets	-	-
	(e) staff costs	(215)	(721)
	(f) administration and corporate costs	(581)	(1,515)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	17
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	179	414
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(534)**	**(1,877)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(162)	(210)
	(c) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(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	(371)	(460)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(533)**	**(670)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,050	3,930
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	727	738
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(63)	(323)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(37)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,714**	**4,308**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,283	169
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(534)	(1,877)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(533)	(670)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,714	4,308
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,930**	**1,930**

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	1,933	1,283
5.2	Call deposits	-	-
5.3	Bank overdrafts	(3)	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,930**	**1,283**

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	198
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	3
7.4	**Total financing facilities**	**40**	**3**

7.5	**Unused financing facilities available at quarter end**	37

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%.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(534)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,930
8.3	Unused finance facilities available at quarter end (item 7.5)	37
8.4	Total available funding (item 8.2 + item 8.3)	1,967

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.68

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: N/A

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: N/A

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: N/A

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.

30 April 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.