LiveVerdure

ASX Release
21 October 2024

LIVE VERDURE LTD (ASX: LV1) – SEPTEMBER 2024 QUARTERLY BUSINESS REVIEW

Live Verdure Ltd (ASX: LV1) ("LV1", "LiveVerdure" or the "Company"), owner of health & wellness brands Edible Beauty and 13 Seeds, as well as strategic partner of Decidr.ai Pty Ltd ("Decidr"), is pleased to provide its quarterly activities report for the period ending 30 September 2024 and up to the date of this announcement.

Highlights

- During and shortly after the quarter, the Company successfully raised significant capital via the exercise of options strengthening the Company's balance sheet. A significant portion of the capital raise (AUD$6.73m) was completed post quarter end in early October.
- Decidr.ai secured multiple new contracts across Retail, Debt Recovery, Childcare, FMCG, Media, Finance, and Healthcare sectors and posted its first revenue result.
- Strategic partnerships signed with CareerOne and ELMO Software to integrate Decidr's AI solutions into their client networks.
- LV1 reached the initial AUD $2.5 million investment hurdle in Decidr.ai Pty Ltd ("Decidr"), triggering the IP transfer clause as outlined in the MOU agreed in the same period.
- The Edible Beauty business posted revenue of $341k, similar to the pcp, while continuing with its new customer acquisition growth strategy and performance improvement initiatives from the prior quarter.
- As announced after the quarter end on 11 October, David Brudenell has transitioned to Executive Chairman to enable increased focus and resources to further accelerate growth.

Group technology leverage & Decidr.ai

Proof of concept ("POC") deployment in Edible Beauty using Decidr technology was completed in the quarter and moved to commercial production. Performance results continue to be maintained from the POC and the business continues to tune AI interactions as well as more deeply integrate business data into the intelligence of Edible Beauty's Decidr deployment

Decidr made significant strides this quarter, securing new contracts and proposals across a variety of industries, including Retail, Debt Recovery, Childcare, FMCG, Media, Finance, and Healthcare. Decidr began recognizing revenue on several of these contracts during the quarter. These contracts validate Decidr's ability to offer practical AI solutions that meet sector-specific needs. Additionally, Decidr entered into strategic partnerships with CareerOne and ELMO Software, both respectively a leading job board and provider of cloud-based HR and payroll software, to integrate Decidr's AI-powered recruitment tools into ELMO's platform. The partnerships will introduce B2C and B2B AI-driven solutions, enhancing recruitment efficiency for 10,000's of employers.

Based on the internal Edible Beauty impact and the expanded application of Decidr AI technology, the Company also deepened its engagement with Decidr agreeing to pursue a more comprehensive licensing strategy, allowing the technology to be deployed on a larger scale.

Under the terms of the Memorandum of Understanding ("MOU") (announced on 4 September 2024), LV1 agreed to invest up to AUD$2.5 million to Decidr.AI to complete the Proof of Concept (POC) and advance its AI technology, as part of a potential A$10 million investment based on Decidr.AI achieving key milestones.

At the end of the quarter, LV1 reached the initial AUD$2.5m investment milestone, triggering the requirement under the MOU to transfer historical and co-created intellectual property to Decidr.ai. This transfer ensures that Decidr.ai retains full ownership and control of technology and platforms that have been developed and is currently deploying across several industries.

Given the exciting performance of the Decidr.ai technology within Edible Beauty and the significant traction in other industries, the Company continues to focus on the Decidr AI opportunity and is engaging in conversations with Decidr Group Pty Ltd on deeper and expanded opportunities for Decidr.ai.

Edible Beauty

The Edible Beauty business continues its positive trajectory following the successful completion of the AI-enabled Proof of Concept ("POC") with Decidr, as announced earlier this quarter. The POC, which focused on improving operational efficiency and customer engagement through AI, delivered promising results, including enhanced customer interaction, increased eCommerce sales, and cost savings in sales enablement and content production.

Cost and performance efforts continued to yield leading growth signals in the quarter. Ecommerce sales in Q1-25 saw a 9% increase compared to the prior quarter, driven by growth in new customer acquisition and new product launch activity. Q1-25 saw a 134% increase in new customers as compared to the prior corresponding year. The email newsletter subscriber list has experienced strong growth with new subscribers up 66% compared to the prior period, with 3,800 new subscribers acquired during 1Q-25. Increase in new customer acquisition has been driven by focus on paid ads initiatives promoting sampler discovery set and increased focus on improving brand awareness via traditional media, paid media links, influencer collaborations and Titkok platform.

Active product subscriptions was up vs pcp (+55%) due to a focus on recurring revenue from loyal customers.

The business' focus on more efficient paid ads management continued with the cost of acquiring new customers ("CAC") decreasing by 47% as compared to prior corresponding year with increased efficiency driven by innovative ad creative.

Edible Beauty launched into its first bricks-and-mortar stores in the US in August with eight (8) Central Market stores in Dallas, Texas. Despite this, wholesale revenue dropped by 53% as a result of a tougher retail environment and higher sales targets demanded from key retailers. Focus on AsiaPac markets continued with new distributor opportunities in Hong Kong and China. Edible Beauty is also seeking to increase independent wholesale relationships globally with a launch on the Faire platform planned for 1 Nov-24.

13Seeds

The Company continues to optimise eCommerce and product positioning in the 13Seeds business with a focus on cost reduction across marketing and consulting services. A review of this business and strategy is ongoing, with the goal of improving overall performance and contribution for the group.

Capital Raising and Financial Position

During the quarter the Company raised capital of AUD$1.36 million from the conversion of unlisted options, and following the end of the quarter the Company successfully raised further capital of AUD$6.73 million through the conversion of unlisted options, introducing new strategic cornerstone investors along with further commitments from existing, supportive shareholders. These additional

funds were received in early October, and will be utilised to support the Company's growth initiatives, particularly in expanding Decidr's AI technology across new sectors and continuing to enhance the operations of Edible Beauty and 13 Seeds.

Following the completion of the exercise of options, LV1 has a healthy cash position, reflecting disciplined cost management during the quarter and the successful capital raise.

Decidr.ai Discovery Day

As announced by the Company on 30 September 2024, in support of its AI expansion strategy, Decidr.ai will be hosting its Discovery Day on 23 October 2024. This event will showcase Decidr's AI technology and its application across various industries, including live demonstrations of its recruitment and customer engagement solutions. Attendees will have the opportunity to engage with Decidr's leadership team and explore how AI can drive business transformation.

Event Details:

- **Date**: 23 October 2024
- **Location**: Physical location is fully booked - only virtual attendance is available
- **Registration**: For more details and to register for the event, please visit Decidr Discovery Day.

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 a growing number of 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:

- R&D expenditure amounted to $11,000;
- Product and manufacturing expenditure amounted to $323,000;
- Advertising and marketing expenditure amounted to $216,000;
- Staff related expenditure amounted to $193,000; and
- Administrative and corporate costs amounted to $352,000.

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

- Investment funds of $1,150,000 provided to Decidr.ai to fund the Edible Beauty POC. This brings LV1's total cash investment in Decidr.ai to AUD$2.5m triggering the IP transfer clause as outlined in the MOU.

During the quarter, the Company incurred the following financing cash inflows:

- Funds received for share issues via option exercises of $1,542,000, which included options exercised during the quarter and funds received at the end of the quarter in advance of shares being issued upon the conversion of options in October.

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

Additional Information

The amount of $49,000 included in section 6.1 of the accompanying Appendix 4C (payments to related parties) relates to Directors fees and superannuation payments for September 2024 quarter.

Outlook

The Company remains focused on delivering shareholder value through strategic growth initiatives and the continued integration of AI technology across its operations. The successful expansion of Decidr into new customers and sectors, coupled with strong performance from Edible Beauty, positions Live Verdure well for future growth.

LV1 looks forward to keeping shareholders updated on the progress of its AI Enablement strategy and the broader business as it continues to execute on its strategic objectives

-Ends-

For further information, please contact:

David Brudenell
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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). The company is now focused on delivering growth and business-wide optimisations by developing and deploying cutting-edge applications into the existing 13 Seeds and Edible Beauty business ecosystems using technology developed by Decidr. LV1 will also leverage this technology to fuel innovation through new product development, in additional sectors and geographies to unlock rapid growth and gain a competitive edge for its existing businesses and its go-to-market strategy.

For more information see:

https://www.decidr.ai/

https://liveverdure.com.au/

https://ediblebeautyaustralia.com/

https://13seeds.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 September 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	346	346
1.2	Payments for		
	(a) research and development	(11)	(11)
	(b) product manufacturing and operating costs	(323)	(323)
	(c) advertising and marketing	(216)	(216)
	(d) leased assets	-	-
	(e) staff costs	(193)	(193)
	(f) administration and corporate costs	(352)	(352)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	37	37
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(710)**	**(710)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(5)	(5)
	(d) investments	(1,150)	(1,150)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
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**	**(1,155)**	**(1,155)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,542	1,542
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,542**	**1,542**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,103	1,103
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(710)	(710)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,155)	(1,155)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,542	1,542
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**780**	**780**

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	780	1,103
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)**	**780**	**1,103**

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	49
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.

St George Bank, business overdraft, 13.71%, unsecured.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(710)
8.2	Cash and cash equivalents at quarter end (item 4.6)	780
8.3	Unused finance facilities available at quarter end (item 7.5)	40
8.4	Total available funding (item 8.2 + item 8.3)	820
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**1.15**

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: The company expects to have negative net operating cash flows for the time being, albeit the December quarter is expecting to see an increase in cash receipts due to seasonality of the business.

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: Following the end of the quarter, the company received proceeds of $6.73m from the exercise of options which ensure that the company has sufficient cash in order to fund its 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.

Date: ...21 October 2024 .....

Authorised by: ...The Board of Directors.....
(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.