LiveVerdure

ASX Release
31 January 2025

Live Verdure Ltd (ASX: LV1) – December 2024 Quarterly Business Review

Live Verdure Ltd (ASX: LV1) ("LV1", "Live Verdure" or "the Company"), majority owner of Decidr.ai Pty Ltd ("Decidr") and owner of health & wellness brands Edible Beauty and 13 Seeds is pleased to provide its quarterly activities report for the period ending 31 December 2024 and up to the date of this announcement.

Highlights

- LV1 acquired a controlling interest in Decidr.ai, increasing its ownership to 51% through a $13.2 million interest-free loan repayable over 36 months.
- Decidr.ai secured new multi-year subscriptions with Australian and U.S. customers, across healthcare, FMCG, finance, energy and media industries, showcasing the agility and scalability of its AI platform.
- Strategic partnership signed with The Growth Faculty, complementing existing partnerships with CareerOne and ELMO Software to integrate Decidr's AI solutions into their platforms and customer bases.
- Edible Beauty business e-commerce sales in Q2 saw 64% growth on the prior corresponding year and 143% on the previous quarter driven by a strong focus on new customer acquisition and increasing average order value (AOV).
- David Brudenell transitioned from Non-Executive to Executive Chairman to enable increased focus and resources to further accelerate growth of the Group.
- Healthy closing cash position of $4.62m supported by disciplined cost management and successful capital raising activities.

Acquisition of Controlling Interest in Decidr.ai

As announced on December 31st, 2024 whereby the Group acquired an additional 6% of Decidr.ai Pty Ltd ("Decidr"), securing a controlling interest in the company. The transaction was facilitated by a $13.2 million interest-free loan from Decidr Group Pty Ltd, repayable over three years.

This acquisition aligns with the strategic objectives outlined in the Memorandum of Understanding (MOU) between LV1 and Decidr and enables LV1 to leverage Decidr's advanced AI capabilities across both its core businesses and external markets.

Strategic Significance

- **AI Enablement Market Opportunity:** LV1's initial investment thesis of using AI Enablement to increase group performance and capitalise on the pervasive impact of Artificial Intelligence across industries was validated in 2024 with successful proof of concept deployments in Edible Beauty and Decidr onboarding a diverse set of customers immediately following its commercial launch in late October.
- **Governance & Synergies:** The acquisition enhances LV1's ability to align Decidr's operations with the Company's broader growth objectives, driving greater integration and innovation.
- **Agentic AI Leadership:** Decidr has demonstrated its versatility by delivering tailored solutions to diverse industries, further solidifying its reputation as a leader in AI-driven transformation.

Decidr.ai Update

New Customers and Industry Expansion

Following its commercial debut via Discovery Day in late October 2024, Decidr continued its strong momentum during the quarter, securing new multi-year, recurring revenue contracts in Australia and the United States, including:

- **Mercha (Retail Sector):** Enhancing inventory and customer engagement.
- **BellyMe (eCommerce):** Improving logistics and customer targeting.
- **Ipromea (Healthcare):** Streamlining operational efficiencies and analytics.
- **Onside Content (Media & Content):** Automating content production workflows and enhancing personalization.
- **Solynta Energy (Energy Sector):** Leveraging AI solutions for operational optimization.
- **Anchorage Capital (Full Portfolio):** Group AI readiness and sector-specific Agentic deployments
- **Sydney Beer Co. (Beverage):** Optimizing distribution and marketing strategies.

These won customers have begun onboarding in early 2025. Additional prospect pipeline captured from and after the Discovery Day continues to build which is targeted to result in triple-digit customer growth in FYQ3. Additionally, partnership products with CareerOne and Elmo are targeted to launch in early FYQ4. Pipeline growth and these wins demonstrate the agility and scalability of Decidr's platform, capable of addressing complex challenges across various industries and geographies.

Edible Beauty Update

The Edible Beauty business maintained its positive e-commerce trajectory with its strongest quarter to date. The business has benefited from the AI enablement strategy and Decidr Sales Agent 'AVA' which has improved further in functionality with add to cart features driving conversion. As announced, AVA was deployed directly as a Shopify App and the business is working on expanding capabilities with the deeper connection into this 3rd party environment.

Cost optimisations and performance improvement efforts initiated in the previous quarter delivered strong results during the Black Friday Cyber Monday (BFCM) sale period. Ecommerce sales in Q2-25 saw 64% growth on the prior corresponding year and 143% on the previous quarter driven by a strong focus on new customer acquisition and increasing average order value (AOV).

Q2'25 saw a record growth in new customers with 2,542 new customers, an increase of 232% on prior corresponding year and 67% on previous quarter whilst AOV increased by 20% on the prior quarter. Active email subscribers continue to grow at scale, increasing 241% versus prior year and 33% compared to prior quarter. The increase in new customer acquisition was driven by company investment in multiple digital and channel initiatives with inbound demand captured by new technology optimisation investments. Seasonality effects considered, It is expected that these advancements will provide sustainable growth for the business while AI enhancements minimise more classic cost infrastructure.

Gross profit benefited from higher AOV (and skew towards more valuable product mix), increasing to 54% in Q2-25.

With higher levels of conversion control, paid ads efficiency continued to be a focus for the business, with Blended ROAS increasing to 5.1x up 23% on the prior quarter and Cost of New Customer Acquisition (CAC) decreasing by 31% compared to the previous year.

Management during Q2-25 has been focused on strategies to re-establish and grow international wholesale revenue, with the Australian retail environment remaining challenging for the business. It has signed an agreement with a premium Hong Kong beauty distributor, Lumi Asia and is anticipating first order placement in FY25 Q3. Edible Beauty continues discussion with China distributors along with US retailers. It has commenced launch into Amazon Premium Beauty which will provide an opportunity to build brand awareness and revenue in the US market.

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13 Seeds Update

The Company continues to optimise Ecommerce and product positioning in the 13 Seeds business with a focus on cost reduction across all operations. The Group continues the review of this business with the goal of improving overall performance and contribution to the Group.

Capital Raising & Financial Position

During the quarter the Company raised capital of AUD$6.92 million from the conversion of unlisted options, introducing new strategic cornerstone investors along with further commitments from existing, supportive shareholders. The majority of these funds were received in early October, and 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.

LV1 has reported a healthy closing cash position of $4.62m as at 31 December 2024.

Outlook

Live Verdure's dual-track AI enablement strategy, initially focused on optimizing its core health and wellness brands and deploying Decidr's AI technologies across select industries, has evolved into a forward-looking approach to AI-driven innovation. This strategy now leads to the development of the Agentic Web, where autonomous AI agents streamline processes, enhance decision-making, and reduce inefficiencies.

Partnerships in HR, content creation, and property management mark the next phase of this evolution, showcasing Decidr's ability to expand into a comprehensive AI ecosystem. By automating workflows and delivering tailored solutions, Decidr is unlocking new revenue streams and solidifying its position as a leader in agentic AI.

The acquisition of a controlling interest in Decidr, along with recent industry wins and Edible Beauty's performance, demonstrates how Live Verdure's strategy is scaling into this broader vision, driving shareholder value and long-term growth.

The Company looks forward to updating shareholders as it continues to evolve and execute its strategy.

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 $390,000;
- Advertising and marketing expenditure amounted to $310,000;
- Staff related expenditure amounted to $229,000; and
- Administrative and corporate costs amounted to $301,000.

The above cash expenditure does not include underlying expenditure in the Decidr.ai operations, which was only consolidated on 31 December 2024.

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

- Investment funds of $2,481,000 provided to Decidr.ai to fund operations. This was inclusive of a $540,000 one-off payment for a new office lease security deposit.
- Deferred consideration payments of $77,000 for the Edible Beauty business.
- Cash inflow of $28,000 being net cash acquired upon achieving control of Decidr.ai and consolidating the Decidr.ai balance sheet as at 31 December 2024.

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

- Funds received for share issues via option exercises of $6,924,000, 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 January.

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

Additional Information

The amount of $107,000 included in section 6.1 of the accompanying Appendix 4C (payments to related parties) relates to Directors fees and superannuation payments for December 2024 quarter.

-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 Agentic AI Enablement Group with assets in the Health, Wellness, and Skincare sectors. With a controlling interest in Decidr.ai, the Group is transforming into an AI-enablement company following the successful deployment of cutting-edge applications 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.

To be updated on all LV1 activities, news and access historical information register on the LV1 Investor Portal: https://liveverdure.com.au/auth/signup

For more information see:

https://www.decidr.ai/

https://liveverdure.com.au/

https://ediblebeautyaustralia.com/

https://13seeds.com.au/

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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 2024

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	667	1,013
1.2	Payments for		
	(a) research and development	(11)	(22)
	(b) product manufacturing and operating costs	(390)	(713)
	(c) advertising and marketing	(310)	(526)
	(d) leased assets	-	-
	(e) staff costs	(229)	(422)
	(f) administration and corporate costs	(301)	(653)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	18	20
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	37
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(556)**	**(1,266)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	(77)	(49)
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(7)
	(d) investments	(2,481)	(3,631)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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 - cash acquired upon acquisition of control of Decidr.ai	28	-
2.6	**Net cash from / (used in) investing activities**	**(2,532)**	**(3,687)**

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	6,924	8,466
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**	**6,924**	**8,466**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	780	1,103
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(556)	(1,266)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,532)	(3,687)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,924	8,466
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,616**	**4,616**

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	4,616	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)**	**4,616**	**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	107
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)	(556)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,616
8.3	Unused finance facilities available at quarter end (item 7.5)	40
8.4	Total available funding (item 8.2 + item 8.3)	4,656
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**8.37**

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.

Date: ...31 January 2025 .....

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.