

# LiveVerdure

Live Verdure Ltd  
ACN 614 347 269

## OPTIONS PROSPECTUS

This Prospectus is being issued for:

- (a) a non-renounceable pro-rata offer to Eligible Shareholders of up to 27,623,650 unquoted Options (**Loyalty Options**) on the basis of 1 Loyalty Option for every 2 Shares held on the Record Date at an issue price of \$0.001 each to raise up to approximately \$27,624 (before costs) (**Loyalty Options Offer**);
- (b) an offer of Loyalty Options to the Underwriter (or its respective nominees) for any Shortfall under the Loyalty Options Offer (**Underwriting Offer**); and
- (c) an offer of Underwriter Options to the Underwriter (or its respective nominees) in consideration for acting as Underwriter to the Loyalty Options Offer (**Underwriter Options Offer**),

(together, the **Offers**).

The Offers close at 5:00pm (AEST) on 27 September 2021.\*

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

**An investment in the Loyalty Options offered in connection with this Prospectus should be considered of a speculative nature.**

\* The Company reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws to extend the Offer Closing Date without prior notice.

## IMPORTANT INFORMATION

This Prospectus is dated 31 August 2021 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Loyalty Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at C/- JM Corporate Services Level 21, 459 Collins Street Melbourne, Victoria, 3000, during normal business hours.

The Prospectus will be made available in electronic form on the Company's website at <https://liveverdure.com.au/> and the ASX market announcements platform. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company.

The Company will not apply for official quotation by ASX of the Loyalty Options offered by this Prospectus.

The Loyalty Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Loyalty Options will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Loyalty Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Loyalty Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to AEST unless otherwise indicated.

## CORPORATE DIRECTORY

### Directors

Gernot Abl	Non-Executive Chairman
Ran Vaingold	Managing Director
Corey Montry	Non-Executive Director

### Share Registry\*

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford Victoria 3067

### Company Secretary

Justin Mouchacca

Telephone:

1300 850 505 (within Australia)  
+61 3 9415 5000 (outside Australia)

### Registered and Principal Office

C/- JM Corporate Services  
Level 21, 459 Collins Street  
Melbourne Victoria 3000

### Auditor\*

JTP Assurance  
Level 10, 446 Collins Street  
Melbourne, Victoria 3000

Telephone: (03) 8630 3321

Email: [justin@liveverdure.com.au](mailto:justin@liveverdure.com.au)

Website: [www.liveverdure.com.au](http://www.liveverdure.com.au)

### Solicitors

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace  
Perth, WA 6000

### Underwriter

CPS Capital Group Pty Ltd (AFSL: 294848)  
Level 45  
108 St Georges Terrace  
Perth WA 6000

**ASX Code:** LV1

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

---

## INDICATIVE TIMETABLE

<b>Event</b>	<b>Date</b>
Lodgement of Prospectus with ASIC	31 August 2021
Lodgement of Appendix 3B and Prospectus with ASX	(Pre-Market) 1 September 2021
Securities quoted on an "ex" basis	8 September 2021
Record Date (7:00pm AEST)	9 September 2021
Prospectus and Application Forms despatched	14 September 2021
Last day to extend the Offer Closing Date	22 September 2021
Offer Closing Date (5:00pm AEST)*	27 September 2021
Issue Date	4 October 2021

### Note

\* The Directors may extend the Offer Closing Date by giving at least three (3) Business Days' notice to ASX. As such the date the Loyalty Options are issued under the Offers may vary.

## TABLE OF CONTENTS

<b>Section</b>	<b>Page No.</b>
1. Details of the Offer .....	1
2. Action required by Eligible Shareholders.....	9
3. Effect of the Loyalty Options Offer .....	12
4. Risk factors.....	15
5. Additional information .....	24
6. Directors' Statement and Consent .....	35
7. Definitions.....	36

## LETTER FROM THE BOARD

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Loyalty Options Offer for Loyalty Options.

Eligible Shareholders who hold Shares on the Record Date are offered the opportunity to subscribe for 1 unquoted Loyalty Option for every 2 Shares held on the Record Date.

The Loyalty Options are offered at a nominal issue price of \$0.001 each, and will be exercisable at \$0.30 each and expire 3 years from the date of issue. The full terms and conditions of the Loyalty Options are in Section 5.1 of this Prospectus. This Prospectus also contains an additional offer of Loyalty Options to the Underwriter (or its respective nominees) for any Shortfall under the Loyalty Options Offer.

Please read in full the details on how to submit your application for Loyalty Options, which are set out in Section 2 of this Prospectus.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 3 8630 3321. For general enquiries, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Offers.

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully



**Gernot Abl**  
Non-Executive Chairman

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Loyalty Options.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	<p>Section 5.5</p>
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Loyalty Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> <li>• <b>Limited operating history:</b> The Company has limited operating history and investors should consider the Company's prospects in light of its limited financial history. In addition, there is no guarantee that the Company will be able to successfully further develop or further commercialise its products and if it is unable to do so it would have a material adverse effect on the Company's business, financial condition and results of operations.</li> <li>• <b>Future capital requirements:</b> The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its products and to meet its other longer-term objectives.</li> </ul> <p>Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.</p> <ul style="list-style-type: none"> <li>• <b>Agricultural risks:</b> The Company's business relies on the growing of hemp seed by third parties, which is an agricultural product. As such, the business is indirectly subject to the risks inherent in the agricultural industry, such as plant diseases, storm, fire, frost, flood, drought, water availability, pests, and force majeure events. There can be no assurance that natural elements will not have a material adverse effect on the supply of raw materials.</li> </ul> <p>Further it may not be possible to insure against some of these events or to obtain insurance at commercially reasonable rates. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future or premiums</p>	<p>Section 4</p>

Key Information	Further Information
<p>increasing above expected levels. At present, the Company does not insure against agricultural risks because it is a purchaser rather than a grower of hemp seed. In the event that the Company's suppliers were affected by an agricultural risk, the Company would be required to seek supply from alternative sources, which is likely to be more expensive, or may not be available at all in the size, quantity and quality required by the Company. Any such event is likely to have an adverse impact on the Company's cost of goods sold and / or revenues generated from the sale of goods.</p> <ul style="list-style-type: none"> <li> <b>Power of suppliers, third party and contractual risks:</b> The Company is dependent on growers to supply sufficient raw material for the manufacture of its products and contractors to process the raw material in sufficient quantities and in a time and cost-effective manner. The Company is also reliant on third parties to distribute its products in accordance with distribution agreements. </li> </ul> <p>As with any manufacturing operation, the availability of reputable suppliers of key inputs and any significant interruption or change in availability or costs of key inputs could materially impact the production process and hence the products available for supply. Subsequently, this would affect the operating results of the Company during the period which these risks materialise.</p> <p>The supply risk is partly mitigated through the entry of forward contracts, storage of delivered supply, and the Company's entry into and negotiation of further supply and distribution arrangements.</p> <p>Financial failure, default or contractual non-compliance, including as to time, quality and sufficiency of work performed, on the part of third party contractors would affect the Company's financial position. The Company may be required to negotiate and enter into alternate agreements sooner than otherwise may be the case. Such alternate agreements may not be readily available, or available on reasonable terms, and this would impact the Company's financial position.</p> <ul style="list-style-type: none"> <li> <b>Brand establishment and maintenance:</b> Establishing and maintaining the Company's brand in the industry in which it operates is critical to growing its customer base and product acceptance. This will depend largely on the Company's ability to provide in-demand products. There is no guarantee that the Company's brand development and sales and marketing campaign will be successful. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected. </li> </ul> <p>Even if the Company does successfully commercialise its new products, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell products to customers at a rate which covers its operating and capital costs.</p> <ul style="list-style-type: none"> <li> <b>COVID-19:</b> The outbreak of the coronavirus disease COVID-19 is impacting global economic markets. To date the pandemic has not resulted in ongoing supply chain disruptions or losses in sales. However, The Company's Share price may be </li> </ul>	



Key Information	Further Information
<p>adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to future outbreaks of COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital, or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <ul style="list-style-type: none"> <li> <p><b>Uncontracted arrangements risk:</b> A large proportion of the Company's business relationships are subject to agreements which are subject to standard terms and conditions rather than comprehensive agreements which protect the Company's interests (as is considered standard in the food industry).</p> <p>Given the nature of these contractual relationships, it is not possible for the Company to contractually guarantee consistency of sales volumes, price or terms going forward. Further, there is a risk that these customer relationships may not be able to be maintained, or new relationships may not be formed on terms acceptable to the Company.</p> </li> <li> <p><b>Sector exposure:</b> The Company's business model is based on hemp. As such, the Company is materially exposed to any adverse conditions or events that may impact the hemp industry or parts thereof in which the Company operates. Sales of hemp derived CBD oil and its derivatives have largely been driven by a perception concerning their health benefits that has not been fully underwritten by clinical research, especially since the legal status of hemp has only recently been confirmed in key markets.</p> <p>Should consumer sentiment towards hemp derived CBD oil products, non-animal protein products or hemp derived foods decline in the future, there may be an adverse impact on the Company's operations and its financial performance.</p> </li> <li> <p><b>Research and development activities:</b> Research and development activities for new product ranges are expensive, time consuming and difficult to design and implement. Even if the results of the Company's research and development activities are favourable, some product development activities may be expected to continue for several years and may take significantly longer to complete. In addition, regulatory authorities, including state and local, may suspend, delay or terminate research and development activities at any time, or suspend or terminate the registrations and quota allotments required in order to procure and handle controlled substances, for various reasons. Any of the foregoing could have a material adverse effect on the Company's business, results of operations and financial condition.</p> </li> <li> <p><b>Technological and innovation risk:</b> The Company will need to stay well informed with respect to technologies and products in relation to cultivation, manufacturing and supply of hemp food products. The Company's failure to employ latest technologies to its processes and procedures will result in a downturn in its competitiveness and ultimately financial performance.</p> </li> </ul>	

Key Information	Further Information
<ul style="list-style-type: none"> <li>• <b>Litigation risks:</b> The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</li> </ul>	
<p><b>Loyalty Options Offer</b></p> <p>This Prospectus is for a non-renounceable loyalty offer of 1 Loyalty Option for every 2 Shares held on the Record Date, at an issue price of \$0.001 per Loyalty Option. The Loyalty Options will have an exercise price of \$0.30 each and will expire 3 years from the date of issue.</p> <p>The Loyalty Options Offer will raise up to approximately \$27,624 (before costs).</p>	Section 1.1
<p><b>Underwriting Offer</b></p> <p>Any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) (<b>Shortfall</b>) will form the Underwriting Offer. Eligible Shareholders will not be entitled to apply for Loyalty Options under the Underwriting Offer.</p> <p>The Directors reserve the right to issue the Shortfall in accordance with the terms of the Underwriting Agreements, subject to any restrictions imposed by the Corporations Act and the Listing Rules. All Shortfall shall be issued on the same terms as the Loyalty Options being offered under the Loyalty Options Offer (including the issue price).</p>	Section 1.2
<p><b>Underwriter Options Offer</b></p> <p>The Company has agreed to issue 5,157,419 Underwriter Options to the Underwriter (or its nominee/s) for nil cash consideration per Option as part of its underwriting fee (see Section 5.3 in relation to the Underwriting Agreement).</p>	Section 1.3
<p><b>Eligible Shareholders</b></p> <p>The Loyalty Options Offer is made to Eligible Shareholders only. Eligible Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> <li>• are the registered holder of the Shares as at 7.00pm (AEST) on the Record Date; and</li> <li>• have a registered address in Australia or New Zealand or, subject to the offer restrictions in Section 1.17, a jurisdiction where it would be lawful to participate in the Loyalty Options Offer.</li> </ul>	Sections 1.17 and 1.18
<p><b>Use of funds</b></p> <p>Funds raised under the Loyalty Options Offer are intended to be used for costs of the Loyalty Options Offer, continued development of the Company's existing business initiatives and working capital.</p>	Section 3.2
<p><b>Effect on control of the Company</b></p> <p>No investor or existing Shareholder is anticipated to hold a voting power of 20% or more as a result of the Offers.</p>	Section 1.9

Key Information	Further Information																								
<p><b>Indicative capital structure and pro-forma balance sheet</b></p> <p>The indicative capital structure upon completion of the Loyalty Options Offer is set out below:</p> <table border="1" data-bbox="102 443 1106 1010"> <thead> <tr> <th></th> <th>Shares</th> <th>Unquoted Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>55,247,300</td> <td>16,400,000</td> <td>5,000,000</td> </tr> <tr> <td>Maximum to be issued pursuant to the Loyalty Options Offer</td> <td>Nil</td> <td>27,623,650</td> <td>Nil</td> </tr> <tr> <td>Options to be issued to Corey Montry</td> <td>Nil</td> <td>1,000,000</td> <td>Nil</td> </tr> <tr> <td>Underwriter Options</td> <td>Nil</td> <td>5,157,419</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>55,247,300</b></td> <td><b>50,181,069</b></td> <td><b>5,000,000</b></td> </tr> </tbody> </table> <p>The indicative pro-forma balance sheet showing the effect of the Offer is in Section 3.3.</p>		Shares	Unquoted Options	Performance Rights	Balance at the date of this Prospectus	55,247,300	16,400,000	5,000,000	Maximum to be issued pursuant to the Loyalty Options Offer	Nil	27,623,650	Nil	Options to be issued to Corey Montry	Nil	1,000,000	Nil	Underwriter Options	Nil	5,157,419	Nil	<b>Total</b>	<b>55,247,300</b>	<b>50,181,069</b>	<b>5,000,000</b>	<p>Sections 3.1 and 3.3</p>
	Shares	Unquoted Options	Performance Rights																						
Balance at the date of this Prospectus	55,247,300	16,400,000	5,000,000																						
Maximum to be issued pursuant to the Loyalty Options Offer	Nil	27,623,650	Nil																						
Options to be issued to Corey Montry	Nil	1,000,000	Nil																						
Underwriter Options	Nil	5,157,419	Nil																						
<b>Total</b>	<b>55,247,300</b>	<b>50,181,069</b>	<b>5,000,000</b>																						
<p><b>Directors' participation</b></p> <p>As at the date of this Prospectus, Gernot Abl and Ran Vaingold have indicated that they (or their respective nominees) intend to take up all of their Entitlement under the Loyalty Options Offer.</p>	<p>Section 5.10</p>																								
<p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new</p>	<p>Important Information and Section 4</p>																								

<b>Key Information</b>	<b>Further Information</b>
<p>information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

---

# 1. Details of the Loyalty Options Offer

## 1.1 Loyalty Options Offer

The Company is making a non-renounceable pro rata offer of Loyalty Options at an issue price of \$0.001 each to Eligible Shareholders on the basis of 1 Loyalty Option for every 2 Shares held at 7:00pm (AEST) on the Record Date (**Loyalty Options Offer**). Each Loyalty Option will have an exercise price of \$0.30 each and expire 3 years from the date of issue.

As at the date of this Prospectus, the Company has on issue 55,247,300 Shares (of which 15,220,049 are escrowed at the date of this Prospectus, of which 1,575,837 are due to be released from escrow on 14 September 2021), 5,000,000 Performance Rights and 16,400,000 Options. The Company has also resolved to issue 1,000,000 Options to non-executive Director Corey Montry, subject to Shareholder approval.

Assuming no Options are exercised into Shares prior to the Record Date, the Loyalty Options Offer is for a maximum of approximately 27,623,650 Loyalty Options to raise up to approximately \$27,624 (before costs).

Up to 35,823,650 Loyalty Options could be issued under the Loyalty Options Offer to raise up to approximately \$35,824 if all the existing unquoted Options are exercised and converted into Shares between the date of the Prospectus and the Record Date. The Company notes that the Performance Rights currently on issue are subject to vesting conditions which are unlikely to be satisfied prior to the date of this Prospectus. A further 5,157,419 Options will be issued to the Underwriter under the Underwriter Options Offer for nil cash consideration, as consideration for services under the Underwriting Agreement.

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Loyalty Option, such fraction will be rounded down to the nearest whole Loyalty Option.

Refer to Section 5.1 for a summary of the terms and conditions of the Loyalty Options under the Loyalty Options Offer. Shares issued upon exercise of the Loyalty Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is in Section 5.2.

Please refer to Section 2 for details on how to apply for Loyalty Options under the Loyalty Options Offer.

## 1.2 Underwriting Offer

Any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) (**Shortfall**) will form the Underwriting Offer. Eligible Shareholders will not be entitled to apply for Loyalty Options under the Underwriting Offer.

The Directors reserve the right to issue the Shortfall in accordance with the terms of the Underwriting Agreements, subject to any restrictions imposed by the Corporations Act and the Listing Rules. All Shortfall shall be issued on the same terms as the Loyalty Options being offered under the Loyalty Options Offer (including the issue price).

Shortfall will be placed pursuant to the terms of the Underwriting Agreement. Applications for the Underwriter Options must be made by completing the Underwriting Offer Application Form and providing the Company with payment for those Underwriter Options in accordance with the instructions on the Underwriting Offer Application Form.

### **1.3 Underwriter Options Offer**

The Company has agreed to issue 5,157,419 Underwriter Options to the Underwriter (or its nominee/s) for nil cash consideration per Option as part of its underwriting fee (see Section 5.3 in relation to the Underwriting Agreement).

No funds will be raised under the Underwriter Options Offer, and funds raised through the exercise of the Underwriter Options will be applied to the Company's existing business initiatives and working capital.

Only the Underwriter or its nominee(s) may apply under the Underwriter Options Offer.

An Application Form in relation to the Underwriter Options Offer will be issued to the Underwriter (or its nominee(s)) together with a copy of this Prospectus.

### **1.4 Underwriting and sub-underwriting**

The Loyalty Options Offer is fully underwritten by CPS Capital Group Pty Limited (ACN 088 055 636) (AFSL 294848) (**CPS**) for a total of \$27,623.65 (**Underwritten Amount**) Refer to Section 5.3 for details of the terms of the underwriting.

Any Shortfall shall be placed pursuant to the terms of the Underwriting Agreement.

No sub-underwriter, individually or together with any of its associates, will hold more than 20% of the voting power of the Company on completion of the Loyalty Options Offer.

### **1.5 Holders of escrowed Shares**

Holders of escrowed Shares will receive an Entitlement in respect of the escrowed Shares. Loyalty Options issued in respect of such an Entitlement will be issued on the same terms as the other Loyalty Options issued under the Offers and will not be subject to escrow requirements.

### **1.6 Opening and Closing Dates**

The Company will accept Application Forms from the Record Date until 5:00pm (AEST) on 27 September 2021 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Offer Closing Date**).

### **1.7 Minimum subscription**

There is no minimum subscription for the Offers.

## 1.8 Withdrawal of Offers

The Company reserves the right not to proceed with the Offers at any time before the issue of Loyalty Options. If the Offers do not proceed, the Company will return all Application Monies, without interest, as soon as practical after giving notice of its withdrawal.

## 1.9 Effect on control of the Company

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

One of the exceptions to section 606(1) is where that increase occurs as a result of an issue under a disclosure document to an underwriter or sub-underwriter to the issue. Notwithstanding this exception, the Company notes that no investor or existing Shareholder is anticipated to hold a voting power of 20% or more as a result of the Offers.

The Underwriter presently has no Shares in the Company and holds 960,000 Options, and it has indicated that it has no intention of acquiring Shares in the Company prior to the Record Date. CPS have agreed to fully underwrite the Loyalty Options Offer for up to approximately \$27,623.65. Mr Wilson is a director of CPS and is a substantial shareholder of the Company.

The maximum number of Loyalty Options that may be issued to the Underwriter and its maximum potential voting power in the Company is set out below, based on the assumptions that:

- (a) the Loyalty Options under the Loyalty Options Offer are issued and exercised;
- (b) no other Shares are issued prior to the Record Date;
- (c) no other Options are exercised; and
- (d) the Underwriter subscribes for Options pursuant to the Underwriting Agreement and the sub-underwriters do not perform.

Underwriter / Sub-underwriter	As at the date of the Prospectus	Fully subscribed	75% subscribed	50% subscribed	25% subscribed	Unsubscribed
CPS <sup>(1)</sup>	Nil	Nil	6,905,912	13,811,826	20,717,738	27,623,650
CPS Relevant Interest on Exercise <sup>(2)</sup>	Nil	Nil	11.1%	20.0%	27.3%	33.3%

**Note:**

1. CPS will also receive 5,157,419 Options (on the same terms as the Loyalty Options) as consideration for underwriting the Loyalty Options Offer under the Underwriter Options Offer. CPS currently holds 960,000 Options with an exercise price of \$0.20 and an expiry date of 14 December 2025.
2. CPS has provided the Underwriter Undertaking to the Company, where it has undertaken (amongst other things) not to lodge applications under the Underwriting Offer if such an applications would, upon conversion, result in the Underwriting having a Relevant Interest in the Company of equal to or greater than 20%.

The Underwriter and entities controlled by directors of Underwriter currently hold the following Securities in the Company:

	Shares	%	Options
CPS and entities controlled by directors of CPS	5,627,924	10.2	2,080,000 <sup>(1)</sup>

**Note:**

1. 2,080,000 Options with an exercise price of \$0.20 and an expiry date of 14 December 2025.

The Underwriter has the discretion to appoint sub-underwriters to the Loyalty Options Offer. The Underwriter has undertaken to the Company not to lodge applications or enter into any-sub-underwriting agreement if such applications or sub-underwriting agreement would result in the applicant being issued Loyalty Options that upon conversion, would result in the applicant:

- (a) being in breach of section 606(1) of the Corporations Act;
- (b) having a relevant interest in the Company of 20% or greater; or
- (c) both of the above,

**(Underwriter Undertaking).**

**1.10 Substantial shareholders**

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Gernot Abl <sup>(1)</sup>	4,331,963	7.84%
Ran Vaingold <sup>(2)</sup>	4,269,463	7.73%
Andrew Wilson	3,736,655	6.76%



**Note:**

1. Gernot Abl is considered a substantial shareholder by virtue of section 608(1) of the Corporations Act 2001 (Cth), being a relevant interest held in 2,707,232 Shares held by KG Venture Holdings Pty Ltd and 1,624,731 Shares held by CSNA Pty Ltd <CGL A/C>, entities of which Gernot Abl is a director and shareholder.
2. Ran Vaingold is considered a substantial shareholder by virtue of section 608(1) of the Corporations Act 2001 (Cth), being a relevant interest held in 1,492,963 Shares held by Seed Strategic Advisory Pty Ltd and 2,776,500 Shares held by SQ Nominees Pty Ltd, entities of which Ran Vaingold is a director and beneficiary.
3. Andrew Wilson is a substantial shareholder by virtue of section 608(1) of the Corporations Act (Cth), being a relevant interest held in 3,486,655 held on behalf of the <Wilson Family Account> and 250,000 held by WFIT Holdings Pty Ltd <Family Super Fund A/C>

The eligible substantial shareholders have informed the Company that they intend to take up their Entitlement under the Loyalty Options Offer .

Mr Wilson is a director of CPS, which is acting as Underwriter to the Loyalty Options Offer. CPS and entities controlled by Directors of CPS collectively hold Shares and Options in the Company, as set out in the table in Section 1.9.

## 1.11 Potential dilution

Shareholders should note that if they do not participate in the Loyalty Options Offer, their holdings are likely to be diluted if the Loyalty Options are issued and subsequently exercised (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Loyalty Options Offer, may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Loyalty Options Offer	% holdings if Entitlement taken up <sup>(1)</sup>	% holding if Entitlement not taken up <sup>(2)</sup>
Shareholder 1	5,000,000	9.05%	2,500,000	9.05%	6.03%
Shareholder 2	1,000,000	1.81%	500,000	1.81%	1.21%
Shareholder 3	500,000	0.91%	250,000	0.91%	0.60%
Shareholder 4	250,000	0.45%	125,000	0.45%	0.30%

**Notes:**

1. The table assumes that all Loyalty Options are issued and exercised and that no other Shares are issued or Options exercised.
2. The dilution effect shown in the table is the maximum percentage of dilution on the assumption that the Loyalty Options Offer is fully subscribed. If the Loyalty Options Offer is not fully subscribed, the dilution effect for each Shareholder not accepting their Entitlement may be a lesser percentage.

### **1.12 No rights trading**

The entitlements to Loyalty Options under the Loyalty Options Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement to Loyalty Options under the Loyalty Options Offer by the Offer Closing Date, the offer to you will lapse.

### **1.13 Issue date**

The Loyalty Options will be issued only after all Application Monies have been received. It is expected that Loyalty Options will be issued on 4 October 2021.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Loyalty Options under the Loyalty Options Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Loyalty Options. Applicants who sell Loyalty Options before they receive their holding statements do so at their own risk.

### **1.14 Application Monies held on trust**

All Application Monies received for the Loyalty Options will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Loyalty Options are issued. All Application Monies will be returned (without interest) if the Loyalty Options are not issued.

### **1.15 ASX quotation**

The Loyalty Options will not be quoted on the ASX.

### **1.16 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Loyalty Options.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Loyalty Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Loyalty Options, including a notice to exercise the Loyalty Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Loyalty Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their

Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

### **1.17 International Offer Restrictions**

This Prospectus, and any accompanying Application Forms, do not, and is not intended to, constitute an offer of Loyalty Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Forms, may not be distributed to any person, and the Loyalty Options may not be offered or sold, in any country outside Australia where it would be unlawful to do so.

### **1.18 Ineligible Foreign Shareholders**

The Company believes that it is unreasonable to extend the Loyalty Options Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Loyalty Options that would be offered to those Ineligible Foreign Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

### **1.19 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Loyalty Options Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Loyalty Options Offer is compatible with applicable foreign laws.

### **1.20 Risk factors**

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

### **1.21 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Loyalty Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Loyalty Options.

### **1.22 Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the half year ended 31 December 2020 and the year ended 30 June 2021, can be found in the Company's financial reports announced on ASX on 23 February 2021

and 25 August 2021 respectively. The Company's continuous disclosure notices (i.e. ASX announcements) since 25 August 2021 are listed in Section 5.6. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

### **1.23 Privacy**

If you complete an application for Loyalty Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

### **1.24 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 3 8630 3321.

---

## **2. Action required by Eligible Shareholders**

### **2.1 Action in relation to the Loyalty Options Offer**

Should you wish to acquire Loyalty Options as part of the Loyalty Options Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement, you may allow your entitlement to lapse (refer to Section 2.4).

### **2.2 Acceptance of all of your Entitlement**

Your entitlement to participate in the Loyalty Options Offer will be determined on the Record Date.

The number of Loyalty Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

Should you wish to accept all of your Entitlement under the Loyalty Options Offer and you are not paying by BPAY, then applications for Loyalty Options must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Live Verdure Ltd" and lodged at any time after the issue of this Prospectus and on or before the Offer Closing Date at the Share Registry (by delivery or by post) at:

#### **By Post**

Live Verdure Ltd  
C/- Computershare Investor Services Pty  
Limited  
GPO Box 505  
Melbourne, VIC 3001, Australia

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Offer Closing Date. If you elect to pay via BPAY, you must follow the instructions

for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Applicants are encouraged to pay by BPAY.

### **2.3 If you wish to take up only part of your Entitlement**

Should you wish to only take up part of your Entitlement under the Loyalty Options Offer and you are not paying by BPAY, then applications for Loyalty Options must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Loyalty Options you wish to accept and the amount payable calculated at \$0.001 per Loyalty Option accepted under the Loyalty Options Offer or Underwriting Offer and attach a cheque, bank draft or money order for the appropriate Application Monies.

No funds are payable in respect of applications under the Underwriter Options Offer.

Completed Entitlement and Acceptance Forms must be lodged at any time after the issue of this Prospectus and on or before the Offer Closing Date at the Share Registry (by hand or by post) at the address indicated at Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY or EFT by the Offer Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Applicants are encouraged to pay by BPAY.

### **2.4 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

### **2.5 Entitlement and Acceptance Form**

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Loyalty Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Loyalty Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

The Company will send this Prospectus, together with an Application Form, to all persons entitled to apply for Loyalty Options under the Offers.

By completing and returning your Application Form with the requisite Application Monies, or making a payment via BPAY, you will be deemed to have represented that you are entitled to apply for Loyalty Options under the Offers. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Loyalty Options Offer and Underwriting Offer (as applicable);
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Loyalty Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or New Zealand, or another country which permits the Company to make the Offers to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Loyalty Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Loyalty Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

## **2.6 Enquiries concerning your entitlement**

For enquiries concerning the Application Form, Prospectus, your Entitlement or general enquiries, please contact the Company Secretary by telephone on +61 3 8630 3321.

### 3. Effect of the Loyalty Options Offer

#### 3.1 Capital structure on completion of the Loyalty Options Offer

Assuming that no existing Options are exercised, or Performance Rights converted into Shares before the Record Date, the effect of the Loyalty Options Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

	Shares	Unquoted Options	Performance Rights
Balance at the date of this Prospectus	55,247,300	16,400,000 <sup>(1)</sup>	5,000,000
Maximum to be issued pursuant to the Loyalty Options Offer	Nil	27,623,650 <sup>(2)</sup>	Nil
Options to be issued to Corey Montry <sup>(3)</sup>	Nil	1,000,000	Nil
Underwriter Options	Nil	5,157,419 <sup>(4)</sup>	Nil
<b>Total</b>	<b>55,247,300</b>	<b>50,181,069<sup>(2)(4)</sup></b>	<b>5,000,000</b>

**Notes:**

- 16,400,000 Options, comprising:
  - 4,000,000 Options exercisable at \$0.25 each and expiring on 14 December 2023;
  - 8,000,000 Options exercisable at \$0.20 each and expiring on 14 December 2025;
  - 2,000,000 Options exercisable at \$0.30 each and expiring on 4 March 2024;
  - 2,000,000 Options exercisable at \$0.30 each and expiring on 15 July 2024; and
  - 400,000 Options exercisable at \$0.3975 each and expiring on 9 August 2024.
- Assumes the Loyalty Options Offer is fully subscribed.
- On 9 August 2021, the Company resolved to issue 1,000,000 unquoted Options to non-executive Director, Mr Corey Montry, subject to shareholder approval at the Annual General Meeting of the Company.
- 5,157,419 Underwriter Options to be issued to the Underwriter as consideration for the provision of Underwriter services in accordance with the Underwriting Agreement under the Underwriter Options Offer. The Company will issue the Underwriter Options pursuant to Listing Rule 7.1.

#### 3.2 Use of funds

Up to approximately \$27,624 will be raised as a result of the Loyalty Options Offer.

The Company will receive \$0.30 for each Loyalty Option exercised. If all Loyalty Options are issued and exercised, the Company will receive approximately \$8,287,095. There is no certainty that any Loyalty Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Loyalty Options will be used towards continued development of the Company's existing business initiatives including sales & marketing and for working capital. Working capital includes but is not limited to corporate administration and



operating costs and may be applied to additional directors' fees or executive fees, ASX and Share Registry fees, legal, tax and audit fees, insurance and travel costs.

The Company notes there are extra costs associated with the Loyalty Options. Upon each exercise of Loyalty Options, the Company must lodge an Appendix 2A with the ASX and will, accordingly, incur further costs in this regard. The Company intends to use a portion of the funds raised from the Loyalty Options Offer towards any payments associated with the exercise of Loyalty Options issued under the Loyalty Options Offer.

The application of funds will depend on when Loyalty Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

### 3.3 Pro forma consolidated statement of financial position

	Audited 30-Jun-21	Pro-forma 30-Jun-21
<b>Current Assets</b>		
Cash at Bank	3,658,056	3,652,474
Trade and Other Receivables	72,290	72,290
Other assets	53,711	53,711
Inventories	359,787	359,787
<b>Total Current Assets</b>	<b>4,143,844</b>	<b>4,138,262</b>
<b>Non Current Assets</b>		
Plant & Equipment	28,090	28,090
<b>Total Non Current Assets</b>	<b>28,090</b>	<b>28,090</b>
<b>Total Assets</b>	<b>4,171,934</b>	<b>4,166,352</b>
<b>Current Liabilities</b>		
Trade and other payables	415,685	415,685
Provisions	38,626	38,626
<b>Total Current Liabilities</b>	<b>454,311</b>	<b>454,311</b>
<b>Non-Current Liabilities</b>		
Provisions	5,895	5,895
<b>Total Non-Current Liabilities</b>	<b>5,895</b>	<b>5,895</b>
<b>Total Liabilities</b>	<b>460,206</b>	<b>460,206</b>
<b>Net Assets</b>	<b>3,711,728</b>	<b>3,706,146</b>
<b>Equity</b>		
Issued Capital	6,984,709	6,263,071
Share Based Payments Reserve	2,163,495	2,879,551
Retained Earnings	(5,436,476)	(5,436,476)
<b>Net Equity</b>	<b>3,711,728</b>	<b>3,706,146</b>

The Pro Forma consolidated statement of financial position above included adjustments to the proceeds of the Offer amounting to approximately \$27,624, costs of the offer of approximately \$33,206 and share based payment value of options issued to CPS Capital for Underwriting fees amounting to \$716,056.

---

## **4. Risk Factors**

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Loyalty Options.

The Directors consider that the following summary represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### **4.1 Risks specific to the Company**

#### **(a) Limited operating history**

The Company has limited operating history and investors should consider the Company's prospects in light of its limited financial history. In addition, there is no guarantee that the Company will be able to successfully further develop or further commercialise its products and if it is unable to do so it would have a material adverse effect on the Company's business, financial condition and results of operations.

#### **(b) Future capital requirements**

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its products and to meet its other longer-term objectives.

Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

#### **(c) Agricultural risks**

The Company's business relies on the growing of hemp seed by third parties, which is an agricultural product. As such, the business is indirectly subject to the risks inherent in the agricultural industry, such as plant diseases, storm, fire, frost, flood, drought, water availability, pests, and force majeure events. There can be no assurance that natural elements will not have a material adverse effect on the supply of raw materials.

Further it may not be possible to insure against some of these events or to obtain insurance at commercially reasonable rates. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future or premiums increasing above expected levels. At present, the Company does not insure against agricultural risks because it is a purchaser rather than a grower of hemp seed. In the event that the Company's suppliers were affected by an agricultural risk, the Company would be required to seek supply from alternative sources, which is likely to be more expensive, or may not be available at all in the size, quantity and quality required by the Company. Any such event is likely to have an adverse impact on the Company's cost of goods sold and / or revenues generated from the sale of goods. Further information on how the Company manages its supply risk is set out in Section 1.1(d).

**(d) Power of suppliers, third party and contractual risks**

The Company is dependent on growers to supply sufficient raw material for the manufacture of its products and contractors to process the raw material in sufficient quantities and in a time and cost-effective manner. The Company is also reliant on third parties to distribute its products in accordance with distribution agreements.

As with any manufacturing operation, the availability of reputable suppliers of key inputs and any significant interruption or change in availability or costs of key inputs could materially impact the production process and hence the products available for supply. Subsequently, this would affect the operating results of the Company during the period which these risks materialise.

The supply risk is partly mitigated through the entry of forward contracts, storage of delivered supply, and the Company's entry into and negotiation of further supply and distribution arrangements.

Financial failure, default or contractual non-compliance, including as to time, quality and sufficiency of work performed, on the part of third party contractors would affect the Company's financial position. The Company may be required to negotiate and enter into alternate agreements sooner than otherwise may be the case. Such alternate agreements may not be readily available, or available on reasonable terms, and this would impact the Company's financial position.

**(e) Brand establishment and maintenance**

Establishing and maintaining the Company's brand in the industry in which it operates is critical to growing its customer base and product acceptance. This will depend largely on the Company's ability to provide in-demand products. There is no guarantee that the Company's brand development and sales and marketing campaign will be successful. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

Even if the Company does successfully commercialise its new products, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell products to customers at a rate which covers its operating and capital costs.

(f) **COVID-19**

The outbreak of the coronavirus disease COVID-19 is impacting global economic markets. To date the pandemic has not resulted in ongoing supply chain disruptions or losses in sales. However, The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to future outbreaks of COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital, or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

(g) **Competition risk**

The Company currently competes with other companies offering hemp-based food and nutraceutical products and there can be no assurance that the Company can compete effectively with these other companies. Additionally, existing competitors and new competitors to the market may replicate a business model similar to that of the Company, which could result in a loss of market share or a decrease in profitability.

(h) **Uncontracted arrangements risk**

A large proportion of the Company's business relationships are subject to agreements which are subject to standard terms and conditions rather than comprehensive agreements which protect the Company's interests (as is considered standard in the food industry).

Given the nature of these contractual relationships, it is not possible for the Company to contractually guarantee consistency of sales volumes, price or terms going forward. Further, there is a risk that these customer relationships may not be able to be maintained, or new relationships may not be formed on terms acceptable to the Company.

(i) **Sector exposure**

The Company's business model is based on hemp. As such, the Company is materially exposed to any adverse conditions or events that may impact the hemp industry or parts thereof in which the Company operates. Sales of hemp derived CBD oil and its derivatives have largely been driven by a perception concerning their health benefits that has not been fully underwritten by clinical research, especially since the legal status of hemp has only recently been confirmed in key markets.

Should consumer sentiment towards hemp derived CBD oil products, non-animal protein products or hemp derived foods decline in the future, there may be an adverse impact on the Company's operations and its financial performance.

(j) **Product liability risk**

The Company supplies hemp-based food, skin care and nutraceutical products. As with all food, skin care and nutraceutical products, there is a risk

that the products sold by the Company could cause serious or unexpected side effects, including injury to consumers. Should any of the Company's products be associated with safety risks such as misuse or abuse, mislabelling, tampering or product contamination or spoilage, a number of materially adverse outcomes could occur, including:

- (i) litigation or claims by the parties affected;
- (ii) regulatory authorities may revoke any approvals granted, impose more onerous regulatory requirements under any licence or approval, or force the Company to conduct a product recall;
- (iii) regulatory action or being sued by the regulatory authority and being held liable for any harm caused to customers; or
- (iv) the Company's brand and reputation being damaged.

Additionally, material risks to the health and safety of customers may force the Company to voluntarily suspend or terminate sales and/or operations.

Regardless of insurance and quality standards applied by the Company, as in any manufacturing concern, there remains a risk of defective products. These defects or problems could result in the loss or delay in revenue, or a material cost to the Company.

(k) **Storage**

Hemp seed is a bulk commodity and the Company typically receives purchases of hemp seed in quantities which must be stored. As a bulk commodity, hemp seeds are susceptible to weather, mould, vermin and other contaminants, which can damage the hemp seed or otherwise render it unsuitable for human consumption. The damage or contamination of stored hemp seed would have a significant impact on the Company's ability to generate revenue.

(l) **Processing and manufacturing**

The Company outsources its processing and its manufacturing. Although this outsourcing is in the Company's view, strategic and economical, the reliance on third parties to conduct this essential aspect of its business is a material risk to the Company. The Company has worked to mitigate this risk by developing strong commercial business relationships with these third parties and outsourcing its manufacturing and production activities to companies that have longevity and strong reputations. In addition, the high number of service providers in the market allows the Company the option to contract the company that is efficient and cost-saving in their processes.

(m) **Logistics**

As the Company relies on outsourced logistics, events such as strike, an increase in the cost of energy, changes in transport services or destruction of infrastructure may mean The Company cannot supply and deliver the Company's products.

(n) **Reliance on key personnel**

Success of the business will depend on the Directors and the management of the Company to develop the business and manage operations, and on the ability to attract and retain key quality staff and consultants.

The Company has key management personnel. It is important to retain and attract additional suitable qualified personnel. Although its key personnel have entered into contracts with the Company, there is no assurance that such contracts will not be terminated. If such contracts are terminated or breached, or if its key personnel no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business.

(o) **Reputation, trademarks and protection of intellectual property**

The Company believes that reputation and brand recognition are important to its business and the effective protection of intellectual property rights is critical to its interest.

The Company depends on its reputation and the reputation of its third-party suppliers, damage to the third party's reputation will affect the Company's reputation and therefore profitability and operations.

The Company seeks to protect its intellectual property through trade-marks, trade secrets and know-how. Whilst The Company has contractual arrangements in place and trademark applications on foot in order to protect its intellectual property, the Company cannot guarantee that there will not be any unauthorised use or misuse of its intellectual property and brands. Any infringement may be detrimental to the Company's reputation and may lead to costly and time-consuming litigation or adversely affect the Company's financial performance.

If the Company does not adequately protect its intellectual property moving forward or infringes a third party's intellectual property, it may have to cease using certain intellectual property or be liable for damages to that third party. This may also have an adverse impact on the Company's operations, financial performance and future prospects.

(p) **Regulatory risks**

The Company's business is regulated by State and Federal laws in Australia. Failure by the Company and its suppliers, processors, manufacturers and distributors to comply with such regulations would have a materially adverse effect on the business, results of operations, and financial conditions. Government regulations and oversight are subject to change at any time. The Federal and State Governments legalised the use of hemp for human consumption in November 2017. There can be no assurances or guarantees that existing rules and regulations will not be modified or amended or that new rules and regulations will not be adopted in the future that will have a material and adverse impact on the Company's business.

In addition, the Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with

regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations.

(q) **Data Collection Risk**

The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company and the Company must ensure appropriate protection of customer information that is collected.

The collection, use, storage and disclosure of personal and sensitive information within the data and analytics industry in Australia is governed by the *Privacy Act 1988* (Cth) (**Privacy Act**) and the Australian Privacy Principles contained at Schedule 1 of the Privacy Act (**Australian Privacy Principles**).

The Company engages third parties to facilitate payment services (**Payment Processor Providers**). The Payment Processor Providers are platforms such as Paypal, Afterpay, Eway and Stripe.

The Company does collect customer information, that is stored through Shopify, the Company's e-commerce store, and Klavivo, the Company's customer relationship manager.

The Company considers that the engagement of reputable Payment Processor Providers in relation to collecting sensitive and personal data adequately protects customers and the Company, however even with such systems in place, if the Company's, or the Payment Processor Provider's systems or data is compromised for any reason there is a risk that the Company may become involved in legal action due to breaching data confidentiality agreements.

(r) **Risk of adverse future regulatory changes**

The operations and proposed operations of The Company are subject to a variety of laws, regulations, and guidelines in its market, at federal and state levels including (but not limited to) hemp licencing requirements, product content requirements, labelling and packaging, regulations, environmental food standards and tax laws.

The introduction of new legislation or changes to the practical effect of existing legislation by governments in relation to the legislation which governs the Company's business, could impact adversely on the assets, operations and the financial performance of the Company.

(s) **Obtaining and maintaining licences and approvals**

The Company's ability to research, manufacture and commercialise its products is dependent on the Company, its contractors and its suppliers' ability to maintain licenses and approvals relating to the cultivation, production and supply of hemp and hemp-based products. Although the Company, its contractors and its suppliers may have previously granted growing and manufacturing licenses historically, they may not be granted these in the future.



Currently, the Company and its contractors have the necessary permits and approvals required to operate its business as described in this Prospectus and intends to seek additional permits and approvals, when necessary. The Company needs to maintain those permits and approvals to continue operating. While the Directors have no reason to believe that the Company will not be in a position to maintain its regulatory permits, any change to the regulatory systems in the Company's markets that adversely impact on maintenance of the Company's regulatory permits would materially adversely impact the Company and its performance.

Operations by the Company may also require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company. While the Company has no reason to believe that all requisite approvals will not be forthcoming with respect to any products under development, investors should be aware that the Company cannot guarantee that any requisite approvals will be obtained.

A failure to obtain any approvals or renew any licenses, or the revocation of any existing license or approval, would mean that the ability of the Company to manufacture or sell any products may be limited or restricted either in part or absolutely.

**(t) Research and development activities**

Research and development activities for new product ranges are expensive, time consuming and difficult to design and implement. Even if the results of the Company's research and development activities are favourable, some product development activities may be expected to continue for several years and may take significantly longer to complete. In addition, regulatory authorities, including state and local, may suspend, delay or terminate research and development activities at any time, or suspend or terminate the registrations and quota allotments required in order to procure and handle controlled substances, for various reasons. Any of the foregoing could have a material adverse effect on the Company's business, results of operations and financial condition.

**(u) Technological and innovation risk**

The Company will need to stay well informed with respect to technologies and products in relation to cultivation, manufacturing and supply of hemp food products. The Company's failure to employ latest technologies to its processes and procedures will result in a downturn in its competitiveness and ultimately financial performance.

**(v) Climate change**

Climate change is a risk the Company has considered, particularly related to its operations in the fast moving consumer goods market. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates. In particular, higher temperatures could lead to less rain, which may affect the

growth or availability of hemp. Similarly, unforeseen changes in temperature, sea level or humidity may affect the drying, transport and storage of hemp seed.

## **4.2 General Risks**

### **(a) Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

General factors that may affect the market price of Shares include without limitation: economic conditions in Australia and internationally; investor sentiment; local and international share market conditions; changes in interest rates and the rate of inflation; variations in commodity prices; the global security situation and the possibility of terrorist disturbances; changes to government regulation, policy or legislation; changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws; changes to the system of dividend imputation in Australia; and changes in exchange rates.

Further or prolonged outbreaks of the COVID-19 pandemic in Australia and globally may have adverse impacts on Australian and international stock markets, and similarly, may negatively impact Australian and international economic conditions.

### **(b) Insurance risks**

The Company will maintain insurance for its operations where it is considered appropriate for its needs and is available, in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company affected.

### **(c) Litigation risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

### **(d) Policies and legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company has economic interests

(including New Zealand) may affect the viability and profitability of the Company.

(e) **Negative publicity may adversely affect the Share price**

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(f) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

### **4.3 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Loyalty Options offered under this Prospectus.

Therefore, the Loyalty Options to be issued pursuant to this Prospectus carry no guarantee with respect to returns of capital or the market value of those Loyalty Options and do not confer on the holder a right to receive a dividend.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Loyalty Options pursuant to this Prospectus.

---

## 5. Additional information

### 5.1 Terms and conditions of Loyalty Options and Underwriter Options

The terms and conditions of the Loyalty Options and Underwriter Options are as follows:

- (a) **(Entitlement):** Each Loyalty Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date):** The Loyalty Options will expire 3 years from the date of issue at 5.00pm (AEST). A Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price):** Subject to paragraph 5.1(j), the amount payable upon exercise of each Loyalty Option is \$0.30 per Option.
- (d) **(Exercise):** A holder may exercise their Loyalty Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Loyalty Options specifying the number of Loyalty Options being exercised; and
  - (ii) an electronic funds transfer for the Exercise Price for the number of Loyalty Options being exercised,
- (e) **(Exercise Notice).** An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Loyalty Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 2,500 must be exercised on each occasion. An Exercise Notice will not be valid to the extent that a Holder's Relevant Interest in the Company would equal or exceed 20% upon exercise of the Loyalty Option.
- (f) **(Timing of issue of Shares on exercise):** Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Exercise Notice and apply for official quotation on ASX of all Shares issued upon the exercise of the Options.
- (g) **(Transferability):** The Loyalty Options transferrable only with the prior written consent of the Board.
- (h) **(Ranking of Shares):** All Shares allotted upon the exercise of Loyalty Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.
- (i) **(Quotation):** The Loyalty Options will be unquoted.
- (j) **(Reconstruction):** If at any time the issued capital of the Company is reconstructed, all rights of a holder of Loyalty Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

- (k) **(Participating rights):** There are no participating rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options without exercising the Loyalty Options.
- (l) **(Amendments):** A Loyalty Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.

## 5.2 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (copies of which are available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

### (a) **General meeting and notices**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

### (b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

### (c) **Issues of further Shares**

Subject to the Corporations Act and the Constitution, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides. The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

### (d) **Variation of rights**

Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, a member may transfer a share by any means permitted by the Corporations Act or by law.

(f) **Dividends**

Subject to the Corporations Act, the Listing Rules, the Constitution and the rights attaching to Shares issued on special conditions, the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares and fix the time for payment.

(g) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.

(h) **Dividend reinvestment and share plans**

The Directors may establish a dividend reinvestment plan on any terms, under which participants may elect in respect of all or part of their Shares to apply the whole or any part of a dividend from the Company in subscribing for Securities of the Company.

(i) **Directors**

The Company must have not less than 3 Directors.

(j) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors may exercise all the powers of the Company except any powers that the Corporations Act or the Constitution requires the Company to exercise in general meeting.

(k) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the members, in the same proportions as the members are entitled to a distribution by dividend.

### **5.3 Underwriting Agreement**

The Company has entered into an underwriting agreement with the Underwriter under which the Underwriter will underwrite the Loyalty Options Offer (**Underwriting Agreement**).

(a) **The Underwriter**

CPS have been appointed as Underwriter to the Loyalty Options Offer in

accordance with the Underwriting Agreement. The Loyalty Options Offer is fully underwritten to the Underwritten Amount (\$27,623.65). CPS is not a related party or Shareholder of the Company, however, Mr Wilson is a director of CPS and is a substantial shareholder of the Company.

In the event of a shortfall, the Directors are not aware of any reason why the Underwriter would not be in a position to meet its financial obligations to subscribe for the shortfall in accordance with the Underwriting Agreement.

(b) **Terms of the Underwriting Agreement**

The Underwriter will receive 5,157,419 Options (on the same terms as the Loyalty Options) as consideration for underwriting the Loyalty Options Offer. The Company will issue the Underwriting Options pursuant to Listing Rule 7.1.

The Company will also be required to reimburse the Underwriter for all of the reasonable costs and expenses incurred by the Underwriter in relation to the Loyalty Options Offer.

The Underwriting Agreement contains a number of provisions ordinarily found in agreements for underwriting arrangements of this type, including that:

- (i) the Company has (subject to certain limitations) agreed to indemnify the Underwriter, its directors, officers, employees and agents against losses suffered or incurred in connection with the Loyalty Options Offer;
- (ii) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Loyalty Options Offer;
- (iii) the Underwriter may terminate the Underwriting Agreement by notice to the Company upon the occurrence of certain events, including:
  - (A) any of the following indexes closes on any 2 consecutive trading days before the Shortfall Notice Deadline Date 10% or more below its respective level as at the close of business on the Business Day prior to the execution date of the Underwriting Agreement:
    - (1) Dow Jones;
    - (2) S&P 500;
    - (3) Nasdaq;
    - (4) Russell 2000;
    - (5) FTSE;
    - (6) Nikkei; or
    - (7) Shanghai SE Comp;

- (B) the Company does not lodge the Prospectus by 5 September 2021 or the Prospectus or the Offer is withdrawn by the Company;
  - (C) the Company fails to lodge an Appendix 3B in relation to the Underwritten Options with ASX within 7 days of the Lodgement Date;
  - (D) Company is prevented from issuing the Underwritten Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
  - (E) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
  - (F) any authorization which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
  - (G) a director or senior manager of a Relevant Company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a Material Adverse Effect on the Offer;
- (iv) the Underwriter may also terminate the Underwriting Agreement in certain additional circumstances (specified in the Underwriting Agreement), if the events have or are likely to have a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act.

The Underwriter is responsible for any fees that may be payable to sub-underwriters.

## **5.4 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

## **5.5 Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited



exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.6 below). Copies of all documents announced to the ASX can be found at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.lv1>.

## 5.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2021, being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 5.6(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
30 August 2021	Trading Halt
30 August 2021	Pause in Trading
26 August 2021	Notification regarding unquoted securities - LV1
25 August 2021	Appendix 4G and Corporate Governance Statement
25 August 2021	Appendix 4E and 2021 Annual Report

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.14 and the consents provided by the Directors to the issue of this Prospectus.

## 5.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

## **5.8 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## **5.9 Market price of Shares**

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: \$0.19 on 9 July 2021.

Highest: \$0.31 on 24 August 2021.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.30 on 27 August 2021.

## **5.10 Interests of Directors**

### **(a) Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (i) as an inducement to become, or to qualify as, a Director; or
- (ii) for services provided in connection with the formation or promotion of the Company, or the Offers.

### **(b) Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective Entitlement (assuming no Shares are issued and no Options are converted into Shares), is set out below.

Director	Shares	Options	Performance Rights	Entitlement <sup>(1)</sup>
Gernot Abl <sup>(2)</sup>	4,331,963	4,000,000	2,500,000	2,165,981
Ran Vaingold <sup>(3)</sup>	4,269,463	4,000,000	2,500,000	2,134,731
Corey Montry <sup>(4)</sup>	Nil	Nil	Nil	Nil

**Notes:**

1. As at the date of this Prospectus, Gernot Abl and Ran Vaingold have indicated that they (or their respective nominees) intend to take up all of their Entitlement under the Loyalty Options Offer.
2. Securities are held as follows:
  - (a) KG Venture Holdings Pty Ltd, an entity of which Gernot Abl is a director and shareholder, holds:
    - (i) 2,707,232 Shares;
    - (ii) 4,000,000 Option exercisable at \$0.20 each and expiring on 14 December 2025;
    - (iii) 1,250,000 Class A Performance Rights expiring on 14 December 2025; and
    - (iv) 1,250,000 Class B Performance Rights expiring on 14 December 2025;
  - (b) CSNA Pty Ltd <CGL A/C>, an entity of which Gernot Abl is a director and shareholder, holds 1,624,731 Shares.
3. Securities are held as follows:
  - (a) Seed Strategic Advisory Pty Ltd, an entity of which Ran Vaingold is a director and beneficiary, holds:
    - (i) 1,492,963 Shares;
    - (ii) 4,000,000 Options exercisable at \$0.20 and expiring 14 December 2025;
    - (iii) 1,250,000 Class A Performance Rights expiring on 14 December 2025; and
    - (iv) 1,250,000 Class B Performance Rights expiring on 14 December 2025;
  - (b) SQ Nominees Pty Ltd <447 A/C>, an entity of which Ran Vaingold is a director and beneficiary, holds 2,776,500 Shares.
4. The Company is proposing to issue 1,000,000 Options to Corey Montry or his nominee subject to shareholder approval as set out in the ASX announcement dated 9 August 2021.

**(c) Remuneration of Directors**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$250,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board

must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The remuneration of executive directors is to be fixed by the Board. As at the date of this Prospectus, the Company has one executive Director, Mr Ran Vaingold, whose remuneration is \$185,000 per annum (exclusive of superannuation).

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (FY), inclusive of directors fees, consultancy fees, superannuation benefits and share-based payments.

Director	FY ended 30 June 2021 (\$)		FY ended 30 June 2020 (\$)
	Cash Payments	Share based payments*	Cash Payments
Gernot Abl	153,019	832,360	44,000
Ran Vaingold	257,483	832,360	77,227
Corey Montry	34,493	-	-

\* These share based payment amounts relate to the issue of Options and Performance Rights upon listing of the Company on ASX.

### 5.11 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offers.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

## 5.12 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Loyalty Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Loyalty Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Loyalty Options offered under this Prospectus.

HWL Ebsworth Lawyers will be paid approximately \$20,000 (plus GST) in fees for legal services in connection with the Offers. Over the past 24 months HWL Ebsworth Lawyers has provided various legal services to the Company and its subsidiaries and has been paid approximately \$70,000 (plus GST).

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

## 5.13 Expenses of Offers

The estimated expenses of the Offers are as follows:

Estimated expenses of the Offers	\$
ASIC lodgement fee	3,206
Legal and preparation expenses	20,000
Printing, mailing and other expenses	10,000
<b>Total</b>	<b>33,206</b>

## 5.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved

in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CPS Capital Group Pty Ltd has given its written consent to being named as the Underwriter to the Company in this Prospectus. CPS Capital Group Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

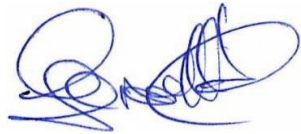
Computershare Investor Services Pty Limited has given its written consent to being named as the Share Registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

---

## 6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



**Gernot Abl**  
Non-Executive Chairman

Dated: 31 August 2021

---

## 7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Loyalty Options made on an Application Form.

**Application Forms** means either or both the Entitlement and Acceptance Form or the Underwriting Offer Application Form (as the case may be).

**Application Monies** means application monies for Loyalty Options received by the Company.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means ASX Settlement Operating Rules of ASX Settlement.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**Certificate** means a letter to the Underwriter signed by one director and the secretary or by two directors of the Company.

**CHES** means ASX Clearing House Electronic Subregistry System.

**Company** means Live Verdure Ltd (ACN 614 347 269).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth), as amended.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand or subject to the offer restrictions in Section 1.17, a jurisdiction where it would be lawful to participate in the Offers.

**Entitlement** means the number of Loyalty Options for which an Eligible Shareholder is entitled to subscribe under the Loyalty Options Offer, being 1 Loyalty Option for every 2 Shares held on the Record Date.



**Entitlement and Acceptance Form** means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Eligible Shareholders to subscribe for Loyalty Options pursuant to the Loyalty Options Offer.

**Loyalty Option** means an Loyalty Option to be issued under this Prospectus on the terms and conditions in Section 5.1.

**Loyalty Options Offer** means an offer under this Prospectus to subscribe for Loyalty Options on the basis of 1 Loyalty Option for every 2 Shares held on the Record Date.

**Ineligible Foreign Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand or subject to the offer restrictions in Section 1.18, a jurisdiction where it would be lawful to participate in the Offers.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

**Listing Rules** means the listing rules of ASX.

**Material Adverse Effect** means

- (a) a material adverse effect on the Offer or on the subsequent market for the Loyalty Options (including, without limitation, a material adverse effect on a decision of an investor to invest in Loyalty Options); or
- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole.

**Offer Closing Date** has the meaning given to it in Section 1.6.

**Offers** means the Loyalty Options Offer, the Underwriting Offer and the Underwriter Options Offer.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Securities on the Official List.

**Option** means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.

**Performance Rights** means the performance rights issued on the terms set out in the Company's prospectus dated 26 October 2020 and announced on the ASX Market Announcements Platform on 11 December 2021.

**Prospectus** means this prospectus dated 31 August 2021.

**Record Date** means 7:00pm (AEST) on the date identified in the proposed timetable.

**Relevant Interest** has the meaning given in the Corporations Act.

**Section** means a section of this Prospectus.

**Securities** mean any securities including Shares, Options or Performance Rights issued or granted by the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**Shareholder** means a holder of Shares.

**Shortfall** means any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) (**Shortfall**).

**Shortfall Notice Deadline Date** means within 3 Business Days after the Offer Closing Date or any other date agreed in writing between the parties as the date by which the Company must give the Underwriter written notice of the Underwritten Shortfall and the Certificate.

**Underwriter** or **CPS** means CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL: 294848).

**Underwriter Options** means 5,157,419 Options (on the same terms as the Loyalty Options) to be issued to the Underwriter.

**Underwriter Options Offer** means the offer of the Underwriter Options to the Underwriter (or its nominees) made pursuant to this Prospectus.

**Underwriting Agreement** has the meaning given in Section 5.3.

**Underwriting Offer Application Form** means the application form provided by the Company with a copy of this Prospectus to subscribe for Shortfall pursuant to the Underwriting Offer.

**Underwriting Offer** means the additional offer of Loyalty Options to the Underwriter (or their respective nominees) for any Shortfall under the Loyalty Options Offer.

**Underwritten Amount** means the entire amount to be raised by the Company pursuant to the Loyalty Options Offer, being approximately \$27,623.65.