

24 June 2020

John Williams
Head of Admissions
National Stock Exchange of Australia
1 Bligh Street, Sydney
NSW 2000, Australia

Attention: John Williams

By email: listing@nsx.com.au

Dear John

Letter of Application – OliveX Holdings Limited (ACN 963 675 986)

We, OliveX Holdings Limited ACN 631 675 986 (**Company**), submit this application letter (**Letter**) to seek admission to the official list of, and quotation of the Company's securities on, the National Stock Exchange of Australia (**NSX**), as set out below.

The Company **encloses**, at Annexure 1 of the electronic NSX Listing File, a copy of the prospectus lodged with the Australian Securities and Investments Commission on 17 June 2020 (**Prospectus**), which is referenced throughout the Letter.

The information set out below is provided on the assumption that the Restructure (as defined in the Prospectus) has already occurred on the basis that the Public Offer will not proceed unless and until completion of the Restructure.

Capitalised terms in this letter have the meaning given in the Prospectus, unless the content otherwise provides.

1 Background

- (a) The Company is an unlisted public company duly incorporated in Australia pursuant to the *Corporations Act 2001* (Cth) (**Corporations Act**) on 13 April 2019.
- (b) The registered address of the Company is 283 Rokeby Road, Subiaco WA 6008.
- (c) The share register of the Company is kept electronically with the Company's share registry, Link Market Services.
- (d) The Company currently has 26,059,996 fully paid ordinary shares (**Shares**) on issue, consisting of:
 - (i) 13,650,000 Shares held by the former shareholders of OliveX (HK) Limited (a company duly incorporated in Hong Kong with Registration Number 2516003) (**OliveX HK**);
 - (ii) 9,909,996 Shares held by former holders of Safe Notes issued by OliveX HK; and

- (iii) 2,500,000 Shares held by the holders of convertible notes (**Noteholders**) issued by the Company, whose convertible notes converted into shares pursuant to conversion letters entered between the Company and each Noteholder,

(collectively, the **Restructure Shares**)

- (e) The Company is offering, and proposes to subsequently issue, the following securities pursuant to the Prospectus:

- (i) 10,000,000 Shares at an issue price of \$0.20 each to raise \$2,000,000 (before costs) (**Minimum Subscription**), with the ability to accept oversubscriptions of a further 5,000,000 Shares to raise a further \$1,000,000 (before costs) (**Maximum Subscription**) (**Public Offer**);

- (ii) 30,000,000 Performance Rights, consisting of:

- (A) 10,000,000 Performance Rights to the Noteholders (and/or their nominee(s)) on a pro rata basis pursuant to the Conversion Letters; and

- (B) 20,000,000 Performance Rights to the Recipients (and/or their nominee(s)) on a pro rata basis pursuant to their executed Security Purchase Letter Agreements (**SPLAs**),

(**Performance Rights Offer**);

- (iii) 475,000 Shares to various current Directors (and/or their nominee(s)) in lieu of cash remuneration for their fees (**Director Share Offer**);
- (iv) 50,200 New Options to MITP Agency Pty Ltd (and/or their nominee(s)) as part consideration payable for website development services provided to the Company (**MITP Offer**);
- (v) 3,800,000 New Options to Taylor Collison Limited (**Lead Manager**) (and/or its nominee(s)) as part of the consideration payable for broking services provided to the Company in connection with the Public Offer (**Broker Offer**); and
- (vi) 3,210,000 Director Options to the current and various former Directors (and/or their nominee(s)) as part of their remuneration (**Director Option Offer**),

(together with the Public Offer, the **Offers**). The Restructure Shares and securities issued pursuant to the Offers are collectively known as the **Securities**.

- (f) The Company formally requests that upon completion of the Offers:

- (i) a maximum of 41,534,996 Shares be admitted to the official list of the NSX;
- (ii) 30,000,000 Performance Rights be issued but not quoted on the official list of the NSX;
- (iii) 3,850,200 New Options be issued but not quoted on the official list of the NSX; and
- (iv) 3,210,000 Director Options be issued but not quoted on the official list of the NSX.

- (g) The estimated market capitalisation of the Company upon listing of the Securities will depend on whether the Company meets the Minimum Subscription or the Maximum Subscription. The estimated market capitalisations of the Company are listed below:
 - (i) if the Minimum Subscription is met, \$7,306,999; or
 - (ii) if the Maximum Subscription is met, \$8,306,999.
- (h) The Company proposes to utilise the net proceeds from the Public Offer in accordance with the use of funds table provided at section 2.7 of the Prospectus.
- (i) The Company's securities have not previously been listed on any securities exchange.

2 Share capital and ownership

- (a) The Company currently has 26,059,996 Shares on issue. The Shares are of the same class and therefore each Share entitles the holder to one vote at a general meeting of the Company. A table outlining the names and shareholdings of each current shareholder of the Company is annexed in the electronic Due Diligence File at Annexure 2.
- (b) The only Director who currently holds Shares is Mr Keith Rumjahn. Mr Rumjahn currently holds 3,011,786 Shares in the Company. The other Directors, being Mr Xavier Kris, Mr Yat Siu and Mr John Bell do not currently hold Shares in the Company. Refer to the table at section 6.5.3 of the Prospectus for further details.
- (c) Upon completion of the Offers, the Company will have two shareholders who are substantial holders of Shares in the Company. Refer to the table at section 8.6 of the Prospectus for further details.

3 Securities

The principal terms of the Securities can be found in the Prospectus as follows:

- (a) Shares, refer to section 8.1;
- (b) New Options, refer to section 8.2;
- (c) Director Options, refer to section 8.3; and
- (d) Performance Rights, refer to section 8.4.

4 History and nature of business

- (a) The Company is the holder of 100% of the issued capital in OliveX HK. The Company and OliveX HK are together referred to as the **Group**. OliveX HK is the operational entity of the Group. OliveX HK's core purpose is to facilitate improvement in the health, fitness and wellbeing of its users through technology that leverages artificial intelligence (**AI**) and gamification. OliveX HK has attracted large numbers of active health and fitness users to its highly developed and award-winning mobile device applications (**apps**) that encourage users to live a healthy lifestyle through regular and guided exercise workouts.
- (b) Furthermore, OliveX HK has recently developed the KARA Smart Fitness mirror (**KARA Mirror**). The KARA Mirror is an interactive life sized digital trainer which uses AI and gamification to engage with users and guide their movement. OliveX HK has also recently developed a flagship digital app that delivers premium health and fitness related content (**KARA Smart Fitness**). OliveX HK seeks to deliver leading workout

experiences through the KARA Mirror, the KARA Smart Fitness app and its relationships with celebrity fitness trainers and social media wellness influencers.

(c) For further details and information on the Company's history and the nature of operations, refer to the following sections of the Prospectus:

- (i) History and nature of business, section 3.1;
- (ii) Group structure, section 3.2;
- (iii) Details of the Company's apps; section 3.4.1;
- (iv) Details of the KARA Mirror, section 3.4.2;
- (v) Details of AI in the health and fitness industry, section 3.5; and
- (vi) Details of the Company's strategy and business model, section 3.6.

5 Summary of earnings

The Company itself has no operational history and therefore has no financial history. OliveX HK was incorporated in March 2017 in Hong Kong and as the operational entity of the Group, has detailed financial reports. For details on the historical statement of comprehensive income of OliveX HK for the financial years ended 30 June 2018 and 2019 and the half year ended 31 December 2019, please refer to section 4.3 of the Prospectus.

6 Tabulation of balance sheet

For details on the historical and pro forma historical statement of financial position of the Group as at 31 December 2019, please refer to section 4.5 of the Prospectus.

7 Employees

- (a) Other than the current Director set out in section 12 of this letter, the Group currently has three (3) employees, comprising:
- (i) Gunnar Karlsson (Head of Engineering);
 - (ii) Kan Kong (Intermediate Game Developer); and
 - (iii) Kenneth Chau (Senior Game Developer),
- (together, the **OliveX HK Employees**).
- (b) Of the OliveX HK Employees, only Mr Karlsson is considered a key employee earning a salary that exceeds the materiality threshold of A\$100,000 set by the Due Diligence Committee. For a summary of the biography of Mr Karlsson, refer to section 6.3 of the Prospectus.

8 Child entities

As discussed at section 4 of this letter and upon completion of the Restructure, the Company will hold 100% of the issued capital of OliveX HK. For details of the Group structure, refer to section 3.2 of the Prospectus.

9 Dividend record

The Company and OliveX HK have not in the preceding three (3) years paid any dividends to any shareholders. Therefore, there is no dividend record of the Company or OliveX HK.

Further, the Directors can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.

10 Properties

The Company does not own any real property. Refer to the National Property Ownership Search included in the electronic NSX Listing File at Annexure 3.

OliveX HK leases workstations from Animoca Brands Limited at a monthly price of HKD\$2,000 per workstation (**Licence Agreement**). Refer to section 6.6 of the Prospectus for a description of the Licence Agreement.

11 Litigation

The Company or OliveX HK have not been subject to any litigation, nor is there any threatened or likely to be any threatened litigation since the Company and OliveX HK have been incorporated. For details of litigation searches undertaken on behalf of the Group refer to the litigation searches and Hong Kong Legal Due Diligence Report dated 16 June 2020 prepared by King & Wood Mallesons copies of which are included in the electronic NSX Listing File at Annexures 3 and 4 respectively.

12 Management

- (a) The Company currently has four (4) directors:
 - (i) Keith Rumjahn (Chief Executive Officer);
 - (ii) Xavier Kris (Executive Director);
 - (iii) Yat Siu (Non-Executive Chairman); and
 - (iv) John Bell (Non-Executive Director and Company Secretary),(together, the **Directors**).
- (b) Each Director has been engaged through an engagement letter. Copies of each engagement letter as amended are included at Annexure 19 of the electronic NSX Listing File.
- (c) No Director has been convicted of any criminal proceeding or has had a bankruptcy petition filed against them in any jurisdiction in which they have resided within the past 10 years. Refer to:
 - (i) the criminal history and bankruptcy searches from each Director annexed in the electronic NSX Listing File at Annexure 5;
 - (ii) the signed NSX Director Declarations provided by each Director annexed in the electronic NSX Listing File at Annexure 6;
- (d) For details on the history, experience and independence of each Director, refer to section 6.2 of the Prospectus.

13 Sponsors, bankers, etc.

- (a) For the names and addresses of the Company's investigating accountant, auditor, lead manager, nominated adviser, share registry and legal advisors, refer to the Corporate Directory on page 103 of the Prospectus.

- (b) The Company engaged RSM Australia Partners as their auditors.
- (c) The Lead Manager, Taylor Collison Limited, is not currently on the NSX's approved list of sponsors. As such, as set out in section 8.13 of the Prospectus, the Company will apply for a waiver from Listing Rules 2.2 in due course.

14 Statement of non-compliance

Other than as set out in section 13(c) of this letter, to the best of the Company's knowledge, the Company has not breached nor does the Company require any waiver of any of the Listing Rules.

15 Declaration

To the best of the Company's knowledge, the Company declares that:

- (a) save as specified in this Letter, all the qualifications for listing set out in Chapter 3 of Section IIA of the Listing Rules have been met or fulfilled in relation to the Company and the Company's Securities, in so far as they are applicable and are required to be fulfilled;
- (b) all information required to be included in the Prospectus pursuant to Rule 4.8 of the Listing Rules and the Corporations Act have been included; and
- (c) there are no other facts bearing on the Company's application for listing which, in the Company's opinion, should be disclosed to the NSX.


16 Supporting Documentation

16.1 In support of this letter, please find the following documentation annexed in the electronic NSX Listing File:

- (a) a certified copy of the Company's certificate of incorporation and a certified copy of OliveX HK's certificate of incorporation are annexed Annexure 7 of the electronic NSX Listing File;
- (b) a certified copy of the Company's constitution is annexed at Annexure 8 of the electronic NSX Listing File;
- (c) the audited annual report and accounts for the financial years ended 30 June 2018 and 30 June 2019 and the half-year ended 31 December 2019 for OliveX HK are annexed at Annexure 9 of the electronic NSX Listing File;
- (d) a certified copy of the board resolutions dated:
 - (i) 17 May 2020 and 17 June 2020 authorising the issue and allotment of the Securities being issued pursuant the Restructure and proposed to be issued under the Prospectus and approving and authorising the issue of the disclosure document;
 - (ii) 24 June 2020 authorising the making of this listing application and the signing of the issuer's undertaking,
 are annexed in the electronic Due Diligence File at Annexure 10;
- (e) an issuer's undertaking, duly signed for and on behalf of the Company, is annexed in the electronic Due Diligence File at Annexure 11;

- (f) as set out in section 8.13 of the Prospectus, the Company will seek a waiver of Listing Rules 2.2 from the requirement to have an appointed sponsoring broker and provide a sponsor's declaration;
- (g) a declaration from AGH Law, the Company's nominated adviser, is annexed in the electronic Due Diligence File at Annexure 12;
- (h) a certified copy of a board resolution dated 17 May 2020 authorising the acquisition of OliveX HK is annexed in the electronic Due Diligence Folder at Annexure 13;
- (i) a template copy of any temporary document of title and any definitive document of title in respect of the securities to be listed is annexed in the electronic Due Diligence File at Annexure 14;
- (j) a letter from RSM Corporate Australia Pty Ltd, whose audit report is set out in the Prospectus, confirming that it has given its consent to the issue of the Prospectus with the audit report included in the form and context in which it is included is annexed in the electronic Due Diligence File at Annexure 15;
- (k) a copy of the final proposed shareholder list of the Company on a post-Restructure basis is annexed in the electronic Due Diligence File at Annexure 2;
- (l) a copy of the submission which were submitted to John Williams of the Exchange on 22 April 2020 seeking confirmation of the securities to be restricted, together with a copy of the restricted securities table, is annexed in the electronic Due Diligence File at Annexure 16;
- (m) all documents referred to in the Prospectus, including material agreements, are included at Annexure 17; and
- (n) signed copies of any restriction agreements required by the NSX will be provided in due course.

Yours faithfully



Yat Siu
Non-Executive Chairman
OliveX Holdings Limited