

OliveX Holdings Limited
ACN 631 675 986

Replacement Prospectus

Public Offer

For an offer of 10,000,000 Shares at an issue price of \$0.20 each to raise \$2,000,000 before costs, with the ability to accept oversubscriptions for a further 5,000,000 Shares to raise an additional \$1,000,000 before costs (**Public Offer**).

Important

This Prospectus is an important document and it should be read in its entirety. Please read the instructions in this Prospectus and the relevant Application Form regarding acceptance of an Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer. The Securities offered by this Prospectus should be considered highly speculative.

Contents

Important Information	1
Key Numbers and Dates	3
Letter from the Board	4
1 Investment Overview	5
2 Offer Details	17
3 Company and Business Overview	26
4 Financial Information	39
5 Risk Factors	59
6 Key People and Corporate Governance	67
7 Material Contracts	75
8 Additional Information	88
9 Definitions	99
Corporate Directory	103
Investigating Accountant's Report	104

Important Information

General

This replacement prospectus (**Prospectus**) is issued by OliveX Holdings Limited ACN 631 675 986 (**Company**).

This Prospectus is dated 2 July 2020 and a copy was lodged with ASIC on that date. This Prospectus replaces the Original Prospectus dated 17 June 2020 and that was lodged with ASIC on that date. This Prospectus differs from the Original Prospectus. Neither ASIC nor NSX take responsibility for the contents of this Prospectus.

The Company has applied to the NSX for admission to the Official List and for its Shares to be granted quotation on the NSX.

The fact that the NSX may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The NSX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

No Securities will be issued pursuant to this Prospectus later than 13 months after the date of this Original Prospectus.

Persons wishing to apply for Securities pursuant to an Offer must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for Securities, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Securities, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer.

No person is authorised to give any information or to make any representation in relation to an Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

Prospectus availability

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.olivex.ai. There is a facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 9426 0666.

Exposure Period

The Corporations Act prohibits the Company from processing applications under the Offers during a period (to be determined by ASIC, but not exceeding 14 days) after the date of the lodgement of the Original prospectus with ASIC (**Exposure Period**).

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

The Company will not accept applications until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Corporate Restructure

Prior to being admitted to the official list of the NSX, the Company will become the sole shareholder of OliveX HK and, accordingly, the ultimate parent company of OliveX HK upon completion of the Restructure described in section 3.1. The Public Offer will not proceed unless and until completion of the Restructure occurs. Unless the context requires, references to OliveX and its member companies assume that completion of the Restructure has already occurred and that the structure of OliveX is as set out in Section 3.2.

Foreign investor restrictions

The offers of Securities under this Prospectus do not constitute offers in any jurisdiction outside Australia. The Offers are not made to persons or places to which, or in which, it would not be lawful to make such an offer of Securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to

comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed.

No cooling off rights

Applicants have no cooling off rights in relation to Securities for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain circumstances under the Corporations Act.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Securities offered by this Prospectus should be considered highly speculative. See section 5 for information relating to risk factors.

Disclaimer

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Prospectus constitute forward looking statements. These forward-looking statements are identified by words such as “may”, “could”, “believes”, “expects”, “intends”, and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Prospectus uses market data and third-party estimates and projections. There is no assurance that any of the third-party estimates or projections contained

in this information will be achieved. The Company has not independently verified this information but has taken reasonable care in reproducing it. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. Estimates involve risks and uncertainties and are subject to change based on various factors, including those in section 5.

Financial amounts

All references in this Prospectus to “\$”, “A\$”, “AUD”, “dollars” or “cents” are references to the currency of Australia unless otherwise stated.

All references in this Prospectus to “HKD” are references to the currency of Hong Kong.

All references in this Prospectus to “US\$” or “USD” are references to the currency of the United States.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

All currency conversions from USD to AUD have been converted at a rate of 1AUD to 0.69USD being the foreign currency exchange rate as at 2 June 2020 published online by OzForex Limited.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorsed this Prospectus or its contents, or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are for illustration only and may not be to scale.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in section 9.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Key Numbers and Dates

Key Numbers ¹	Minimum Subscription	Maximum Subscription
Offer price per Share	\$0.20	\$0.20
Existing Shares	26,059,996	26,059,996
Shares issued to Directors in lieu of cash remuneration	475,000	475,000
Shares offered under Public Offer	10,000,000	15,000,000
Funds raised under Public Offer	\$2,000,000	\$3,000,000
Total Shares on completion of the Offers	36,534,996	41,534,996
New Options	3,850,200	3,850,200
Director Options	3,210,000	3,210,000
Performance Rights	30,000,000	30,000,000
Fully diluted share capital on completion of Offers	73,595,196	78,595,196
Indicative market capitalisation ²	\$7,306,999	\$8,306,999

Notes:

- 1 Please refer to section 2.8 for further details relating to the proposed capital structure of the Company.
- 2 Market capitalisation for the Company is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the NSX from time to time. In the table above, the market capitalisation is calculated at the issue price of each Share under the Offer, being \$0.20. Please note that there is no guarantee that the Shares will be trading at \$0.20 upon the Company listing.

Key Events	Date
Lodgement of this Prospectus with ASIC	2 July 2020
Opening Date	2 July 2020
Closing Date	30 July 2020
Issue of Securities under the Offers	4 August 2020
Holding statements sent to Shareholders	6 August 2020
Shares commence trading on the NSX	7 August 2020

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to apply for Shares under this Prospectus.

Letter from the Board

2 July 2020

Dear Investor

On behalf of the Board, I am pleased to present this Prospectus to you and offer you the opportunity to invest in OliveX Holdings Limited (**Company**).

The Company is a technology company which aims to improve the health, fitness and wellbeing of its users through gamification, coaching and artificial intelligence (**AI**) from its suite of technology products. By providing world class content, rich engagement and unique branding opportunities, the Company aims to not only fulfil this mission but also become the leading experiential marketing platform in the health and fitness space.

Our main activities are:

- **KARA Mirror** – the development and sale of our AI powered smart fitness mirror (**KARA Mirror**), which is supported by AI software and fitness programs. The KARA Mirror provides an interactive experience for users with a display monitor and camera that allows them to obtain real time personal coaching programs and guidance for their workouts. Commercial sales of the KARA Mirror commenced in early 2019 and we are undertaking a phased launch of the KARA Mirror; and
- **Health & Fitness apps** – Over the past three years, the Company has developed, acquired and sold a variety of health and fitness applications (including apps powered by AI) for smart devices (including phones, tablets and TVs) which have been downloaded approximately 2 million times. The apps leverage gamification to help users improve their health and fitness.

The Company's initial aim is to grow sales of its KARA Mirror in the Hong Kong market, followed by the Australian and Singaporean markets, with a view to expanding more broadly into the APAC region and other parts of the world.

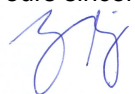
This Prospectus has been issued by the Company for an offer of 10,000,000 Shares at an issue price of \$0.20 each to raise \$2,000,000 (before costs), with the ability to accept oversubscriptions of a further 5,000,000 Shares to raise a further \$1,000,000 (**Public Offer**).

The Company is excited by the opportunities created from the Public Offer and the listing of its Shares on the NSX. The Company plans to utilise funds raised under the Public Offer over the next two years to drive sales of its KARA Mirror and health, fitness and wellbeing apps, including expenditure on sales and marketing personnel and campaigns. The Company also intends to further develop its AI technology, grow its library of fitness content for the KARA Mirror and KARA Smart Fitness app and open a head office in Australia.

Investors should note that the Company is in the early stages of its growth and expansion. Accordingly, any investment made in the Company should be considered highly speculative. Information about certain risks associated with an investment in the Company is set out in section 5, which I encourage you to read carefully. These risks include being an early stage business, market risks, COVID-19 and changes in technology.

We would like to thank our existing investors for all of their support to date, and we look forward to welcoming new Shareholders who would like to participate in the future of the Company.

Yours sincerely,



Yat Siu
Non-Executive Chairman
OliveX Holdings Limited

1 Investment Overview

This section 1 is not intended to provide full information for investors intending to apply for Securities offered under this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More info
OliveX		
Who is the issuer of this Prospectus?	OliveX Holdings Limited ACN 631 675 986 (Company).	Section 3
Who is the Company and what does it do?	<p>The Company is an Australian public company limited by shares that was registered on 30 April 2019.</p> <p>The Company has entered into various security purchase letter agreements pursuant to which the Company will (Acquisition):</p> <ul style="list-style-type: none">• acquire the HK Shares from the HK Shareholders; and• and discharge all Safe Notes held by the Safe Noteholders. <p>The Company also completed a capital raising of \$500,000 through the issue of convertible notes (Convertible Notes) to professional and sophisticated investors during March 2019 to assist with working capital. The Convertible Notes will convert into an aggregate of 2,500,000 Shares contemporaneously with completion of the Restructure (Note Conversion).</p> <p>The Acquisition and the Note Conversion are together referred to as the “Restructure”. It is expected that completion of the Restructure will complete prior to completion of the Offers.</p> <p>The Company and OliveX HK are referred to collectively as “OliveX”.</p>	Section 3
Who is OliveX HK?	<p>OliveX HK, was incorporated on 30 March 2017 in Hong Kong for the purpose of incubating Animoca Brands Corporation Limited's (Animoca) health and fitness technology.</p> <p>OliveX's core purpose is to facilitate and improve the health and wellbeing of people through technology and content. By providing world class content, rich engagement and unique branding opportunities, OliveX aims to not only fulfil this mission but also become the leading experiential marketing platform in the health and fitness space. Its product portfolio includes health & fitness mobile applications (apps) and an AI smart fitness mirror named KARA (KARA Mirror).</p> <p>To date, OliveX has generated approximately 2 million downloads of its apps. It commenced development of its KARA Mirror in 2018 and commenced commercialisation of the mirror in 2019. OliveX has planned a phased launch of the KARA Mirror through 2020/21 to grow these sales initially in Hong Kong and Australia and then growing into the rest of APAC.</p>	Section 3.1

Topic	Summary	More info																		
What are the apps?	<p>OliveX's current suite of apps includes:</p> <table> <tr> <th>App</th><th>Description</th><th>Total downloads</th></tr> <tr> <td>22 Pushups</td><td>The 22 Pushups app utilises the smartphone's light sensor to automatically count a user's push-up exercises</td><td>~1,430,000</td></tr> <tr> <td>Squat</td><td>The Squat app counts a users' squats using their mobile phone camera and tracks 17 points on the human body in order to analyse a user's squatting performance and provide real-time feedback</td><td>~206,700</td></tr> <tr> <td>Garfield Fit</td><td>The Garfield Fit app is a gamified pedometer app where the user 'helps Garfield lose weight' by walking more and unlocking content</td><td>~190,3000</td></tr> <tr> <td>Ba Duan Jin</td><td>OliveX developed this martial arts app for the elderly, but it can improve fitness for all ages, and has gained recognition as a Google Play Users' Choice Award winner in 2019. <i>Ba Duan Jin</i> uses computer vision AI technology to teach this ancient form of martial arts to its users.</td><td>~27,400</td></tr> <tr> <td>Coachbase</td><td>The Coachbase app offers a digital coaching clipboard for sports coaches to illustrate their tactics as well as a subscription-based video coaching app partnering with NBA coaches Lionel Hollins and Jeff Hornacek.</td><td>~58,100</td></tr> </table>	App	Description	Total downloads	22 Pushups	The 22 Pushups app utilises the smartphone's light sensor to automatically count a user's push-up exercises	~1,430,000	Squat	The Squat app counts a users' squats using their mobile phone camera and tracks 17 points on the human body in order to analyse a user's squatting performance and provide real-time feedback	~206,700	Garfield Fit	The Garfield Fit app is a gamified pedometer app where the user 'helps Garfield lose weight' by walking more and unlocking content	~190,3000	Ba Duan Jin	OliveX developed this martial arts app for the elderly, but it can improve fitness for all ages, and has gained recognition as a Google Play Users' Choice Award winner in 2019. <i>Ba Duan Jin</i> uses computer vision AI technology to teach this ancient form of martial arts to its users.	~27,400	Coachbase	The Coachbase app offers a digital coaching clipboard for sports coaches to illustrate their tactics as well as a subscription-based video coaching app partnering with NBA coaches Lionel Hollins and Jeff Hornacek.	~58,100	Section 3.4.1
App	Description	Total downloads																		
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Coachbase	The Coachbase app offers a digital coaching clipboard for sports coaches to illustrate their tactics as well as a subscription-based video coaching app partnering with NBA coaches Lionel Hollins and Jeff Hornacek.	~58,100																		
What is the KARA Mirror?	OliveX's KARA Mirror is a complete hardware and software solution with artificial intelligence (AI) technology for at-home fitness. The mirror uses AI to help its users complete fitness workouts at home and provide them with real-time personalised feedback.	Section 3.4.2																		
What is the KARA Smart Fitness app?	<p>OliveX has recently developed and launched, in May 2020, a new flagship digital app called KARA Smart Fitness.</p> <p>This application delivers premium on demand health and fitness related content and classes including workout experiences with celebrity fitness trainers and social media wellness influencers (together Coaches), complementing its KARA Mirror.</p> <p>The KARA Smart Fitness app is available on a separate or bundled, with the KARA Mirror, monthly subscription.</p>	Section 3.4.3																		

Topic	Summary	More info												
What other products and services does OliveX have in development?	Further, OliveX plans to continue to produce health and fitness content with the aid of Coaches for its KARA Mirror and KARA Smart Fitness app.	Section 3.4.3												
What is OliveX's existing business model and strategy?	<p>The Company plans to generate revenue through monthly app subscriptions and by developing and monetising new applications driven by brands and Coaches. OliveX plans to maximise its addressable market by offering subscription options that suit people from all walks of life and any level of fitness.</p> <p>App development and sales will continue to be a focus and source of revenue for OliveX, particularly in ways that integrate with the KARA Mirror, such as the KARA Smart Fitness app.</p> <p>Historically, OliveX receives revenue via its apps, through downloads and in-game purchases as well as development fees received from its work on some apps.</p> <p>The Company also has tiered pricing options for the KARA Mirror and KARA Smart Fitness app with each "tier" of the membership including all the benefits of the lower tiers plus the benefits listed in the table below.</p> <table> <tr> <th>Subscription</th><th>Benefits</th><th>Price (US\$)</th></tr> <tr> <td>Freemium</td><td> <ul style="list-style-type: none"> On-demand only Reduced functionality Incentive to subscribe for higher rewards and re-targeting No competition amongst friends </td><td>\$0 per month</td></tr> <tr> <td>App subscription</td><td> <ul style="list-style-type: none"> Enhanced functionality Live training Gaming and competition One on one training Group access Community and premium brand access Brand rewards and benefits Ad free Premium and celebrity coaches Enhanced profile/avatar options </td><td>\$21 per month</td></tr> <tr> <td>App subscription and KARA Mirrors</td><td> <ul style="list-style-type: none"> Premium experience and improved competition performance </td><td> \$2,200 upfront + \$40 per month OR \$440 upfront + \$99 per month </td></tr> </table>	Subscription	Benefits	Price (US\$)	Freemium	<ul style="list-style-type: none"> On-demand only Reduced functionality Incentive to subscribe for higher rewards and re-targeting No competition amongst friends 	\$0 per month	App subscription	<ul style="list-style-type: none"> Enhanced functionality Live training Gaming and competition One on one training Group access Community and premium brand access Brand rewards and benefits Ad free Premium and celebrity coaches Enhanced profile/avatar options 	\$21 per month	App subscription and KARA Mirrors	<ul style="list-style-type: none"> Premium experience and improved competition performance 	\$2,200 upfront + \$40 per month OR \$440 upfront + \$99 per month	Section 3.6.2
Subscription	Benefits	Price (US\$)												
Freemium	<ul style="list-style-type: none"> On-demand only Reduced functionality Incentive to subscribe for higher rewards and re-targeting No competition amongst friends 	\$0 per month												
App subscription	<ul style="list-style-type: none"> Enhanced functionality Live training Gaming and competition One on one training Group access Community and premium brand access Brand rewards and benefits Ad free Premium and celebrity coaches Enhanced profile/avatar options 	\$21 per month												
App subscription and KARA Mirrors	<ul style="list-style-type: none"> Premium experience and improved competition performance 	\$2,200 upfront + \$40 per month OR \$440 upfront + \$99 per month												

Topic	Summary	More info																														
	<ul style="list-style-type: none">• Maximum engagement and performance with enhanced mirror experience• Optimized digital training experience• Access to all content <p>To encourage growth in active users, the Company has established a 'freemium' business model which provides users with free access to select apps with reduced functionality. The Freemium membership option allows the Company to promote its brand, generate revenue through advertising and obtain data from its users.</p> <p>Paid app subscribers gain access to enhanced functionality including live training, group and community access, brand rewards, enhance avatar options and premium/celebrity coaches. The app subscription membership option allows the Company to generate recurring monthly revenue whilst also promoting its brand and obtaining user data.</p> <p>Combining a paid app subscription with the KARA Mirror provides users with a premium experience, unlocking all content and offering personalised digital training which maximises engagement and performance. The app subscription and KARA Mirror subscription option provides all the benefits to the Company as the app subscription option, plus the upfront revenue received upfront and increased monthly subscription fee.</p>																															
What are the additional commercial opportunities?	<p>To further encourage adoption of its recently-launched KARA Smart Fitness app, the Company plans to develop health and fitness related content and interactive advertising for use by third parties on a business-to-business-to-consumer (B2B2C) model to help them to continue to engage with their clients and their target markets on a more frequent, cost effective and measurable basis.</p> <p>These third parties may include sportswear brands, nutrition and supplement suppliers, major gyms and health club brands as well as telecommunications companies seeking to convert customers to 5G technology</p>	Section 3.6.3																														
What is the financial position and performance of OliveX?	<p>Historical statutory statement of comprehensive income</p> <p>The table below presents the summary historical statutory statement of comprehensive income for FY18, FY19, HY19 and HY20. Further discussion regarding the summarised historical statement of comprehensive income are set out in section 4.</p> <table><tr><th>USD\$'000</th><th>FY18</th><th>FY19</th><th>HY19</th><th>HY20</th></tr><tr><th>Year ended 30 June</th><th>Audited</th><th>Audited</th><th>Reviewed</th><th>Reviewed</th></tr><tr><td>Revenue</td><td>99</td><td>545</td><td>315</td><td>271</td></tr><tr><td>Gross margin</td><td>93</td><td>545</td><td>307</td><td>237</td></tr><tr><td>Total expenses</td><td>(734)</td><td>(853)</td><td>(228)</td><td>(553)</td></tr><tr><td>EBITDA</td><td>(640)</td><td>(308)</td><td>80</td><td>(316)</td></tr></table>	USD\$'000	FY18	FY19	HY19	HY20	Year ended 30 June	Audited	Audited	Reviewed	Reviewed	Revenue	99	545	315	271	Gross margin	93	545	307	237	Total expenses	(734)	(853)	(228)	(553)	EBITDA	(640)	(308)	80	(316)	Section 4
USD\$'000	FY18	FY19	HY19	HY20																												
Year ended 30 June	Audited	Audited	Reviewed	Reviewed																												
Revenue	99	545	315	271																												
Gross margin	93	545	307	237																												
Total expenses	(734)	(853)	(228)	(553)																												
EBITDA	(640)	(308)	80	(316)																												

Topic	Summary	More info
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EBIT	(640)	(308)	80	(317)
NPBT	(657)	(420)	58	(413)
NPAT	(657)	(427)	51	(413)

Historical statutory and pro forma statement of financial position

The table below sets out the summarised unaudited historical statutory and pro forma statement of financial position as at 31 December 2019. Details of the pro forma statement of financial position, including the pro forma adjustments are set out in section 4.

USD \$'000	OliveX Holdings Ltd	Pro forma		Pro forma	
As at 31 December 2019	Unaudited	Minimum	Maximum	AUD minimum	AUD maximum
Current assets	1	1,771	2,415	2,573	3,508
Non current assets	360	5	5	8	8
Total assets	361	1,777	2,420	2,581	3,515
Current liabilities	452	102	102	149	149
Total liabilities	452	102	102	149	149
Net assets	(91)	1,675	2,318	2,433	3,367

*Represents USD pro forma balance sheet converted to AUD using the 2 June 2020 spot rate of \$1.45.

Historical statutory statement of cash flows

The table below sets out the summarised historical statutory statement of cash flows for FY18, FY19, HY19 and HY20. Further discussion regarding the summarised historical statement of cash flows is set out in section 4.

	FY18	FY19	HY19	HY20
USD\$'000	Audited	Audited	Reviewed	Reviewed
Year ended 30 June				
Net operating cash flows	(189)	(620)	(195)	(397)
Net investing cash flows	(73)	67	-	(129)
Net financing cash flows	264	1,446	240	15

Topic	Summary	More info																				
	<table><tr><td>Net movement</td><td>1</td><td>893</td><td>44</td><td>(511)</td></tr><tr><td>Changes in foreign currency held</td><td>-</td><td>(3)</td><td>-</td><td>5</td></tr><tr><td>Cash and cash equivalents at the beginning of the financial year</td><td>-</td><td>1</td><td>1</td><td>891</td></tr><tr><td>Cash and cash equivalents at the end of the financial year</td><td>1</td><td>891</td><td>45</td><td>383</td></tr></table> <p>Further, financial information regarding OliveX is set out in Section 4.</p> <p>Applicants should note that past performance is not a reliable indicator of future performance.</p>	Net movement	1	893	44	(511)	Changes in foreign currency held	-	(3)	-	5	Cash and cash equivalents at the beginning of the financial year	-	1	1	891	Cash and cash equivalents at the end of the financial year	1	891	45	383	
Net movement	1	893	44	(511)																		
Changes in foreign currency held	-	(3)	-	5																		
Cash and cash equivalents at the beginning of the financial year	-	1	1	891																		
Cash and cash equivalents at the end of the financial year	1	891	45	383																		
Offers																						
What is the Public Offer?	The Company is offering 10,000,000 Shares at an issue price of \$0.20 each to raise \$2,000,000 (before costs), with the ability to accept oversubscriptions of a further 5,000,000 Shares to raise an additional \$1,000,000 (before costs) (Public Offer).	Section 2.1																				
What is the Minimum Subscription?	The minimum subscription for the Public Offer is \$2,000,000 (Minimum Subscription).	Section 2.5																				
What are the conditions to the Public Offer?	The conditions to the Public Offer are: <ul style="list-style-type: none">• achieving the Minimum Subscription;• completion of the Restructure; and• the Company being satisfied with its ability to comply with the Listing Rules.	Section 2.4																				
Why is the Public Offer being conducted?	The principal purposes of the Public Offer are to: <ul style="list-style-type: none">• provide the capital required to implement the next phase of OliveX's growth, including to fund:<ul style="list-style-type: none">– its sales and marketing of the KARA Mirror and apps;– further development of its AI and products; and– further content for the KARA Mirror and apps;• enhance the public and financial profile of OliveX to facilitate its growth;• expedite OliveX's growth in order to capitalise on the opportunity created by OliveX as a frontier AI health and fitness technology company;• grow its presence in the Australian market; and• achieve profitability and scale.	Section 2.6																				
What are the Additional Offers?	In addition to the Public Offer, the Company is offering: <ul style="list-style-type: none">• 30,000,000 Performance Rights to the Recipients pursuant to their SPLAs or Conversion Letters (as applicable) (Performance Right Offer);	Section 2.2																				

Topic	Summary	More info																																	
	<ul style="list-style-type: none"> 475,000 Shares to various Directors of the Company (or their nominee(s)) in lieu of cash remuneration for director fees (Director Share Offer); 50,200 New Options to MITP Agency Pty Ltd (and/or its nominee(s)) as part of the consideration payable for website development services provided to the Company (MITP Offer); 3,800,000 New Options to the Lead Manager (and/or its nominees) as part of the consideration payable for broking services provided to the Company in connection with the Public Offer (Broker Offer); and 3,210,000 Director Options to the certain Directors and Key Management Personnel (and/or their nominee(s)) (Director Option Offer), <p>(together, the Additional Offers).</p>																																		
Why are the Additional Offers being conducted?	The Additional Offers are being made to select persons to facilitate secondary trading of the Shares to which they relate.	Section 2.2																																	
How does OliveX intend to use its funds?	<p>The Company intends to use funds as follows:</p> <table> <tr> <th>Use of Funds</th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Existing cash reserves as at 31 May 2020</td><td>\$109,717</td><td>\$109,717</td></tr> <tr> <td>Funds raised under the Public Offer</td><td>\$2,000,000</td><td>\$3,000,000</td></tr> <tr> <td>Total</td><td>\$2,109,717</td><td>\$3,109,717</td></tr> <tr> <td>Sales, marketing and business development of the KARA Mirror and OliveX brand</td><td>\$650,000</td><td>\$1,040,000</td></tr> <tr> <td>Further product and AI development</td><td>\$270,000</td><td>\$440,000</td></tr> <tr> <td>Content development for the KARA Mirror and apps</td><td>\$210,000</td><td>\$340,000</td></tr> <tr> <td>Expansion of App portfolio</td><td>\$120,000</td><td>\$190,000</td></tr> <tr> <td>Expenses of the IPO remaining to be paid</td><td>\$381,000</td><td>\$451,000</td></tr> <tr> <td>Working Capital</td><td>\$478,717</td><td>\$648,717</td></tr> <tr> <td>Total</td><td>\$2,109,717</td><td>\$3,109,717</td></tr> </table>	Use of Funds	Minimum Subscription	Maximum Subscription	Existing cash reserves as at 31 May 2020	\$109,717	\$109,717	Funds raised under the Public Offer	\$2,000,000	\$3,000,000	Total	\$2,109,717	\$3,109,717	Sales, marketing and business development of the KARA Mirror and OliveX brand	\$650,000	\$1,040,000	Further product and AI development	\$270,000	\$440,000	Content development for the KARA Mirror and apps	\$210,000	\$340,000	Expansion of App portfolio	\$120,000	\$190,000	Expenses of the IPO remaining to be paid	\$381,000	\$451,000	Working Capital	\$478,717	\$648,717	Total	\$2,109,717	\$3,109,717	Section 2.7
Use of Funds	Minimum Subscription	Maximum Subscription																																	
Existing cash reserves as at 31 May 2020	\$109,717	\$109,717																																	
Funds raised under the Public Offer	\$2,000,000	\$3,000,000																																	
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What will be the capital structure of the Company upon completion of the Offers?	<p>The capital structure of the Company upon completion of the Offers is summarised below.</p> <table> <tr> <th></th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Shares currently on issue</td><td>26,059,996</td><td>26,059,996</td></tr> <tr> <td>Shares issued to Directors</td><td>475,000</td><td>475,000</td></tr> <tr> <td>Shares issued under Public Offer</td><td>10,000,000</td><td>15,000,000</td></tr> <tr> <td>Total Shares</td><td>36,534,996</td><td>41,534,996</td></tr> <tr> <td>Performance Rights</td><td>30,000,000</td><td>30,000,000</td></tr> <tr> <td>New Options</td><td>3,850,200</td><td>3,850,200</td></tr> <tr> <td>Director Options</td><td>3,210,000</td><td>3,210,000</td></tr> </table>		Minimum Subscription	Maximum Subscription	Shares currently on issue	26,059,996	26,059,996	Shares issued to Directors	475,000	475,000	Shares issued under Public Offer	10,000,000	15,000,000	Total Shares	36,534,996	41,534,996	Performance Rights	30,000,000	30,000,000	New Options	3,850,200	3,850,200	Director Options	3,210,000	3,210,000	Section 2.8									
	Minimum Subscription	Maximum Subscription																																	
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New Options	3,850,200	3,850,200																																	
Director Options	3,210,000	3,210,000																																	

Topic	Summary	More info
	Fully diluted share capital	73,595,196 78,595,196
Risks		
<p>Investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in section 5, and other general risks applicable to all investments in listed shares, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This section summarises only some of the risks which apply to an investment in the Company and investors should refer to section 5 for further information.</p>		
Early stage business	The Company's business operations are at an early stage, and the commercialisation of the KARA Mirror has not yet been proven at any scale. The Company's success will depend on the Company's ability to implement its business plans, the ability to commercialise the Company's products and the ability of the Company to successfully implement its R&D plans.	Section 5.1.1
Competition	The digital fitness and wellness market is relatively new, rapidly growing, largely unproven, and it is uncertain whether it will sustain high levels of demand and achieve wide market acceptance. OliveX's success depends substantially on the willingness of consumers to widely adopt the Company's products and services. To be successful, the Company will have to educate consumers about its products and services through significant investment, and provide quality content that is superior to the content and experiences provided by its competitors.	Section 5.1.2
COVID-19	Global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. COVID-19 may also affect the Company's ability to deploy its products, particularly the KARA Mirror, and the ability of its suppliers to source materials for its hardware which may have an adverse impact on the Company's financial performance.	Section 5.1.3
Technology change	The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies, user and third-party service provider's demands and competitive pressures. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business.	Section 5.1.4
Rights to Music	Music is an important element of the overall content that OliveX makes available to subscribers. Although we will expend significant resources to seek to comply with the statutory, regulatory, and judicial frameworks, we cannot guarantee that we currently hold, or will always hold, every necessary right to use all of the music that is used on our service, and we cannot be assured that we are not infringing or violating any third-party intellectual property rights, or that we will not do so in the future.	Section 5.1.6
Limited supply source	OliveX outsources the manufacture of its KARA Mirror to HKC (HKEX:0248) and ActiMirror. Although prudent for its current scale, this model may create risk as OliveX relies on a third party to manufacture its KARA Mirror and therefore meet the demand of its customers.	Section 5.1.5

Topic	Summary	More info
	OliveX has mitigated this supply risk by taking a minority interest in ActiMirror (refer to section 7.7 for further information).	
Key personnel	A significant percentage of OliveX's technology and products have been developed in-house with only a small team of key contributors. Losing a key person within its team may materially affect OliveX's prospects. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.	Section 5.1.14
Funding availability	Although OliveX is generating revenue, if OliveX requires further capital, there is no assurance that it will be able to raise such capital on reasonable terms or at all.	Section 5.1.9
Intellectual property	As a technology company, it is important for OliveX to protect its intellectual property. OliveX currently does not have any patents to protect its technology.	Section 5.1.18
Security breach	Breaches of security could impact user satisfaction and confidence in OliveX's products, and some breaches, including cyber-attacks, could render the services and related products unavailable.	Section 5.1.8
Content creation	OliveX relies on the attractiveness of the platform as a live marketing engagement tool and its relationships with celebrity coaches and influencers to provide content for its apps and there is no guarantee that these relationships will continue.	Section 5.1.15
Key Persons		
Who are the Company's Directors	<p>The Directors are:</p> <ul style="list-style-type: none"> Keith Rumjahn – Managing Director and Chief Executive Officer; Xavier Kris – Executive Director; Yat Siu – Non-Executive Chairman; and John Bell – Non-Executive Director. 	Section 6.2
Who comprises the senior management team of OliveX?	<p>OliveX has a highly experienced management team led by its Executive Directors, Keith Rumjahn and Xavier Kris. The team's skills are spread across the organisation, particularly in AI technologies R&D, business development, marketing and sales, and financial management.</p> <p>In addition to the Executive Directors, OliveX's senior management team comprises Gunnar Karlsson, the Head of Engineering.</p>	Section 6.4
What are the significant interests of the Directors?	<p>The Directors' annual remuneration will be as follows (exclusive of superannuation and other statutory entitlements):</p> <ul style="list-style-type: none"> Keith Rumjahn – \$180,000; Xavier Kris – \$230,000; Yat Siu – \$30,000; and John Bell – \$30,000. <p>More information on the security holdings, interests and remuneration of the Directors is set out in section 6.5.</p>	Section 6.5.2

Topic	Summary	More info														
Key Contracts																
What material contracts is OliveX a party to?	<p>The material contracts of OliveX include the:</p> <ul style="list-style-type: none">• SPLAs;• Convertible Notes;• Mandate;• HKC Agreements;• CSL Agreement;• Convertible Security Agreement;• Executive Services Agreements with various Directors and Senior Managers; and• Non-Executive Engagement Letters.	Section 7														
Other Details																
What are the important dates of the Offers?	<p>The indicative timetable for the Offers is as follows:</p> <table><thead><tr><th>Key events</th><th>Date</th></tr></thead><tbody><tr><td>Prospectus lodged</td><td>2 July 2020</td></tr><tr><td>Opening Date</td><td>2 July 2020</td></tr><tr><td>Closing Date</td><td>30 July 2020</td></tr><tr><td>Securities issued</td><td>4 August 2020</td></tr><tr><td>Holding Statements sent</td><td>6 August 2020</td></tr><tr><td>Trading on NSX commences</td><td>7 August 2020</td></tr></tbody></table> <p>The above dates are indicative only and may change without notice.</p>	Key events	Date	Prospectus lodged	2 July 2020	Opening Date	2 July 2020	Closing Date	30 July 2020	Securities issued	4 August 2020	Holding Statements sent	6 August 2020	Trading on NSX commences	7 August 2020	Page 3
Key events	Date															
Prospectus lodged	2 July 2020															
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Closing Date	30 July 2020															
Securities issued	4 August 2020															
Holding Statements sent	6 August 2020															
Trading on NSX commences	7 August 2020															
No financial forecasts	<p>The Company believes that revenue forecasts for early stage businesses are uncertain in light of numerous factors that are outside its control. In light of these factors and having regard to ASIC Regulatory Guide 170, the Directors find that the Company is unable to provide potential investors with reliable revenue, profit or cash flow projections or forecasts – other than having sufficient working capital based on estimated expenditures for a 12-month period.</p> <p>Potential investors should consider this uncertainty and lack of financial forecast in considering the risks in investing in the Company's Shares.</p>	Section 2.20														
What rights and liabilities attach to the Securities being offered?	<p>Certain key rights and liabilities attaching to:</p> <ul style="list-style-type: none">• the Shares are described in section 8.1;• the New Options are described in section 8.2;• the Director Options are described in section 8.3; and• the Performance Rights are described in section 8.4.	Sections 8.1 to 8.4														

Topic	Summary	More info
Are the Offers underwritten?	None of the Offers are underwritten.	Section 2.9
Who is the sponsoring broker to the Public Offer?	The Company has not appointed a sponsoring broker and intends to apply to the NSX for a waiver from Listing Rule 2.2.	Section 8.13
Will any capital raising fees be payable in respect of the Offers?	<p>The Lead Manager will receive a fee equal to 6% (exclusive of GST) of the total amount raised under the Public Offer. In addition, the Lead Manager (and/or its nominees) will receive:</p> <ul style="list-style-type: none"> • 3,800,000 New Options; • a one-off corporate consulting fee of \$50,000; and • a \$5,000 monthly retainer payable for a period of 12 months commencing on the date the Company is admitted to the Official List. <p>No capital raising fees will be paid with respect to the Additional Offers.</p>	Section 2.11
Will the Securities issued under the Offers be quoted?	The Company will apply to NSX for quotation of the Shares offered under this Prospectus under the code "OLX". No other Securities offered under this Prospectus will be quoted on the NSX.	Section 2.15
How do I apply for Shares under the Public Offer?	<p>Applications for Shares under the Public Offer can be made by:</p> <ul style="list-style-type: none"> • applying online using an Online Application Form; or • completing a paper based application using the Public Offer Application Form attached to or accompanying this Prospectus, <p>and paying the application monies electronically.</p> <p>Applications under the Public Offer must be for a minimum of 10,000 Shares (\$2,000).</p>	Section 2.3
How do I apply for Securities under an Additional Offer?	<p>Applications for Securities under the Additional Offers must be made using the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.</p> <p>Applications may only be made by the Additional Offerees (and/or their respective nominees) for the relevant number of Securities that they are due to receive (as applicable).</p>	Section 2.2
When will I know if my application under the Public Offer was successful?	Holding statements confirming allocations under the Public Offer will be sent to successful applicants as required by NSX. Holding statements are expected to be issued to Shareholders on or about 30 July 2020.	Section 2.14
Will any Securities be subject to escrow?	<p>No Shares issued under the Public Offer will be subject to escrow.</p> <p>The Company anticipates that NSX will impose escrow on certain Securities issued under the Additional Offers.</p>	Section 2.8

Topic	Summary	More info
What is the Company's dividend policy?	The Board 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	Section 2.19
What are the tax implications of investing in Securities under the Offers?	The tax consequences of any investment in Securities will depend upon the applicant's particular circumstances. Investors should obtain their own tax advice before deciding to invest.	Section 8.11
Can I speak to a representative about the Public Offer?	General questions relating to the Public Offer and completion of Application Forms can be directed to the Share Registry on 1300 847 879 within Australia or +61 1300 847 879 for the rest of the world.	Section 2.20

2 Offer Details

2.1 Public Offer

Under this Prospectus, the Company is offering 10,000,000 Shares at an issue price of \$0.20 each to raise \$2,000,000 (before costs), with the ability to accept oversubscriptions of a further 5,000,000 Shares to raise an additional \$1,000,000 (before costs) (**Public Offer**).

The Public Offer is open to the general public however non-Australian resident investors should consider the statements and restrictions set out in section 2.12 before applying for Shares.

The Shares to be issued under the Public Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in section 8.1.

Persons wishing to apply for Shares under the Public Offer should refer to section 2.3 for further details and instructions.

2.2 Additional Offers

In addition, the Company is offering:

- 30,000,000 Performance Rights to the Recipients (and/or their nominee(s)) pursuant to their SPLAs or Conversion Letters (as applicable) (**Performance Right Offer**);
- 475,000 Shares to various current Directors (and/or their nominee(s)) in lieu of cash remuneration for their fees (**Director Share Offer**);
- 50,200 New Options to MITP Agency Pty Ltd (and/or its nominee(s)) as part of the consideration payable for website development services provided to the Company (**MITP Offer**);
- 3,800,000 New Options to the Lead Manager (and/or its nominees) as part of the consideration payable for broking services provided to the Company in connection with the Public Offer (**Broker Offer**); and
- 3,210,000 Director Options to current and past Directors (and/or their nominee(s)) as part of their remuneration (**Director Option Offer**),

(together, the **Additional Offers**).

The Company is issuing these Securities under this Prospectus so that they are issued with disclosure and therefore the Securities (including Shares issued upon any exercise of the Options) will not be subject to the 12 month on-sale restrictions in section 707(3) of the Corporations Act. Importantly, however, some of these Securities will be subject to escrow for 6 to 24 months. See section 2.9 for further details on escrow arrangements.

The Company is not offering the Securities under the Additional Offers for the purpose of the Additional Offerees selling or transferring their Securities. However, the Company considers that such persons should be entitled, if they wish, to on-sell their Securities prior to the expiry of 12 months, subject to any escrow restrictions.

The terms of the New Options are set out in section 8.2, the Director Options in section 8.3 and the Performance Rights in section 8.4. Shares issued under the Director Share Offer and pursuant to any exercise of New Options, Director Options and upon the vesting of the Performance Rights will be of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attached to Shares can be found in section 8.1.

Applications for Securities under the Additional Offers must be made using the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Applications may only be made by the Additional Offerees (and/or their respective nominees) for the relevant number of Securities that they are due to receive (as applicable). Persons wishing to apply for Securities should refer to the relevant Application Form for further details and instructions. No additional funds or consideration are payable by applicants under the Additional Offers.

2.3 Applications under the Public Offer

2.3.1 How to apply and pay

Applications for Shares under the Public Offer can be made by:

- applying online using an Online Application Form and paying the application monies electronically; or
- completing a paper based application using the Public Offer Application Form attached to or accompanying this Prospectus.

Applications for Shares under the Public Offer must be for a minimum of 10,000 Shares (i.e. \$2,000). No brokerage, stamp duty or other costs are payable by applicants.

Applicants are urged to lodge their Application Forms as early as possible after the Exposure Period as the Public Offer may close early without notice.

Public Offer Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus. The Company reserves the right to extend the Offers or close the Offers early without notice.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by it are complete and accurate and that it has personally received the Application Form together with a complete and unaltered copy of the Prospectus. The Application Form must be completed in accordance with the instructions set out in the relevant Application Form.

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued Shares under the Public Offer. The return of a Public Offer Application Form, Online Application Form or otherwise applying for Shares under the Public Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- makes the representations and warranties in sections 2.12 and 8.12 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Public Offer;
- declares that all details and statements in its Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under its Application Form;
- acknowledges that once its Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new Shares it applies for at \$0.20 each (or such other number issued in accordance with this Prospectus);

- authorises the Company to register it as the holder(s) of the Shares issued to it under the Public Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new Shares to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Public Offer Application Form.

2.3.2 Paper application and payment

In order to apply for Shares under the Public Offer, applicant can contact the Share Registry for payment details and complete the hard copy of the Public Offer Application Form accompanying this Prospectus and provide in the format instructed by the Share Registry so it is received before 5:00pm (AWST) at least two (2) Business Days prior to the Closing Date to allow sufficient time for the Share Registry to provide the applicant with payment instructions and for the applicant to make payment.

On contacting the Share Registry the applicant will be provided with instructions on how to make payment of the Application Monies electronically. All payments of Application Monies pursuant to a Public Offer Application Form must be paid using the instructions provided by the Share Registry.

A lodged Public Offer Application Form and payment of the relevant Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Public Offer Application Form. The Public Offer Application Form does not need to be signed to be valid. If the Public Offer Application Form is not completed correctly or if the payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Public Offer Application Form is final.

2.3.3 Electronic application and payment

Applicants under the Public Offer may also apply for Shares by applying online at <https://events.miraqle.com/olivex-offer>. An applicant must comply with the instructions on the website. An applicant paying the Application Monies by BPAY must use the unique BPAY Customer Reference Number provided.

BPAY payments must be made from an Australian dollar account of an Australian financial institution. An applicant should schedule its payment to occur on the same day that it completes its Online Application Form. Applications without payment will not be accepted.

An applicant should be aware that its own financial institution may implement earlier cut off times with regard to BPAY or other electronic payments and it should take this into consideration when making payment. It is the applicants responsibility to ensure that funds submitted through BPAY or other electronic payments are received by 5:00pm (AWST) on the Closing Date. An applicant paying the Application Monies by electronic funds transfer must follow the payment instructions on the online application.

2.4 Conditions

The Public Offer is conditional upon the following events occurring:

- the Company raising the Minimum Subscription (see section 2.5 for further information);
- completion of the Restructure (see section 3.1 for further information); and
- the Company being reasonably satisfied of its ability to comply with the admission requirements under the Listing Rules.

If the conditions are not satisfied, then the Company will not proceed with the Public Offer and will repay all Application Monies received without interest in accordance with the Corporations Act.

2.5 Minimum Subscription

The minimum subscription requirement for the Public Offer is \$2,000,000, representing the subscription of 10,000,000 Shares at an issue price of \$0.20 each (**Minimum Subscription**). No Shares will be issued until the Public Offer has reached the Minimum Subscription. Subject to any extension, if the Minimum Subscription has not been achieved within 4 months of the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

2.6 Purpose of the Public Offer

The principal purposes of the Public Offer are to:

- provide the capital required to implement the next phase of OliveX's growth, including to fund:
 - its sales and marketing of the KARA Mirror and apps;
 - further development of its AI and products; and
 - further content for the KARA Mirror and apps;
- give OliveX access to capital markets for future funding needs;
- enhance the public and financial profile of OliveX to facilitate its growth;
- expedite OliveX's growth in order to capitalise on the opportunity created by OliveX as a frontier AI health and fitness technology company; and
- grow OliveX's presence in the Australian market.

2.7 Use of Funds

The Company intends to apply funds as follows:

Item	Minimum Subscription		Maximum Subscription	
	Amount	Proportion	Amount	Proportion
Existing cash reserves as at 31 May 2020	\$109,717	5%	\$109,717	4%
Funds raised under the Public Offer	\$2,000,000	95%	\$3,000,000	96%
Total	\$2,109,717	100%	\$3,109,717	100%
Sales, marketing and business development of the KARA Mirror and OliveX brand ²	\$650,000	31%	\$1,040,000	33%
Further product and AI development ³	\$270,000	13%	\$440,000	14%

Item	Minimum Subscription		Maximum Subscription	
	Amount	Proportion	Amount	Proportion
Content development for the KARA Mirror and apps ⁴	\$210,000	10%	\$340,000	11%
Expansion of mobile application product portfolio ⁵	\$120,000	6%	\$190,000	6%
Expenses of the Offers remaining to be paid ⁶	\$381,000	18%	\$451,000	15%
Other general and working capital ⁷	\$478,717	22%	\$648,717	21%
Total	\$2,109,717	100%	\$3,109,717	100%

Notes:

- 1 This amount is the actual cash balance as at 31 May 2020.
- 2 Sales, marketing and business development expenses include costs in relation to relevant labour costs, third party consultants and contractors, costs of samples for marketing purposes, costs incurred in attending conferences, marketing shows, corporate events, the cost of business development staff and associated travel expenses.
- 3 This includes expenses to be incurred in further expanding the Company's suite of products and further development of the functionality and accuracy of the Company's AI for its KARA Mirror and KARA Smart Fitness app.
- 4 This includes expenses involved in developing further content including the development and maintenance of relationships with Coaches as well as the costs of implementing such content in to the KARA Mirror, KARA Smart Fitness app and other apps.
- 5 This expense involves development costs involved in further expanding the Company's current suite of apps including the further development of technology, AI and the engagement of third party developers and programmers.
- 6 This figure reflects the remaining costs of the Offers that remain outstanding as at the date of this Prospectus. Any amount already paid has already been reflected in the 31 May 2020 cash balance. See section 8.9 for a summary of the total cash costs associated with the Offers.
- 7 The figure shows the Company's anticipated expenditures for the 12 months from completion. This includes wages, accounts payable, director fees, contractor fees, rent and outgoings, insurance, accounting, audit, legal, listing and registry fees, and other items of a general administrative nature. These funds may also be used for corporate expenditure items or in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's product R&D programs and marketing programs, as well as regulatory developments and economic conditions. In light of this, the Company reserves the right to alter the way the funds are applied.

The Directors are satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives set out in this Prospectus.

The use of further debt or equity funding will be considered by the Company where it is appropriate to expand expansion efforts, accelerate a specific project or capitalise on further opportunities.

2.8 Capital Structure

The table below provides a summary of the capital structure of the Company upon completion of the Offers.

Security	Minimum Subscription		Maximum Subscription	
	Amount	Proportion	Amount	Proportion
Shares currently ¹	26,059,996	71.33%	26,059,996	62.74%
Shares issued to Directors	475,000	1.30%	475,000	1.14%
Shares issued under the Public Offer ²	10,000,000	27.37%	15,000,000	36.11%
Total Shares	36,534,996	100%	41,534,996	100%
Performance Rights ³	30,000,000	40.77%	30,000,000	38.17%
New Options ⁴	3,850,200	5.23%	3,850,200	4.90%
Director Options ⁵	3,210,000	4.36%	3,210,000	4.08%
Fully diluted share capital	73,595,196	100%	78,595,196	100%

Notes:

- 1 This figure includes the following Shares which will be issued prior to completion of the Offers:
 - a. 23,559,996 Shares to be issued to the Securityholders as consideration for the Acquisition; and
 - b. 2,500,000 Shares to be issued upon conversion of the Convertible Notes.
- 2 The rights and liabilities attaching to the Shares are summarised in section 8.1.
- 3 The Company has agreed to issue 30,000,000 Performance Rights to the Recipients (and/or their nominees) pursuant to their SPLAs and Convertible Notes (as applicable), comprising:
 - a. 10,000,000 Class A Performance Rights;
 - b. 10,000,000 Class B Performance Rights; and
 - c. 10,000,000 Class C Performance Rights.

Refer to sections 7.1 and 7.2 for further information on the number of Performance Rights issued to each Recipient and each Recipient's relationship with the Company.
- 4 The Company has agreed to issue:
 - a. 50,200 New Options to MITP Agency Pty Ltd (and/or its nominees) for website development services provided to the Company; and
 - b. 3,800,000 New Options to the Lead Manager (and/or their nominees) for broking services with respect to the Public Offer. A summary of the key terms of the Mandate is set out in section 7.4.
- 5 The Company has agreed to issue 3,210,000 Director Options to current and former Directors (and/or their nominees) as part of their remuneration.

2.9 Escrow

Under the Listing Rules, NSX may determine that securities issued to promoters, seed capital investors and sellers of classified assets have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months from quotation of the Company's securities. Shares issued under the Public Offer will not be subject to escrow.

Prior to completion of the Public Offer, the Company will enter into escrow agreements with the recipients of restricted securities in accordance with the Listing Rules and NSX Practice Note 12, and the Company will announce to NSX details of the Securities required to be held in escrow.

Further, the Company will enter into escrow agreements with the Directors who receive Shares under the Director Share Offer. Those Shares will be subject to escrow for 12 months from issue.

2.10 Underwriting

None of the Offers are underwritten.

2.11 Capital Raising Fees

The Lead Manager will receive a fee equal to 6% (exclusive of GST) of the total amount raised under the Public Offer. In addition, the Lead Manager (and/or its nominees) will receive:

- 3,800,000 New Options;
- a one-off corporate consulting fee of \$50,000; and
- a monthly retainer of \$5,000 per month payable for a period of 12 months commencing on the date the Company is admitted to the Official List.

See section 7.4 for a summary of the Mandate.

No capital raising fees will be paid with respect to the Additional Offers.

In addition, the Lead Manager raised for the Company approximately \$735,000 through the issue of the Convertible Notes and various Safe Notes to professional and sophisticated investors during or around March 2019 to assist with working capital expenses. These Convertible Notes and Safe Notes will convert into Shares and/or Performance Rights (as applicable) as part of the Restructure. The Lead Manager is owed fees totalling approximately \$44,000 (plus GST) for the funds raised through the issue of the Convertible Notes and Safe Notes.

2.12 Foreign Investors Restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Securities offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained. See section 8.12 for information on restrictions that apply to the Shares in certain jurisdictions outside Australia.

2.13 Risk Factors

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in section 5. The Securities offered under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

2.14 Exposure Period

This Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

During the Exposure Period, this Prospectus can be viewed online on the Company's NSX announcements platform at www.nsx.com.au or the Company's website at www.olivex.ai, and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No

preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

2.15 Application Monies

All Application Monies will be held in a separate subscription account on behalf of applicants until the Shares are issued pursuant to the Public Offer. If the Minimum Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Public Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

2.16 Allocation and Issue of Securities

The Company reserves the right to reject any application or to issue a lesser number of Shares than that applied for under the Public Offer. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to NSX granting approval for quotation of the Company's Shares, the issue of Securities will occur as soon as practicable after the Offers close. Holding statements will be sent to successful applicants as required by NSX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statement will do so at their own risk.

2.17 NSX Listing and Quotation

The Company will apply to NSX no later than 7 days from the date of this Prospectus for admission of the Company to the official list of NSX, and quotation of the Shares offered under this Prospectus under the code "OLX". Subject to any extension, if the Shares are not admitted to quotation within 3 months of the date of the Original Prospectus, no Shares will be issued, and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

The Company will not apply to NSX for quotation of any other Securities offered under this Prospectus.

NSX takes no responsibility for the contents of this Prospectus. The fact that NSX may grant admission of the Company to the official list and quotation of the Shares being offered is not to be taken in any way as an indication by NSX as to the merits of the Company or the Shares.

2.18 CHESS and Issuer Sponsorship

NSX has established a transfer service agreement which recognises NSX as an Australian market operator pursuant to the ASX Settlement and Operating Rules and allows NSX to be a recipient of the transfer service provided by ASX.

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. These 2 subregisters together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive holding statements that set out the number of Shares each Shareholder owns. If a Shareholder is broker-sponsored, ASX Settlement will send the shareholder a CHESS statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub-register.

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of every calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be imposed for additional statements.

2.19 Privacy Disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to NSX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company on +61 9426 0666.

2.20 Financial forecasts

After considering *ASIC Regulatory Guide 170*, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Prospectus.

2.21 Dividends

The Board 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.

2.22 Enquiries

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

General questions relating to the Public Offer and completion of the Application Forms can be directed to the Share Registry on 1300 847 879 within Australia or +61 1300 847 879 for the rest of the world.

3 Company and Business Overview

Information contained in this section 3 reflects estimates of market conditions based on publicly available sources. The Directors believe these are appropriate for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading; or that any material fact has been omitted which would render such information false or misleading.

3.1 OliveX

OliveX Holdings Limited ACN 631 675 986 (**Company**) is an Australian public company registered on 30 April 2019, which has entered into various security purchase letter agreements pursuant to which the Company will:

- acquire the HK Shares from the HK Shareholders; and
- discharge all the Safe Notes held by the Safe Noteholders,

(**Acquisition**). In addition to the Acquisition, the Company has entered into Conversion Letters with the Noteholders, pursuant to which each Noteholder has agreed to convert the Convertible Notes (**Note Conversion**). The Acquisition and the Note Conversion are collectively referred to as the **Restructure**, and their terms are summarised in sections 7.1 and 7.2.

Upon completion of the Restructure, the Company will wholly own OliveX HK. The Company and OliveX HK comprise the **Group**, which carries on the **OliveX** business.

OliveX's core purpose is to facilitate improvement in the health, fitness and wellbeing of its users through technology that leverages artificial intelligence (**AI**). By providing content, a unique user experience and unique branding opportunities, OliveX aims to not only fulfil this mission but also become a leading experiential marketing platform in the health and fitness space.

OliveX 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. These apps include, *22 Pushups*, *Squat*, *Garfield Fit*, *Ba Duan Jin* and *Coachbase* – all of which are available at the Apple Store and/or Google Play Store and which have been, in aggregate, downloaded approximately 2 million times.

Figure 1



To extend its reach into the home, OliveX has recently developed and launched the KARA Smart Fitness mirror (**KARA Mirror**) – an interactive, life-size digital training mirror that uses AI and

gamification to engage with users and guide their movement. KARA provides an interactive workout using a 24" HD touchscreen display monitor and a 13-megapixel camera which allows the user to access real time personal coaching programs that incorporate feedback and guidance. OliveX seeks to deliver leading workout experiences through the KARA Mirror and its relationships with celebrity fitness trainers and social media wellness influencers (together **Coaches**).

OliveX has therefore positioned itself as a technology company that meshes the digital and physical worlds to create a premium, immersive and connected fitness experience for its users. Through the KARA Mirror and the recently-released KARA Smart Fitness app, the Company has developed a live marketing engagement platform that delivers value to users, Coaches and brands.

OliveX provides a unique platform for Coaches to extend their reach from a local to a global audience and will be rewarded for doing so through performance based royalty payments depending on each Coaches aggregate audience. In this way, OliveX enables the hyper-local to go global. As OliveX continues to expand its network of users and Coaches, this platform becomes increasingly relevant for a wide range of corporate partners, as it allows them to extend their brands' reach and frequency into users' homes.

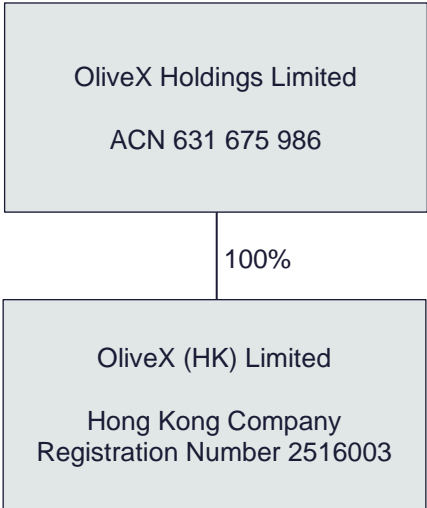
Figure 2



3.2 Corporate structure

Assuming completion of the Restructure, the corporate group for OliveX is set out below.

Figure 3



3.3 Financial information

For financial information relating to the Company, please refer to section 4 and the Investigating Accountant's Report attached to this Prospectus.

3.4 Key products

3.4.1 Apps

OliveX owns and distributes a range of apps which aim to improve the health, fitness and wellbeing of their users. These apps have either been developed by OliveX internally or otherwise acquired by OliveX.

OliveX's health and wellbeing apps have enjoyed considerable popularity to date, having achieved close to 2 million total downloads. OliveX releases its apps on the Apple Store where they can be downloaded globally, and in most cases will also make its apps available on Google Play and other app stores.

Key apps within OliveX's portfolio include the following:

- 22 Pushups

This app was developed by OliveX and first released for download in May 2017. *22 Pushups* utilises the smartphone's light sensor to automatically count a user's push-up exercises. This has been one of OliveX's most successful apps and achieved recognition as 'App of the Day' on the Apple Store.

Figure 4



- Squat

Launched in January 2019, this app provides a smart virtual fitness personal trainer that offers a fun, 'gamified' way to get in shape. *Squat* counts a user's squats using their mobile phone camera and tracks 17 points on the human body in order to analyse the user's squatting performance and provide real-time feedback. *Squat* is available globally free of charge for Apple and Android devices on the App Store and Google Play Store.

Figure 5



- Garfield Fit

This app is a gamified pedometer app where the user 'helps Garfield lose weight' by walking more and unlocking content. *Garfield Fit* is another OliveX app that has featured as 'App of the Day' on the Apple Store.

Figure 6



- Ba Duan Jin

OliveX developed this martial arts app primarily for the elderly, but it can improve fitness for all ages, and has gained recognition as a Google Play Users' Choice Award winner in 2019. *Ba Duan Jin* was developed and released for download in May 2019 and uses computer vision AI technology to teach this ancient form of martial arts to its users.

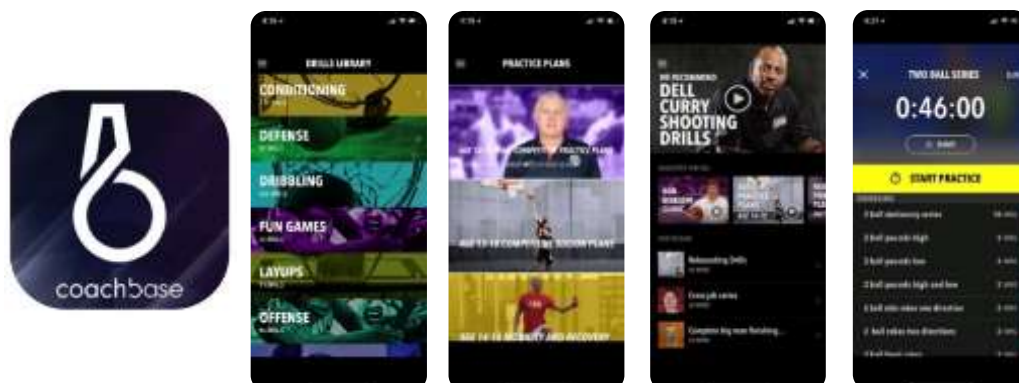
Figure 7



- Coachbase

This app was founded in 2011 by Keith Rumjahn and was acquired by OliveX in 2017. At the same time, Keith Rumjahn joined OliveX and was appointed its Managing Director and CEO. *Coachbase* offers a digital coaching clipboard for sports coaches to illustrate their tactics as well as a subscription-based video coaching app partnering with former NBA head coaches, Lionel Hollins and Jeff Hornacek. The success of *Coachbase* is demonstrated by it having been downloaded by over 58,000 users and its endorsement from various leading NBA figures.

Figure 8



The following table shows the commercial traction OliveX has achieved with each app as at June 2020.

Figure 9

App	Total Downloads ¹	Active Monthly Users ²	No. of In-App Purchases ³	No. of Subscribers ⁴	Revenue (US\$) ⁵
<i>22 Pushups</i>	1.43 million	39,440	55	N/A ⁷	289
<i>Squat</i>	206.7k	8,499	0	N/A ⁷	0
<i>Garfield Fit</i>	190.3k	2,327	5	3	10
<i>Ba Duan Jin</i>	27.4k	6,446	N/A ⁶	N/A ⁷	15,000
<i>Coachbase</i>	58.1k	1,396	59	183	1,204

Notes:

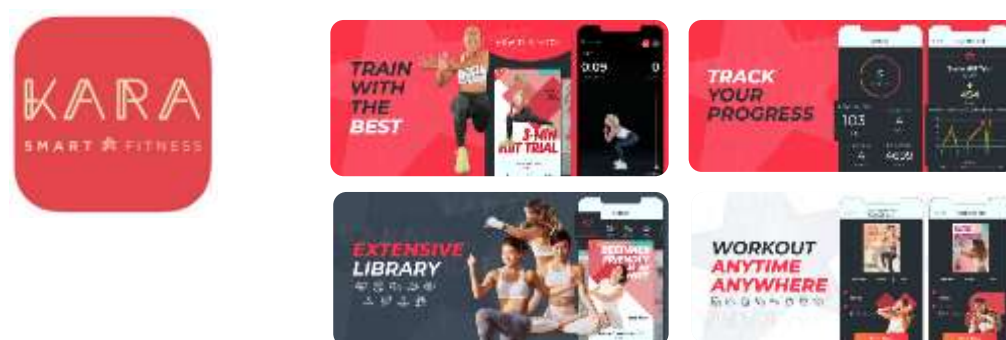
- 1 This column represents the total number of downloads of each app since its launch.
- 2 This column represents the number of active monthly users of each app for the period from 1 May 2020 to 31 May 2020 (**Relevant Period**).
- 3 This column represents the number of in-app-purchases made by users in each app during the Relevant Period. In-app purchasing refers to the buying of goods and services from inside an app, including with respect to a subscription. In-app purchases range from HK\$8 to HK\$78 depending on the app.
- 4 This column represents the total current number of paying subscribers of each app. As an example, subscriptions fees for the Coachbase app range from US\$9.99 for the basic subscription to \$19.99 per month for the premium subscription.
- 5 This column represents the aggregate monthly revenue generated by each app for the Relevant Period. Aggregate revenue includes revenue generated from In-app Purchases and from subscription based fees during the Relevant Period.
- 6 Ba Duan Jin does not currently offer In-app Purchases.
- 7 22 Pushups, Squat and Ba Duan Jin do not currently offer subscription based services.

- **KARA Smart Fitness App**

As part of its growth plans, OliveX has developed and launched in May 2020 a new flagship digital app called *KARA Smart Fitness*. This app is currently available for download in Hong Kong, Singapore, Taiwan and Macau, and the Company intends to expand its availability throughout the Asia-Pacific region (**APAC**) and globally.

The KARA Smart Fitness app delivers premium health and fitness related content including workout experiences with Coaches, allowing OliveX to engage with its target market and complement its KARA Mirror offering.

Figure 10



3.4.2 KARA Mirror

OliveX's KARA Mirror is a complete hardware and software solution with artificial intelligence (AI) technology for at-home fitness. OliveX commenced development of the KARA Mirror in January 2018. The mirror uses AI to help its users complete fitness workouts at home and provide them with real-time personalised feedback.

Figure 11



OliveX owns the key elements of the KARA Mirror's underlying software and outsources its manufacture to third parties. The Company currently engages Hong Kong Communications Co Ltd (HKC), a company listed on The Stock Exchange of Hong Kong, to manufacture its KARA Mirror under a supply agreement summarised in section 7.1. OliveX has also made a strategic investment of US\$100,000 (~A\$145,000) into an alternative manufacturer of the KARA Mirror, actiMirror Corporation Ltd (refer to Section 7.7 for further information).

The KARA Mirror generates revenue through sales as well as ongoing tiered software subscription fees as set out in figure 14 in section 3.6.2 below.

OliveX plans to progressively market the KARA Mirror to consumers and brands across three territories initially, starting with Hong Kong in July 2020, followed by Australia in FY21 and then Singapore in FY22. The Company will continue to evaluate opportunities to expand into new markets regionally throughout APAC and then globally.

OliveX plans to produce health and fitness content to be used in conjunction with the KARA Mirror or separately through the KARA Smart Fitness app, which would be available on a separate or bundled monthly subscription basis (refer to figure 14 in section 3.6.2 below).

3.4.3 Health and fitness content

In addition to its KARA Mirror and health and fitness apps, OliveX generates health and fitness content suited for connected devices as well as the KARA Mirror.

This content includes on-demand and interactive studio classes led by celebrity coaches and influencers, each with their own significant following. As at the date of this Prospectus, the Company has 19 coaches on its platform with an aggregate of more than 138,000 Instagram followers.

The Company makes this content available through its recently-launched KARA Smart Fitness app as well as the KARA Mirror.

OliveX plans to tap into rising interest in smart personal fitness products and services by offering on-demand health and fitness content that will be available on a monthly subscription basis or bundled with other OliveX products, such as the KARA Mirror, as set out in figure 14 in section 3.6.2 below.

3.5 Industry Overview

3.5.1 Market size and opportunity

OliveX operates in fast-growing categories within a fast-growing industry within a fast-growing region. The Company considers that Business-to-business-to-consumer (**B2B2C**) partnerships will be a key driver for its future growth and performance.

The physical activity market in the Asia-Pacific region is valued at US\$240 billion (~A\$348 billion) or roughly 30% of the global market¹. Within this, APAC's fitness market is worth US\$22.7 billion (~A\$33 billion) annually (with a US\$494 (~A\$716) per year spend per participant).²

However, the Company considers that there is a significant opportunity to expand the APAC region's fitness industry as it accounts for only 19% of the region's recreational spending activity (versus 30% for the average global market), and there is only a 1.1% fitness participation rate in APAC (versus 3.7% on average globally).³

In the KARA Mirror, OliveX has a complete hardware and software solution that incorporates AI technology for at-home fitness. As the market for smart tech-enabled home exercise continues to develop, the Company sees an attractive opportunity to democratise access to equipment-free sports and disciplines through its platform, including yoga, pilates, spin, boxing, weight training, CrossFit, aerobics, circuit and high-intensity interval training, Zumba and more.

In addition to the KARA Mirror, OliveX has developed its flagship digital app called KARA Smart Fitness, through which the Company will deliver premium health and fitness content including workout experiences with celebrity coaches. The Company intends to leverage the influence of recognised Coaches to help showcase the KARA Mirror and KARA Smart Fitness app. In turn, the Company will enable these Coaches to deliver fitness classes to an addressable market far beyond their immediate location and be rewarded for doing so based on each Coaches aggregate number of views. In this way, OliveX enables the hyper-local to go global. Some of the Coaches the Company currently has relationships with are pictured below.

Figure 12



With a growing number of companies successfully delivering a gym experience at home into select geographies with smart fitness products such as Peloton's stationary bikes and treadmills that allow users to connect to fitness classes; and Fitbod's app which uses AI technology to suggest specific exercises and durations for workouts.

OliveX benefits from an early mover advantage in the Asia-Pacific region and aims to become a leading experiential marketing platform in the health and fitness market, providing world-class content, rich engagement and unique branding opportunities.

¹ Global Wellness Institute, Asia-Pacific's Physical Activity Market Now \$240 Billion – To Reach \$373.5 Billion by 2023 (October 2019).

² Global Wellness Institute, Asia-Pacific's Physical Activity Market Now \$240 Billion – To Reach \$373.5 Billion by 2023 (October 2019).

³ Global Wellness Institute, Asia-Pacific's Physical Activity Market Now \$240 Billion – To Reach \$373.5 Billion by 2023 (October 2019).

3.5.2 Health and fitness apps

Health and fitness apps like those provided by OliveX are rapidly gaining adoption with people around the world. The global fitness app market size was valued at US\$2.10 billion (~A\$3 billion) in 2017.⁴

OliveX is primarily targeting the APAC region for its apps and content, where the use of smartphones has continued to grow in recent years, with more than half of the world's 3 billion smartphones in 2018 being in the APAC region⁵. The Company plans to expand to Australia in FY21, where annual fitness industry revenues are now worth more than A\$2.2 billion.⁶

3.5.3 AI fitness products

OliveX is aiming to be a market leader in the APAC region in providing its KARA Mirror and health and fitness apps. The Company believes that its KARA Mirror and KARA Smart Fitness app, which offer AI to provide a more personalised workout experience as well as high quality digital content, will provide a strong platform for growth.

OliveX considers that there is a growing trend of consumers wanting to have a gym experience at home and there is evidence of growth in smart fitness products such as Fitbit smart watches, which can provide users with step-by-step workouts on-screen or on a device, and have amassed more than 27 million active users worldwide.⁷

US company Peloton achieved sales of US\$915 million (~A\$1.3 billion) in the FY ended 30 June 2019, up 110% on the previous year, selling a range of connected at-home treadmills and exercise bikes.⁸ Peloton's success has demonstrated the market for smart tech-enabled home exercise equipment.

The table below positions OliveX and its capabilities relative to its global peers.

Figure 13

	KARA	ORAN	LEMMLE	PH	series	Global	Fitbit	Fitbit	down the	fit	fit	TOTAL	MIRROR	
Content														
Celebrity Trainers	✓	✓	✓	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓
Local Coaches	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Live Classes	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗	✓	✗
On-demand Content	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Personalized Content Generation	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Exercise Variety	✓	✓	✓	✓	✗	✓	✗	✓	✗	✓	✗	✓	✓	✗
	6	3	3	3	1	2	1	2	1	4	3	3	4	2
Platform														
Multiplayer Gamification / leaderboard	✓	✗	✗	✗	✗	✗	✗	✓	✗	✓	✓	✗	✗	✓
In-app Online Community	✓	✗	✓	✗	✗	✗	✗	✗	✗	✓	✓	✗	✓	✓
Standalone App	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗
Accompanying Hardware	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓
AI Tracking Technology	✓	✗	✗	✗	✗	✗	✗	✓	✗	✓	✓	✗	✓	✓
Australian Market	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
	6	2	3	2	2	2	2	4	2	5	5	1	4	4

While there are other fitness mirrors on the market, the Company is not aware of any that specifically target customers in APAC with software and content tailored for their region.

⁴ Polaris Market Research, Fitness App Market Share, Size, Trends, & Industry Analysis Report (February 2020).

⁵ News Zoo, 2018 Global Mobile Market Report (September 2018).

⁶ IBISWorld, Gyms and Fitness Centres in Australia – Market Research Report 2019 (October 2019)

⁷ Statista Research, Number of active users of Fitbit from 2012 to 2019 (February 2020).

⁸ Peloton Financial Report 2018/19.

Similar products on the market include Mirror and Tonal, which both primarily target the US market. As can be seen in figure 13 above, the KARA Mirror provides various features that its competitors do not, including gamification and live fitness classes.

As OliveX only began commercialisation of the KARA Mirror in 2019, it is yet to capture meaningful market share in its initial target audience of the APAC region. OliveX aims to grow sales with a rollout in Hong Kong in July 2020, Australia in FY21 and Singapore in FY22.

3.5.4 Regulatory framework

Various foreign governments have imposed controls, export license requirements and restrictions on the import or export of certain technologies. OliveX's products may be subject to export controls, which may require submission of a product classification and annual or semi-annual reports.

Compliance with applicable regulatory requirements regarding the export of OliveX's products and services may create delays in the introduction of such products and services in international markets, prevent OliveX's international subscribers from accessing such products and services, and, in some cases, prevent OliveX's export of such products and services to some countries altogether.

3.6 Business Model

3.6.1 Background

The Company plans to generate revenue through monthly app subscriptions and by developing and monetising new applications driven by brands and Coaches. OliveX plans to maximise its addressable market by offering subscription options that suit people from all walks of life and any level of fitness.

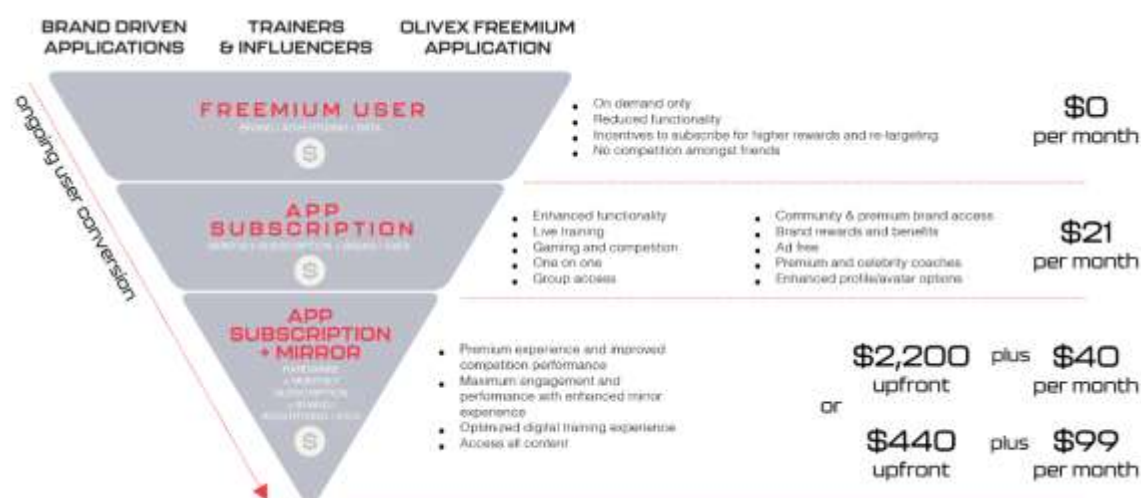
App development and sales will continue to be a focus and source of revenue for OliveX, particularly in ways that integrate with the KARA Mirror.

3.6.2 Existing business model

Historically, OliveX has received revenue via its apps through downloads and in-game purchases, as well as development fees received from its work on certain apps.

The following diagram depicts OliveX's planned pricing strategy for the KARA Smart Fitness app and the KARA Mirror which sets out OliveX's current intentions regarding the pricing and functionality of each level of membership.

Figure 14



Note: The above diagram is the approximate pricing structure and currently planned functionality offering as at the date of this Prospectus. Pricing is subject to change based on currency fluctuations, territory and functionality provided.

To encourage growth in active users, the Company has established a 'freemium' business model which provides users with free access to select apps with reduced functionality. Free users gain access to select on-demand training sessions which encourage gamification by providing global ranking scores but do not facilitate live social fitness sessions. The Company plans to monetise free users through advertising and other data services linked to brands.

Paid subscribers gain access to enhanced functionality including live training, group and community access, brand rewards, enhance avatar options and premium/celebrity coaches.

Combining a paid app subscription with the KARA Mirror provides users with a premium experience, unlocking all content and offering personalised digital training which maximises engagement and performance.

OliveX established its first experience centre in Hong Kong in July 2019 so that prospective customers could experience the mirror before purchasing it. The mirror is now displayed in 5 CSL Mobile stores and the KARA Smart Fitness app is featured in more than 60 CSL stores. In May 2020, OliveX entered into a strategic partnership with CSL Mobile Limited (Registration Number 2587244) (**CSL**), a company listed on The Stock Exchange of Hong Kong, whereby CSL resells the KARA Mirror and the KARA Smart Fitness app to its customer base as it seeks to upgrade users to 5G services.

OliveX has also created a direct sales channel so the mirror is available to purchase online via karasmartfitness.com.

3.6.3 Additional commercial opportunities

To further encourage adoption of its recently-launched KARA Smart Fitness app, the Company plans to develop health and fitness related content and interactive advertising for use by third parties on a B2B2C model to help them to continue to engage with their clients and their target markets on a more frequent, cost effective and measurable basis.

These third parties may include sportswear brands, nutrition and supplement suppliers, major gyms and health club brands as well as telecommunications companies seeking to convert customers to 5G technology. The Company has made significant recent progress in developing relationships with leading brands in its target markets including CSL Mobile.

This partnership approach, enabling global and regional brands to use the content and platform to reward and engage their consumer bases, has the significant benefit of reducing OliveX's direct to consumer marketing expenses.

OliveX will also continue app development, which may generate income through development fees, coupled with recurring revenue produced by download/subscription fees and in-app purchases.

3.6.4 Key dependencies

A key factor of OliveX's business model is the advantage it enjoys through its early-mover position in Asia, where the Company believes the KARA Mirror is the first complete hardware and software solution providing AI technology for at-home fitness. Other competitors may enter the market offering a more advanced or less expensive product; however, barriers to entry are potentially high given the difficulty to source hardware, secure licensing arrangements and develop content for apps.

OliveX relies on its existing partnerships and agreements to enable it to operate its business and generate revenue. This includes OliveX's:

- partnership with Hong Kong Communications Co Ltd, which manufactures its KARA Mirrors and has a software distribution agreement with OliveX; and
- strategic investment in ActiMirror, which is an alternative supplier of the KARA Mirror.

As none of its supply agreements are exclusive, the Company retains the option of sourcing manufacturing elsewhere in the event of any issues with supply.

OliveX maintains relationships with professional coaches who provide training content for its apps and, going forward, will help generate content for OliveX's live streaming digital app. These relationships are important to ensure OliveX continues to offer exercise content that provides it with a competitive advantage over similar apps and content providers. These arrangements are typically structured by way of a monthly retainer with a variable royalty based on demand for live and on-demand streamed views of each coach's content.

Moving forward, OliveX plans to grow its partnerships to include third parties which will utilise its content. These may include sportswear and clothing brands, supplement and nutrition suppliers, gyms, hotels and telecommunications providers. Engaging with these parties may provide a valuable source of future growth.

The OliveX team currently consists of less than 10 full-time equivalent employees and, therefore, every team member plays an important role and retaining key staff is important to the Company's future success. As the Company seeks to develop an innovative and globally significant technology platform and fitness ecosystem, OliveX prioritises organisational culture as much as any other business objective.

3.7 Business Strategies

3.7.1 Overview

By delivering a premium, immersive, and connected fitness experience, OliveX aims to be the Asia-Pacific region's leading experiential marketing platform in the health and fitness market, providing world-class content, rich engagement and unique branding opportunities.

OliveX plans to grow by delivering the unique value propositions outlined below to users, Coaches and brands.

The Company will, following completion of the Public Offer, continue to pursue organic growth along the lines disclosed in this Prospectus. In addition, the Company will, as a matter of course, evaluate inorganic growth opportunities such as acquisitions or joint ventures in order to expedite its strategy where, in the Boards discretion, it makes commercial sense to do so.

3.7.2 Users

OliveX helps users to maximise their performance and enjoyment of workouts in the safety of their own home. The Company will provide premium content to suit a range of disciplines and facilitate interaction to optimise users' form and discipline. With live streaming as a significant point of differentiation alongside on-demand workouts, it is expected that users will be able to engage one-on-one with Coaches or satisfy their competitive streak by competing with the entire OliveX userbase or with individuals in small groups. In this way, OliveX fosters a meaningful community that unites people and inspires health, fitness and wellbeing.

3.7.3 Trainers and influencers

OliveX provides a platform for global fitness stars both established and emerging. It materially expands the scope for audience untethered to geography and can help Coaches to be their best by connecting them one-on-one with their audience. With the platform facilitating multi-disciplinary interaction via the Company's mobile apps or through its KARA Mirror, and plans to reward Coaches through performance based royalty payments for user engagement, the platform will help to empower Coaches to bring international scale to their personal brands.

3.7.4 Brands

OliveX will tailor content for targeted brands to deliver premium interactive experiences to end users. With scope for direct product placement, direct marketing to a captive audience in specific disciplines or even for health, fitness and activewear companies to create their own channels, OliveX will help to

extend brands' reach into customers' homes while building an ecosystem around their products and services.

3.7.5 Marketing

Marketing will be aimed towards OliveX's growth verticals, including gyms and health clubs, sports nutrition retailers, activewear and clothing brands, hotels and telecommunications providers as the Company works to create a "white label" platform which can enable reseller-branded content.

OliveX will directly market the key benefits of its platform to targeted potential partners in each of its growth verticals, including improved subscription revenue, stronger brand loyalty and defrayed cost of user acquisition.

OliveX believes by using Coaches it can leverage from their notoriety in the APAC region to sell its products rather than having to spend funds on costly advertising. By further rewarding its Coaches, OliveX has created an incentive for its Coaches to actively market OliveX's products.

3.7.6 Product development

The Company will invest to become a leader in content production as it aims to fast-track growth. Developing and delivering premium content is key to improving engagement levels and the value of OliveX's audience to its brand partners.

Key deliverables within the Company's content development strategy include:

- hiring a Head of Content;
- reviewing the Company's current content and music rights and library with a view to broadening and deepening the catalogue;
- developing a strategic framework for reseller branded content; and
- developing a training framework to ensure content consistency across brand and geography.

OliveX will continue to develop its AI technology to further enhance its products to stand out from those created by competitors and plans to leverage this competitive advantage to enable ever increasing engagement with brands and their consumers.

OliveX aims to expand mirror sales and ongoing software subscriptions through a number of initiatives including partnerships, creating more sales channels and experience centres.

3.7.7 Go-to-market strategy

The Company plans to grow revenue by motivating its users to achieve their health and fitness goals, anticipating their needs and facilitating a seamless customer journey. OliveX will guide users on this journey through subscription options that suit people from all walks of life and any level of fitness, with a platform that scales from free access through to one-on-one personal training. OliveX intends to motivate its users to achieve their health and fitness goals through providing a unique experience that leverages gamification to reward users for progress.

The Company will continue to pursue sales opportunities through various channels, including direct to customer and through resellers such as HKC and CSL (see sections 7.1 and 7.5). It plans to develop a referral incentive system and sales commission model to optimise user acquisition and drive sales revenue growth.

Key activities within the Company's go-to-market strategy aimed at boosting sales include:

- continuously improve user acquisition channels to drive down cost per acquisition;
- develop a scalable referral system and sales commission model to incentivise users;

- establish a sales team and marketing model for partnerships with resellers of the KARA Mirror and KARA Smart Fitness app; and
- develop an influencer affiliate program for app and KARA Mirror sales.

3.8 Competitive Advantages

OliveX has developed an advantage over several competitors by incorporating its AI technology into its products. The Company has captured a large set of human exercise movement data, which it uses to improve its machine learning technology to be hyper accurate and improve accuracy of exercise detection. This enables OliveX to provide real-time feedback to users during and after workouts.

The Company has a depth of experience in creating apps and games for mobile smart devices which it will leverage when launching its flagship KARA Smart Fitness app. This app will help it to create a marketing platform in the health and fitness industry with world-class content, including workouts led by celebrity coaches and influencers, with whom OliveX already has relationships.

OliveX's KARA Mirror may be the first company in the APAC region to offer a complete hardware and software package for at-home fitness that also incorporates AI.

OliveX's relationships with celebrity coaches and influencers also allows it to provide content that is a unique product offering and will also be leveraged in its app creation.

The Company's team has a vast level of experience in marketing, developing hardware, gaming, app and game design, with the Company's apps having been downloaded nearly 2 million times.

3.9 Intellectual property

OliveX has developed and owns or has the rights to use the intellectual property used in its KARA Mirror, apps and their content.

OliveX has developed and owns significant elements of the software included in the KARA Mirror, which uses artificial intelligence (**AI**) and gamification to engage with users and provides an interactive workout using a high-resolution life-size display monitor and 13-megapixel camera which allows the user to obtain real time personal coaching programs and guidance.

Currently, OliveX does not hold any patents relating to its technology; however, the Company may seek IP protection for its technology in the future.

4 Financial Information

4.1 Introduction

4.1.1 Financial Information

The financial information contained in this section 4 includes historical financial information for OliveX and OliveX HK for the audited financial years ended 30 June 2018 (**FY18**) and 30 June 2019 (**FY19**) and reviewed half year period ended 31 December 2019 (**HY20**), with a 31 December 2018 comparative (**HY19**).

This section 4 contains a summary of:

- The Historical Statutory Financial Information, comprising:
 - OliveX HK's audited and reviewed Historical Statutory statement of comprehensive income for FY18, FY19, and HY20, with a HY19 comparative (**Historical Statutory Income Statements**);
 - OliveX HK's audited and reviewed Historical Statutory cash flow statements for FY18, FY19, and HY20, with a HY19 comparative (**Historical Statutory Cash Flows**); and
 - OliveX's Historical Statutory unaudited consolidated statement of financial position as at 31 December 2019 (**Historical Statutory Statement of Financial Position**),(together, the **Historical Statutory Financial Information**); and
- Pro Forma Historical Statement of Financial Position, comprising:
 - OliveX's pro forma historical consolidated statement of financial position as at 31 December 2019 (Pro Forma Historical Statement of Financial Position).

The Historical Statutory Financial Information and Pro Forma Historical Statement of Financial Position is together referred to as the "**Financial Information**".

OliveX has a 30 June financial year end.

In addition, section 4 summarises:

- the basis of preparation and presentation of the Financial Information (see section 4.2);
- information regarding certain non-IFRS financial measures (see section 4.2.3);
- the key operating and financial metrics (see section 4.3);
- the pro forma adjustments to the Historical Statutory Financial Information (see section 4.5);
- information regarding liquidity and capital resources (see section 4.5.1);
- information regarding OliveX's contractual obligations, commitments and contingent liabilities (see section 4.5.2);
- OliveX's dividend policy (see section 4.7);
- a description of OliveX's critical accounting policies (see Appendix A);
- the Independent Limited Assurance Report attached to this Prospectus; and

- the indicative capital structure described in section 2.8.

The information in section 4 should also be read in conjunction with the risk factors set out in section 5 and other information contained in this Prospectus.

All amounts disclosed in section 4 and the Appendices are presented in United States dollars (USD) and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview and preparation and presentation of the Historical Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of OliveX.

Given the fact that OliveX is in an early, growth stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Historical Statutory Financial Information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board. The Directors are not aware of any reconciliatory differences between the application of IFRS and AIFRS which require disclosure within this financial information section. Following the listing, the Company will report under AIFRS and report in USD, which is its elected presentation currency. OliveX's significant accounting policies are described in Appendix A, to this section 4.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (AAS) and IFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and IFRS, that reflect the impact of certain transactions as if they had occurred on or before 31 December 2019.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The historical financial statements were prepared in USD and in accordance with IFRS. For the purposes of the Prospectus and the disclosure in this financial information and to reflect the functional (USD) and presentational currency (USD) that OliveX will report in going forward as an NSX listed company, the Historical and Pro Forma Financial Information has been presented in USD.

In addition to the Financial Information, section 4 describes certain non-IFRS financial measures that OliveX uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

The historical financial information of OliveX HK for FY18 and FY19 were audited by RSM Australia Partners, and unqualified audit opinions were issued. The historical financial statements were prepared in USD as this is both the Company's functional and reporting currency.

The historical financial information of OliveX HK for HY20 with a FY19 comparative was reviewed by RSM Australia Partners, and an unqualified review conclusion issued. The historical financial statements were prepared in USD as this is both the Company's functional and reporting currency.

Following the listing the Company will continue to report in USD.

OliveX was incorporated on 30 April 2019 as a public company and will be the holding company of OliveX HK and was established to enable the listing on the NSX. OliveX will acquire OliveX HK either prior to or upon listing. OliveX HK is the operating entity incorporated in Hong Kong on 30 March 2017.

There are limited actual historical consolidated financial results for OliveX, given it acts as the holding company for the group. Consequently, only OliveX HK's financial information has been disclosed in this section 4 as it is the operating company within the group.

The Historical and Pro Forma Statement of Financial Position presented in the Prospectus reflects a consolidation of OliveX that will comprise the OliveX Group upon listing.

Refer to section 3.2 for a summary of the current corporate structure.

Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by *RSM Corporate Australia Pty Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"* as stated in its Independent Limited Assurance Report attached to this Prospectus. Investors should note the scope and limitations of the Independent Limited Assurance Report.

4.2.2 Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Historical Statutory Financial Information for FY18 for OliveX HK has been derived from the FY18 audited general purpose financial statements of OliveX HK.

The Historical Statutory Financial Information for FY19 for OliveX HK has been derived from the FY19 audited general purpose financial statements of OliveX HK.

The Historical Statutory Financial Information for HY19 and HY20 for OliveX HK has been derived from the HY20 reviewed general purpose financial statements of OliveX HK.

The Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Statement of Financial Position has been derived from the unaudited Historical Statutory Financial Information of OliveX and adjusted for the effects of the pro forma adjustments.

Section 4.5, Table 4.3 sets out the pro forma adjustments to the Historical Statutory Statement of Financial Position, and a reconciliation of the Historical Statutory Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Historical Statutory Statement of Financial Position for transactions and events that had not occurred prior to 31 December 2019 but have taken place or will take place on or before the Allotment Date. The pro forma financial information in this section 4 assumes that they occurred on or before 31 December 2019.

In preparing the Financial Information, OliveX's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information for HY20 for OliveX HK has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that OliveX HK will be able to continue as a going concern as a result of the proceeds raised from the Offer.

As disclosed in the financial statements and in tables 4.1 and 4.2, OliveX HK incurred a loss of US\$413,000 (~A\$600,000) and had net cash outflows from operating activities of US\$511,000 (~A\$740,000) for the half year ended 31 December 2019. As at that date, OliveX HK had net liabilities of US\$1,200,000 (~A\$1,740,000). In addition, as disclosed in the financial statements the COVID-19 pandemic may have an adverse impact on OliveX HK's revenues, its results, its supply chain, and its ability to source funding for the next year.

The Directors believe that it is reasonably foreseeable that OliveX HK will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- OliveX HK has cash and cash equivalents of US\$383,000 (~A\$555,350) as at 31 December 2019;
- the Company is in the process of completing an Initial Public Offering (**IPO**) on the NSX which this Prospectus and corresponding financial information relates to and is expected to raise between A\$2,000,000 to A\$3,000,000 in equity funding. OliveX has agreed to continue to provide ongoing financial support to OliveX HK to enable it to pay its debts as and when they fall due and to continue its normal business operations. This financial support shall be unconditional and irrevocable for at least the period of twelve months following the period ending 31 December 2019;
- included in the financial statements are SAFE instruments carried at a value of approximately A\$1,500,000. These instruments are required to be settled in equity and consequently will have no adverse effect on funding;
- included in the financial statements of OliveX HK is a loan from its parent entity, the Company, of US\$360,000 (~A\$522,000). OliveX has confirmed that it will not call upon OliveX HK to repay the loan for a period of twelve months from the date of 31 December 2019; and
- the Company has the ability to scale back a significant portion of its development activities, if required.

Accordingly, the board of directors believe that OliveX HK will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial information.

4.2.3 Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of OliveX, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred in this section 4 and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as “non-IFRS financial measures”. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **EBITDA** is earnings / (losses) before interest (net of finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. OliveX HK also calculates EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of OliveX's operations;
- **EBIT** is earnings / (losses) before interest (net of finance income) and taxation; and

- **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. share option reserve and non-cash interest costs) and changes in working capital. OliveX HK uses operating cash flow to indicate the level of operating cash flow generated from EBITDA.

Potential investors should also refer to the description of the key financial terms set out in section 4.3.

Although the Directors believe that these measures provide useful information about the financial performance of OliveX HK, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way OliveX HK has calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

4.3 Summary of Historical Statutory Statement of Comprehensive Income

Table 4.1 sets out OliveX HK's Historical Statutory Statement of Comprehensive Income for FY18, FY19, HY19 and HY20.

TABLE 4.1: Summary of the Historical Statutory Income Statements

Statutory historical USD\$'000		FY18	FY19	HY19	HY20
Year ended 30 June	Note	Audited	Audited	Reviewed	Reviewed
Revenue	a	99	545	315	271
Cost of sales	b	(5)	-	(7)	(34)
Gross margin		93	545	307	237
Consulting	c	(18)	(67)	(6)	(131)
Employee benefits	d	(158)	(208)	(61)	(243)
Marketing	e	(20)	(70)	(10)	(125)
Research and development		(509)	(472)	(138)	(24)
Other expenses		(29)	(35)	(12)	(29)
Total expenses		(734)	(853)	(228)	(553)
EBITDA		(640)	(308)	80	(316)
Depreciation	f	-	-	-	(1)
EBIT		(640)	(308)	80	(317)
Finance costs	g	(17)	(112)	(22)	(97)
NPBT		(657)	(420)	58	(413)
Income tax expense	h	-	(6)	(6)	-
NPAT		(657)	(427)	51	(413)

Description of the key financial terms

Set out below is a description of the key financial terms used in the presentation of the Historical Financial Information:

- **Revenue:** OliveX HK primarily derives its revenue from the following:
 - Integration service income;
 - Smartphone development revenue;

- Mobile apps and game sales; and
- Sales of mirror;
- **Cost of sales:** primarily includes a platform charge of circa 30% from the Apple Store and Google Play, server hosting and credit card surcharges, as well the costs of mirror hardware sold;
- **Consulting:** relates to the cost of senior software engineers, IPO costs, fitness coach fees and trade mark and data tagging;
- **Employee benefits:** this represents salaries and mandatory provident fund contributions of the OliveX HK employees;
- **Marketing:** includes the cost of events;
- **Depreciation:** relates to the depreciation of computer equipment using a straight line basis of depreciation;
- **Finance costs:** relates to the imputed interest attaching to the various SAFE note tranches; and
- **Income tax expense:** The Hong Kong corporate tax rate is 16.5%.

General factors affecting the historical operating results of OliveX HK

Below is a discussion of the main factors which affected the OliveX HK operations and the relative financial performance in FY18, FY19, HY19 and HY20, which OliveX HK expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the OliveX HK historical operating and financial performance, nor everything which may affect the OliveX HK operations and financial performance in the future.

Management discussion and analysis of the historical statement of comprehensive income

Revenue

USD\$'000	FY18 Audited	%	FY19 Audited	%	HY19 Reviewed	%	HY20 Reviewed	%
Services revenue	60	61%	488	90%	290	92%	238	88%
apps and games revenue	39	39%	48	9%	25	8%	22	8%
Mirror sales	-	0%	9	2%	-	0%	11	4%
Total revenue	99	100%	545	100%	315	100%	271	100%

Services revenue over the Review Period relates to the following:

- Integration service income was generated as a result of OliveX HK's agreement with Lympo to collaborate on the integration of the Lympo token into the mobile exercise app "100 Squats Challenge". As consideration, Lympo paid a one-time service fee of US\$200,000 in July 2018 (being the net amount after the Lympo marketing fee), therefore this revenue represents the net contribution);
- Smartphone development revenue in FY19 was primarily generated from the provision of app development services. The app development agreement is in relation to the design and development of the system for a health and wellbeing mobile game including A.I. and AR features. The agreement is for a period of three years and revenue is generated based on achieving certain milestones;

- In FY19, smartphone development revenue (US\$107,000 (~A\$155,000)) includes the Animoca Brands Limited (**ABL**) (a related entity) secondment service and app development agreement with Asia Diabetes; and
- The secondment service agreement requires OliveX HK to provide two personnel to work on the development, operation, distribution, marketing and sales of apps owned by ABL which commenced in March 2018. OliveX HK receive a monthly service fee of US\$15,000 per month for a period of three years, with an option to renew for an additional two years.

apps and games revenue primarily represent revenue generated from the sale of apps on iTunes and the Google Play Store. The income from the sale of applications and In-App purchase items via the smart phone platform is recognised on a per transaction basis upon the successful download of the applications or in-app purchase items.

Sales of mirrors are undertaken at US\$2,000 (~A\$2,900) per mirror prior to any discount being applied.

Operating expenses

USD\$'000	FY18 Audited	%	FY19 Audited	%	HY19 Review ed	%	HY20 Revie wed	%
Research and development	509	69%	472	55%	138	61%	24	4%
Employee benefits	158	21%	208	24%	61	27%	243	44%
Marketing	20	3%	70	8%	10	4%	125	23%
Consulting	18	3%	67	8%	6	3%	131	24%
Office costs	11	1%	19	2%	2	1%	22	4%
Travel	14	2%	10	1%	4	2%	8	1%
Foreign exchange	-	0%	3	0%	-	0%	(5)	-1%
Other expenses	4	1%	4	0%	7	3%	3	1%
Total overheads	734	100%	853	100%	228	100%	553	100%

R&D expenditure reduced in HY20 due to ABL providing fewer resources to OliveX apps development / maintenance.

Employee benefits primarily include salaries and mandatory provident fund contributions in Hong Kong. Salaries and wages have increased primarily due to an increase in the headcount over the Historical Period.

Marketing expenses have increased in HY20 as a consequence of a number of marketing events being held (US\$35,000 (~A\$195,750)), as well as video and photography (US\$48,000 (~A\$69,600)), mirror branding (US\$15,000 (~A\$21,750)) and other (US\$27,000 (~A\$39,150)).

Consulting expenses in HY20 relate to the cost of senior software engineers (US\$60,000 (~A\$87,000)), HK legal due diligence (US\$10,000 (~A\$14,500)), fitness coach fees (US\$25,000 (~A\$36,250)) and trade mark and data tagging (US\$36,000 (~A\$52,200)).

OliveX HK has no operating or finance leases and currently shares office space with ABL with no cost allocated to OliveX HK.

4.4 Summary of Historical Statutory Cash Flows

Table 4.2 sets out Historical Statutory Cash Flows for FY18, FY19, HY19 and HY20.

Table 4.2: Summary of Historical Statutory Cash Flows

USD\$'000	FY18 Audited	FY19 Audited	HY19 Reviewed	HY20 Reviewed
Operating cash flows				
EBITDA	(640)	(308)	80	(316)
Non cash movement: share option reserve	50	-	-	-
Other movements:				
Trade and other receivables	-	107	56	(125)
Inventory	-	(17)	-	(1)
Prepaid expenses	(9)	(40)	1	(6)
Trade and other payables	410	(356)	(326)	50
Movement in working capital	401	(306)	(269)	(81)
Income tax paid	-	(6)	(6)	-
Net operating cash flows	(189)	(620)	(195)	(397)
Investing cash flows				
Short term advance provided	-	-	-	(29)
Loan (granted)/received	(73)	73	-	-
Payment for P&E	-	(6)	-	-
Other financial assets	-	-	-	(100)
Net investing cash flows	(73)	67	-	(129)
Financing cash flows				
Proceeds from borrowings	-	360	-	-
Proceeds from the issue of ordinary shares	63	-	-	-
Proceeds from other financial liabilities	200	1,086	240	15
Net financing cash flows	264	1,446	240	15
Net cash movement	1	893	44	(511)
Changes in foreign currency held	-	(3)	-	5
Cash at the beginning of the financial period	-	1	1	891
Cash at the end of the period	1	891	45	383

Management discussion and analysis of the historical cash flows

OliveX HK is in the early stage of its business life cycle which requires accelerated investment in its suite of app offerings, further development of its A.I. technology and further commercialisation of its A.I. Mirror. As such, historical operating cash flow has been financed through a mixture of the issue of SAFE, related party loans and capital raisings.

Notwithstanding EBITDA reduced from (US\$640,000 (~A\$928,000)) to (US\$308,000 (~A\$446,600)), net operating cash outflows increased from (US\$189,000 (~A\$274,050)) in FY18 to (US\$620,000 (~A\$899,000)) in FY19 primarily due to the payment of trade creditors.

Net financing cash flows increased from US\$264,000 (~A\$382,800) in FY18 to \$1,500,000 (~A\$2,175,000) in FY19 primarily due to the issue of SAFE notes (US\$1,100,000 (~A\$1,595,000)), as well as an advance from OliveX (US\$360,000 (~A\$522,000)) which is interest free and payable on demand.

In HY19, proceeds from other financial liabilities were US\$240,000 (~A\$348,000) which related to the issue of SAFE Tranche 1B for US\$240,000 (~A\$348,000) and SAFE Tranche 2 for US\$15,000 (~A\$21,750) in HY20.

In HY20, the investing cash outflows amounting to US\$100,000 (~A\$145,000) for other financial assets relates to the Company entering into a convertible security agreement with ActiMirror.

4.5 Historical Statutory Statements of Financial Position and Pro Forma Historical Statement of Financial Position

Table 4.3 sets out the Historical Statutory Statement of Financial Position of OliveX and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of OliveX's view of its financial position upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in section 2.7.

Table 4.3: Historical Statutory Consolidated Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 31 December 2019

As at 31 December 2019 USD\$'000	OliveX Holdings Ltd	Minimum	Maximum	AUD Min.	AUD Max
	Unaudited	Pro forma	Pro forma	Pro forma*	Pro forma*
Current assets					
Cash and cash equivalents	1	1,437	2,077	2,088	3,018
Trade and other receivables	-	167	170	242	247
Inventories	-	18	18	26	26
Other financial assets	-	100	100	145	145
Other current assets	-	50	50	72	72
Total current assets	1	1,771	2,415	2,573	3,508
Non-current assets					
Advances to a controlled entity	360	-	-	-	-
Plant and equipment	-	5	5	8	8
Total non-current assets	361	5	5	8	8
Total assets	361	1,777	2,420	2,581	3,515
Current liabilities					
Trade and other payables	28	102	102	149	149
Other financial liabilities	425	-	-	-	-
Total current liabilities	452	102	102	149	149
Total liabilities	452	102	102	149	149
Net assets	(91)	1,675	2,318	2,433	3,367
Equity					
Contributed equity	-	2,900	3,531	4,213	5,130
Reserves	-	645	645	937	937
Accumulated losses	(91)	(1,870)	(1,858)	(2,716)	(2,699)
Total equity	(91)	1,675	2,318	2,433	3,367

*Represents USD pro forma balance sheet converted to AUD using the 2 June 2020 spot rate of \$1.45.

The following transactions and events had not occurred prior to 31 December 2019 but have taken place or will take place on or before the Allotment Date. The pro forma financial information in this section 4 assumes that they occurred on or before 31 December 2019:

In addition, the following subsequent events and pro forma transactions and events will take place pursuant to the Offer:

Subsequent events:

- 1 The acquisition of OliveX HK by OliveX which will be a scrip for scrip transaction (13,650,000 ordinary shares will be issued) and no cash consideration being paid, as well as the conversion of the SAFE notes with a fair value of US\$1,400,000 (~A\$2,030,000) at the conversion date (assuming an AUD\$0.20 offer price) (and converting to 9,909,996 ordinary shares) (refer to Section 7.1) and including the elimination of the intragroup transactions;
- 2 The conversion of the convertible notes with a fair value of US\$344,000 (~A\$498,000) at the conversion date (assuming an A\$0.20 offer price) (and converting to 2,500,000 ordinary shares) (refer to section 7.2);

Pro forma transactions:

In relation to the offer, the following transactions are expected to occur:

- 3 The issue of 50,200 options to MITP Pty Ltd in consideration for services performed with an exercise price of A\$0.20, which vest immediately and are exercisable up to 36 months after the issue date, and with a fair value of US\$4,000 (~A\$5,800) using the black Scholes option valuation methodology;
- 4 The issue of 3,210,000 options to certain directors (and / or their nominees) with an exercise price of A\$0.20, which vest immediately and are exercisable up to 36 months after the issue date depending upon certain exercise dates for different tranches, and with a fair value of US\$272,000 (~A\$394,400) using the black Scholes option valuation methodology. Refer to section 8.3 for a summary of the Directors options;
- 5 The issue of 475,000 ordinary shares to certain directors in consideration in lieu of directors remuneration, which have been treated as a share based payment and have a fair value of US\$65,000 (~A\$94,000);
- 6 The completion of the offer which relates to the issue of 10,000,000 ordinary shares at US\$0.14 (A\$0.20) each raising US\$1,400,000 (A\$2,000,000), with oversubscriptions of up to US\$2,100,000 (A\$3,000,000); and
- 7 Expenses associated with the minimum offer amount to US\$716,000 (~A\$1,038,200), with US\$501,000 (~A\$726,450) being capitalised and US\$206,000 (~A\$298,700) being expensed. Expenses associated with the maximum Offer amount to US\$764,000 (~A\$1,107,800), with US\$558,000 (~A\$809,100) being capitalised and US\$194,000 (~A\$281,300) being expensed. Recoverable GST is estimated at US\$9,000 (~A\$13,050) and US\$12,000 (~A\$17,400) under the minimum and maximum subscriptions. As at 31 December 2019, US\$23,000 (~A\$33,350) of the Offer costs had been prepaid. Offer costs also include the issue of 3,800,000 options to the lead manager (and / or their nominees) with an exercise price of A\$0.20, which vest immediately and are exercisable at any time on or before 36 months after the issue date, and with a fair value of US\$369,000 (~A\$535,050) using the black Scholes option valuation methodology. The total cash offer costs are US\$347,000 (~A\$503,150) under the minimum offer and US\$395,000 (~A\$572,750) under the maximum offer. Refer to section 8.9 for a detailed summary of the Offer costs, section 2.7 for the sources and uses of funds, and section 2.2 for a summary of the New Options to be issued to the Lead Manager.

Pro forma capital structure

Refer to section 2.8 for a detailed summary of the capital structure.

USD\$'000	No. of shares	Contributed equity	Accumulated losses	Reserves	Net assets
Capital structure following the Restructure	23,559,996	1,614	(1,425)	-	188
Convertible note conversion	2,500,000	344	80	-	425
Pre offer capital structure	26,059,996	1,958	(1,345)	-	613
Pro forma transactions in relation to the minimum offer					
Public offer	10,000,000	1,377	-	-	1,377
New Options to MITP Agency Pty Ltd			(4)	4	-
Director Options		-	(272)	272	-
Shares issued to Directors in lieu of fees	475,000	65	(65)	-	-
New Options to Lead Manager		-	-	369	369
Offer costs		(501)	(183)	-	(684)
Total (undiluted)	36,534,996	2,900	(1,870)	645	1,675
Incremental transactions in relation to the max offer					
Public offer	5,000,000	688	-	-	688
Offer costs		(57)	12	-	(45)
Total (undiluted)	41,534,996	3,531	(1,858)	645	2,318

Recognition of a deferred tax asset

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

Restructure

OliveX and OliveX HK will be owned and controlled by the same shareholders before and after the restructure, and the control is not transitory. Therefore, the restructure represents a common control transaction. Restructures involving entities under common control is scoped out under IFRS 3: “*Business Combinations*”. IFRS provides no guidance on the accounting for these types of transactions, however, requires an entity to develop an accounting policy. The two most common methods utilised are the acquisition method and the pooling of interest type method (predecessor method). A restructure involving entities under common control is a combination in which all of the combining entities are ultimately controlled by the same party or parties, both before and after the combination, and control is not transitory.

Management have determined that the pooling of interest type method to be the most appropriate. The pooling of interest type method requires that the financial statements be prepared using the predecessor book value without any step up to fair value. The differences between any consideration given and aggregate book value of the assets and liabilities of the acquired entity are recorded as an adjustment to equity. This may be recorded in retained earnings / reserve and no additional goodwill is created by the transaction.

All transaction costs incurred in relation to the restructure are expensed to the consolidated statement of comprehensive income.

4.5.1 Liquidity and capital resources

Following Completion of the Offer, the Company will have cash of US\$1,400,000 (A\$2,100,000) on a pro forma basis as at 31 December 2019, arising from the Minimum Offer.

The Company expects that it will have sufficient cash to meet its short and medium term operational requirements and other business needs.

4.5.2 Contractual obligations, commitments and contingent liabilities

OliveX HK has no operating or finance leases and currently shares office space with ABL with no cost allocated to OliveX HK. OliveX upon listing, will be allocated its' own space within ABL facilities in accordance with the "Rental agreement" which was executed on 3 April 2020. OliveX shall pay ABL a monthly service fee calculated on a per workstation basis, with a charge of HKD\$2,000 each from the date of the IPO.

The Company has no contingent liabilities as at 31 December 2019.

4.6 Critical Accounting Policies

Preparing financial statements in accordance with AAS requires Management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements OliveX has made in the application of AAS that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, as described in the significant accounting policies outlined in Appendix A, in this section 4.

4.7 Dividend Policy

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of OliveX, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to OliveX's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

4.8 New Accounting Standards Adopted

IFRS 15: "Revenue from Contracts from Customers"

IFRS 15 or its AIFRS equivalent, AASB 15 supersedes AASB 11: "Construction Contracts", and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. OliveX HK adopted IFRS 15 using the full retrospective method of adoption from FY19 onwards.

IFRS: "Financial Instruments"

IFRS 9 its AIFRS equivalent AASB 9, replaces AASB 39: "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and

hedge accounting. OliveX HK adopted IFRS 9 using the full retrospective method of adoption from FY19 onwards.

4.9 New Accounting Standards Future Adoption

IFRS16: “Leases”

IFRS16: “Leases” or its AIFRS equivalent, AASB 16: “Leases” standard is effective for reporting periods beginning on or after 1 January 2019. The full impacts of AASB 16 on the Company has not yet been assessed and it is expected that the Company will adopt AASB 16 for the year ended 30 June 2020. In applying the new standard for the first time, AASB 16 provides a number of transition options, which may involve an adjustment to opening retained earnings at 31 December 2019 or the restatement of comparatives. The full impacts of the transition provisions have not yet been fully assessed by the Company.

APPENDIX A – KEY ACCOUNTING POLICIES FROM THE FINANCIAL STATEMENTS

1 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Service revenues and fees; and
- Sale of electronic equipment.

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative standalone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

2 Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date.

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

3 Plant and equipment

Recognition and measurement

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	20.00%
Computers	33.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

4 Employee benefits

Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

Other long term benefits

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

5 Equity settled compensation

The Company proposes to secure shareholder approval for an employee share ownership scheme. On the issue of shares to employees, the share based payments will be measured at the fair value of the instruments issued and amortised over the vesting periods. Share based payments to non-employees will be measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded in the option reserve. The fair value of options will be determined using the Black Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

6 Value added taxes

Value added taxes (VAT) is the generic term for the broad based consumption taxes that the Company is exposed in Hong Kong.

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of VAT.

7 Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss.

Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Trade and other receivables

Trade and other receivables are stated at amortised cost. Receivables are usually settled within 30 to 90 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

Trade and other payables

Trade payables and other payable are recognised when the Company becomes obligated to make future payments resulting from the purchase of goods and services which are unpaid and stated at their amortised cost.

The amounts are unsecured and are generally settled on 30 day terms.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively with Companies that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Financial income and expenses

Finance income comprises interest income on funds invested (including available for sale financial assets), gains on the disposal of available for sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

8 Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

9 Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial information based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgements – Deferred expenditure

Research and development costs have been expensed through the Statement of Profit or Loss and Other Comprehensive Income. The board of directors exercised their judgement in determining that it was uncertain as to whether such expenditure met the criteria to capitalise the expenditure as set out in AASB 138: “Intangible Assets”.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof.

No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors’ best estimate, pending an assessment by tax authorities in relevant jurisdictions. The board of directors have considered it prudent not to raise any deferred tax assets at balance date as the board of directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this time.

Key Estimate — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key Estimate – Share based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black Scholes option pricing model.

Key Estimate – Financial liabilities

The Company has entered into two SAFE instruments. The SAFE instruments do not specify a coupon rate and therefore, suggest that the instruments do not have a financial cost. The Company believes there is a cost associated with the instrument. On the occurrence of a Liquidity Event, as defined in the instrument, the subscribers to the SAFE instruments are entitled to a discount to the listing share price of between 15% to 20%. Accordingly, the Company has exercised its judgement and used the discount to the listing price as the basis for determining the amortised cost.

5 Risk Factors

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free, and the Directors strongly recommend investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities under an Offer. Investors should also consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of its Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is or may be exposed.

5.1 Specific risks

5.1.1 Early stage business

The Company's business operations are at an early stage, and the commercialisation of the KARA Mirror has not yet been proven at any scale. The Company's success will depend on the Company's ability to implement its business plans, the ability to commercialise the Company's products and the ability of the Company to successfully implement its R&D plans. The Company has historically had financial losses due to the early nature of its business. If the Company's plans do not succeed, or if other material risks (like those described in this section 5) come to pass, then the Company's performance and Share price are likely to be adversely affected, and the Company may not be able to achieve profitability.

5.1.2 Market Risk

OliveX's products and services may be considered discretionary items for consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, and other factors, such as consumer confidence in future economic conditions, fears of recession, the availability and cost of consumer credit, levels of unemployment, and tax rates.

In recent times, significant economic markets have experienced cyclical downturns and worldwide economic conditions remain uncertain. As global economic conditions continue to be volatile or economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions.

To date, OliveX's business has operated almost exclusively in a relatively strong economic environment and, therefore, we cannot be sure the extent to which we may be affected by recessionary conditions. Unfavourable economic conditions may lead consumers to delay or reduce purchases of our products and services and consumer demand for our products and services may not grow as we expect. Our sensitivity to economic cycles and any related fluctuation in consumer demand for our products and services could have an adverse effect on our business, financial condition, and operating results.

The digital fitness and wellness market is relatively new, rapidly growing, largely unproven, and it is uncertain whether it will sustain high levels of demand and achieve wide market acceptance. OliveX's success depends substantially on the willingness of consumers to widely adopt the Company's products and services. To be successful, the Company will have to educate consumers about its products and services through significant investment, and provide quality content that is superior to the content and experiences provided by its competitors.

Additionally, the fitness and wellness market at large is heavily saturated, and the demand for and market acceptance of new products and services in the market is uncertain. It is difficult to predict the future growth rates, if any, and size of OliveX's market. We cannot be assured that this market will develop, that the public's interest in digital fitness and wellness will continue, or that OliveX's products and services will be widely adopted. If our market does not develop, develops more slowly than expected, or becomes saturated with competitors, or if our products and services do not

achieve market acceptance, our business, financial condition and operating results could be adversely affected.

5.1.3 COVID-19

Global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. There is a risk that this uncertainty may continue for the foreseeable future, which could interrupt the Company's operations, impair deployment of its products to users and prevent users and suppliers from honouring their contractual obligations.

COVID-19 is likely to inhibit the installation and maintenance of Company's hardware based products, such as the KARA Mirror, as well as cause disruptions to supply chains, delays in sourcing component parts and have potentially detrimental effects on the demand for the Company's products.

The Company sources parts, components and hardware for its KARA Mirror from third party suppliers. The degree to which the fully extended supply chain has been impacted may not be fully known until the time orders are placed. The Company has attempted to mitigate these risks through developing relationships with various suppliers of the KARA Mirror, being HKC and ActiMirror. The Company has also created a work-from-home procedure to manage business continuity risks during COVID-19.

5.1.4 Changes in Technology

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies, user and third-party service provider's demands and competitive pressures. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business.

If OliveX fails to deliver the best workout experience through its combination of hardware, content and music then it may lose market share to competitors. There may also be significant advances in technology that will allow competitors to leapfrog the Company in terms of A.I. technology and provide a better immersive experience.

The Company relies on app stores for discovery of its products. If Apple or Google decide to launch their own competing fitness products and reduce the discoverability of competitor fitness apps or increase the fees they charge to host the Company's applications, this could significantly impact OliveX's business.

In so far as possible the Company uses open source software in its products and services and anticipates using open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open source code on unfavourable terms or at no cost.

The terms of many open source licenses to which OliveX is subject have not been interpreted by Australian or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on the Company's ability to provide or distribute its products or services. Additionally, the Company could face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that OliveX developed using such software, which could include proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require the Company to make its software source code freely available, purchase a costly license, or cease offering the implicated products or services unless and until OliveX can re-engineer them to avoid infringement. This re-engineering process could require the Company to expend significant additional research and development resources, and we cannot guarantee that this will be successful.

5.1.5 Reliance on Third Party Providers

OliveX's health and wellness apps are available through the Apple App Store and Google Play Store platforms (and other platforms), meaning that any change in the practices or provision of these platforms could have an adverse effect on the prospects and financial performance of the Company. There is also the risk that these platforms may suffer technical problems which could impact their ability to provide OliveX's services to users and affect the performance of the Company. OliveX can also give no guarantee that Apple and Google (or other platform providers) will continue to allow OliveX's games to be made available through their respective platforms. Any restriction on OliveX's ability to distribute its games via these platforms would likely have a materially detrimental effect on the Company's business.

OliveX's technology is highly tied to the technologies provided by Apple and Google. There is a risk that a new breakthrough technology developed by another company may make it difficult and costly to modify and switch the Company's whole platform.

New technologies in software may also require new skills from OliveX's engineers. If the Company's existing engineers fail to learn the new technologies fast enough and if OliveX fails to recruit talent that can use the new technology, then the Company will be unable to keep up with technological changes.

OliveX's current product line includes a hardware product and mobile apps. If future technology trends are more web based or move into other technologies such as voice, virtual reality and augmented reality, then the Company will need to add or move its existing resources to develop for those markets.

The Company has outsourced its cloud infrastructure to third-party providers, and currently uses these providers to host and stream its services and content. OliveX is therefore vulnerable to service interruptions experienced by these providers and may experience interruptions, delays, or outages in service availability in the future due to a variety of factors, including infrastructure changes, human, hardware or software errors, hosting disruptions, and capacity constraints. Outages and capacity constraints could arise from a number of causes such as technical failures, natural disasters, fraud, or security attacks.

The level of service provided by these providers, or regular or prolonged interruptions in that service, could also affect the use of, and subscribers' satisfaction with, OliveX's products and services and could harm the Company's business and reputation. In addition, hosting costs will increase as subscriber numbers and engagement grows, which could harm our business if we are unable to grow revenue faster than the cost of using these services or the services of similar providers.

Furthermore, OliveX's providers have broad discretion to change and interpret the terms of service and other policies with respect to the Company, and those actions may be unfavourable to its business operations. These providers may also take actions beyond OliveX's control that could seriously harm its business, including discontinuing or limiting access to one or more services, increasing pricing terms, terminating or seeking to terminate contractual arrangements altogether, or altering how OliveX is able to process data in a way that is unfavourable or costly.

Although the Company expects that it could obtain similar services from other third parties, if OliveX's arrangements with its current providers were terminated, it could experience interruptions on its platform and in the Company's ability to make its content available to subscribers, as well as delays and additional expenses in arranging for alternative cloud infrastructure services.

Any of these factors could reduce OliveX's revenue, subject the Company to liability, and cause subscribers to decline to renew their subscriptions, any of which could have an adverse effect on our business, financial condition, and operating results.

5.1.6 Supply of Hardware

OliveX currently outsources the manufacturing of its KARA Mirror to HKC (refer to section 7.3). OliveX can give no guarantee that HKC will continue to produce the KARA Mirror on terms that are favourable to OliveX. Any future increases in the cost of manufacturing the KARA Mirror or in the event HKC refuses to renew the HKC Supply Agreement may result in OliveX being unable to supply

its KARA Mirror for a period of time or have an adverse effect on our business, financial condition, and operating results.

In order to mitigate the risk, OliveX has invested US\$100,000 into ActiMirror, an alternative supplier of the KARA Mirror. Refer to section 7.7 for further information.

5.1.7 Rights to Music

Music is an important element of the overall content that OliveX makes available to subscribers. To secure the rights to use music in our content, we will need to enter into agreements to obtain licenses from rights holders such as record labels, music publishers, performing rights organisations, collecting societies, artists, and other copyright owners or their agents. We will need to pay royalties to such parties or their agents around the world.

The process of obtaining licenses involves identifying and negotiating with many rights holders, some of whom are unknown or difficult to identify, and implicates a myriad of complex and evolving legal issues across many jurisdictions, including open questions of law as to when and whether particular licenses are needed. Rights holders also may attempt to take advantage of their market power to seek onerous financial terms from us. Our relationship with certain rights holders may deteriorate. Artists and/or artist groups may object and may exert public or private pressure on rights holders to discontinue or to modify license terms.

Additionally, there is a risk that aspiring rights holders, their agents, or legislative or regulatory bodies will create or attempt to create new rights that could require us to enter into new license agreements with, and pay royalties to, newly defined groups of rights holders, some of which may be difficult or impossible to identify.

With respect to musical compositions, in addition to obtaining publishing rights, we generally need to obtain separate public performance rights.

Although we will expend significant resources to seek to comply with the statutory, regulatory, and judicial frameworks, we cannot guarantee that we currently hold, or will always hold, every necessary right to use all of the music that is used on our service, and we cannot be assured that we are not infringing or violating any third-party intellectual property rights, or that we will not do so in the future.

These challenges, and others concerning the licensing of music on our platform, may subject the Company to significant liability for copyright infringement, breach of contract, or other claims.

The Company confirms that, as at the date of this Prospectus, it has secured the requisite licences for all music contained within its currently published workout video library.

5.1.8 Data loss, theft or corruption

OliveX stores data in its own systems and networks and also with a variety of third-party service providers. Exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of OliveX's data which could have a material adverse effect on OliveX's business, financial condition and results. Further, if OliveX's systems, networks or apps are subject to any type of 'cyber' crime, its platform may be perceived as unsecure which may lead to a decrease in the number of users.

5.1.9 Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

5.1.10 Maintenance of key business partner relationships

The Company relies on relationships with key business partners to enable it to continue to promote its mobile apps and services (e.g. via licensing or affiliate arrangements). A failure to maintain relationships could result in a withdrawal of business partner support, which in turn could impact the Company's financial position.

The Company relies on a limited number of suppliers from China. Its reliance on a limited number of suppliers increases risk, since the Company currently do not have alternative suppliers beyond those parties. In the event of interruption from any of our manufacturers, we may not be able to increase capacity from other sources or develop alternate or secondary sources without incurring material additional costs and substantial delays. Furthermore, all of these manufacturers' primary facilities are located in China. Thus, our business could be adversely affected if one or more of our suppliers is impacted by a natural disaster, pandemic or other interruption at a particular location.

If we experience a significant increase in demand for our digital fitness products, or if we need to replace an existing supplier or partner, we may be unable to supplement or replace them on terms that are acceptable to us, which may undermine our ability to deliver our products to subscribers in a timely manner.

For example, it may take a significant amount of time to identify a manufacturer that has the capability and resources to build our products to our specifications in sufficient volume. Identifying suitable suppliers, manufacturers, and logistics partners is an extensive process that requires us to become satisfied with their quality control, technical capabilities, responsiveness and service, financial stability, regulatory compliance, and labour and other ethical practices. Accordingly, a loss of any of our significant suppliers, manufactures, or logistics partners could have an adverse effect on our business, financial condition and operating results.

To mitigate this risk, OliveX has made a corporate investment in ActiMirror, one of the Company's mirror suppliers. We have also chosen to base our mirror product on a standard model produced for multiple different verticals by multiple suppliers that the Company could deal with in the event of supplier issues.

5.1.11 Brand establishment and maintenance

The Company believes that establishing and maintaining OliveX's brand in the health and wellness and fitness app industries is critical to growing its user base and product and service acceptance. This will depend largely on OliveX's ability to provide innovative and in-demand apps and content. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

5.1.12 Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

5.1.13 Insurance risk

Investors should note that the Company currently has no insurance policies in place in respect of its business or assets other than product liability insurance in the name of OliveX HK. The Company intends to insure its operations in accordance with industry practice prior to completion of the Public Offer. 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.

5.1.14 Retention of Key Personnel

OliveX's success depends on retaining its key management personnel, and attracting suitably qualified, new personnel. OliveX intends to establish an incentive plan in the form of employee share options aimed at assisting the recruitment and retention of personnel. Despite these measures, there

is no guarantee that OliveX will be able to attract and retain suitably qualified management and technical personnel.

A failure to attract and retain suitably qualified personnel could materially and adversely affect the Company, its operating results and financial prospects.

5.1.15 Content creation

OliveX relies on Coaches to produce its content. If these Coaches choose to work with other platforms instead of ours, then the Company risks losing the ability to create new and/or premium content that is expected by our subscribers.

OliveX's strategy is to deliver content is localised to each country. If we fail to recruit creative and high-quality Coaches in each country speaking their native language, we may not be able to deliver the expected consumer experience.

A failure to continue to produce quality content and/or the ability to develop and maintain relationship with Coaches may have an adverse impact on the Company, its operating results and financial prospects.

5.1.16 Limited Cash

The Company estimates that money raised under the Public Offer will be enough for OliveX to execute its business objectives over the next 24 months. However, the Company may have to raise more money in the future to finance technology development, commercialisation of its products and other longer-term objectives. Such fundraising may dilute Shareholders, may be on terms unfavourable to the Company or may not be available at all.

5.1.17 Foreign Exchange Rate and Currency Risk

OliveX's financial statements are presented in US dollars, however OliveX's expected sales are from various international markets. As a result, OliveX's revenues may be highly sensitive to fluctuations in exchange rates. As OliveX's business is proposed to operate in several jurisdictions, costs and expenses incurred in a foreign country will be in the foreign country's denomination. Accordingly, there might be a loss incurred when the foreign currency is converted into US dollars. As OliveX does not have hedging arrangements in place, foreign exchange rate movements could adversely impact its business, financial performance and operations.

5.1.18 Intellectual Property

OliveX has not applied for any patents over its technology, nor does OliveX have any patent protection over its technology. Even if OliveX applies for and is granted patents in the future, there can be no assurance that they will deter or prevent competing products from being marketed. Further, such patents could be partially or wholly invalidated at any time in the future, leaving OliveX without intellectual property protection. Likewise, there is a risk that patents held by others will prevent OliveX from selling its own products or will require OliveX to pay license fees on such other patents.

OliveX intends to apply for registration of the trademarks "OliveX" and other trade names in certain territories but has not done so yet.

OliveX has know-how, trade secrets and other intellectual property that are important assets. OliveX relies on a combination of confidentiality and license agreements with its consultants, employees and third parties with whom it has relationships, as well as trademarks, domain names and copyright, to protect its brand and other intellectual property rights.

If OliveX fails to adequately protect its intellectual property rights, competitors may gain access to its intellectual property, which would in turn harm its business.

OliveX may be required to incur significant expenses in monitoring and protecting its intellectual property rights. OliveX may initiate or otherwise be involved in litigation against third parties for infringement or to establish the validity of its rights. Any litigation, whether or not it is successful,

could result in significant expense to OliveX and cause a distraction to management. In addition, unauthorised use of OliveX's brand or intellectual property by third parties may not only result in potential revenue loss, but also have an adverse impact on OliveX's brand value and the market perception of the quality of its products.

5.2 General Risks

5.2.1 Speculative Investment

The Securities to be issued under this Prospectus should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital or the market value of the Securities from time to time. The price at which an investor is able to trade Shares may be above or below the price paid for Shares under the Public Offer. Whilst the Directors commend the Public Offer, investors must make their own assessment of the risks, consult with professionals and determine whether an investment in the Company is appropriate in their own circumstances.

5.2.2 Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's research and development programmes, as well as on its ability to fund those programmes.

5.2.3 No Independent Valuation

No independent valuation of OliveX has been undertaken for the purposes of the Offers. The Directors do not believe that an independent valuation would be meaningful, given the likely qualifications and limitations in such valuations, and the difficulties and high cost of determining the likely commercial success of the Company, its technologies and product given the further development work and sales required.

5.2.4 Market for Shares

Prior to the Public Offer there has been no public market for the Shares. It is possible that even after the Public Offer, there will be limited trading activity in the Shares and that it may be difficult or impossible to sell or buy large blocks of the Shares, particularly given that a significant portion of Shares will initially be subject to NSX imposed escrow (see section 2.9 for further information). Prices of the Shares may be highly volatile. No assurance can be given that an active market will develop in the Shares, or that the Shares will trade at or above the price under the Public Offer after the Shares have been listed on NSX.

5.2.5 Stock Market Volatility

The Company's achievements, the day to day performance of the share market and general market/economic conditions may impact OliveX and the price at which its Shares trade on the NSX. The share market has in the past and may in the future be affected by a number of factors, including:

- general economic conditions;
- investor sentiment towards a particular industry sector;
- interest rates;
- market confidence;
- trading activities including short selling;
- currency exchange rates;
- force majeure events;
- political instability; and

- changes in government policy.

5.2.6 Tax

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

5.2.7 Force majeure risk

Events may occur within or outside the markets in which OliveX operates that could impact upon the global, Hong Kong and Australian economies, the operations of OliveX and the market price of the Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for OliveX's services and its ability to conduct business. Given OliveX has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occur.

5.2.8 Accounting Standards

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this Prospectus may adversely impact the Company's reported financial statements.

5.2.9 Other Risks

This list of risk factors above is not an exhaustive list of the risks faced by OliveX or by investors in the Company. The risk factors described in this section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Securities offered under this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Important: Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities under an Offer.

6 Key People and Corporate Governance

6.1 Board of Directors

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Collectively, the Board has significant experience across a range of industries, including the technology, media, sales and marketing industries. Brief profiles of each Director are set out in section 6.2.

6.2 Directors

Keith Rumjahn

Managing Director and Chief Executive Officer

Mr Rumjahn was the founder and the previous CEO of Coachbase, the no.1 paid sports app on iOS, Android and Mac globally, which was acquired by Animoca Brands Corporation Limited, a previously ASX listed entity. Coachbase developed a digital coaching clipboard for sports coaches to illustrate their tactics and also a subscription-based video coaching app partnering with NBA coaches Lionel Hollins and Jeff Hornacek.

Mr Rumjahn graduated with a Bachelor of Computer Science from Queen's University Canada and has worked as a software developer at Caseware international in Toronto prior to starting his own business. Mr Rumjahn has also been a nominee for the Forbes 30 under 30 award and selected as one of Generation T's 2020 honourees.

Mr Rumjahn was appointed as a Director on 30 April 2019.

Mr Rumjahn is not considered to be an independent Director.

Xavier Kris

Executive Director

Mr Kris has a technology, media and telecommunication focus specialising in business expansion through mergers, acquisitions, integrations, asset monetisation, international deployment and the establishment of strong corporate growth cultures.

An operational CEO with a track record of building businesses in high growth environments, his experience includes being a director, advisor and executive in public, private, venture capital and private equity backed organisations. Mr Kris has led IPOs, RTOs, LBOs, and over 15 acquisitions internationally, having lived and worked in the USA, UK, France, Singapore and Australia.

Mr Kris most recently served as Managing Director of Swift Media Limited (ASX:SW1), including as Chair for the last 6 months of his tenure. In addition, Mr Kris is a Director of PLUS 8, a hospitality management and consulting group, and is the founding partner of Boardroom Capital, a boutique corporate advisory firm.

Mr Kris holds an English Law and French Degree and a Master of Business Administration. Mr Kris has also completed the 'Company Directors Course' conducted by the AICD and has obtained the qualification of GAICD.

Mr Kris was appointed as a Director on 15 October 2019.

Mr Kris is not considered to be an independent Director.

Yat Siu

Non-Executive Chairman

Mr Yat Siu is the founder and CEO of Outblaze Limited, a digital media company specializing in gaming, cloud technology, and smartphone/tablet software development. In 2009, Mr Siu sold Outblaze's messaging division to IBM and successfully pivoted Outblaze Limited from business-to-business (**B2B**) messaging services to business-to-customer (**B2C**) digital entertainment. Mr Siu is a director for TurnOut Ventures Limited, a partnership between Outblaze Investments Limited, Animoca Brands Limited (**ABL**) and Turner Entertainment Holdings Asia-Pacific Limited, and Mr Siu is co-founder of Appionics (known by the consumer brand 'Animoca'), a major developer and publisher of smartphone games. In 2012, Mr Siu set up ThinkBlaze, the research arm of Outblaze Limited dedicated to investigating socially meaningful issues related to technology.

Mr Siu has earned numerous accolades including Global Leader of Tomorrow at the World Economic Forum, and Young Entrepreneur of the Year at the DHL/SCMP Awards. Mr Siu is a supporter of various non-governmental organizations and serves on the board of directors for the Asian Youth Orchestra.

Mr Siu remains the Non-Executive Chairman, and holds a relevant interest in approximately 5.74% of the issued capital, of Animoca Brands Corporations Limited (**AB1**), the parent company of ABL, which was previously listed on the ASX. AB1 was removed from the official list of the ASX on 9 March 2020 pursuant to ASX Listing Rule 17.12 for, amongst other things, breaches of periodic reporting requirements and issues with continuous disclosure.

Mr Siu was appointed as a Director on 30 April 2019.

Mr Siu is not considered to be an independent Director.

John Bell

Non-Executive Director & Company Secretary

Mr John Bell is a corporate advisory specialist focusing on transactional services, assisting businesses through capital raising, valuation and buy/sell transactions.

Mr Bell is an experienced CFO, in both listed and unlisted space with expertise in media and technology. Mr Bell's experience extends across a range of industries including media, technology, retail, professional services, manufacturing, mining and related services. Mr Bell has board level experience in the commercial and not for profit sectors at both an executive and non-executive level. Mr Bell's knowledge and experience allow him to provide highly competent advice surrounding, financial management, mergers and acquisitions; organic business growth and successfully selling businesses thereby servicing the client's commercial lifecycle.

John is a member of CAANZ and is a Chartered Tax Advisor.

Mr Bell was appointed as a Director on 1 May 2020.

Mr Bell is not considered to be an independent Director.

6.3 Company Secretary

Refer to section 6.2 for a summary of Mr Bell's biography.

6.4 Senior Management

OliveX has a highly experienced management team led by its Executive Directors, Keith Rumjahn and Xavier Kris. The team's skills are spread across the organisation, particularly in artificial intelligence technologies R&D, business development, marketing and sales, and financial

management. In addition to the Executive Director, OliveX's senior management team comprises the following:

Gunnar Karlsson

Head of Engineering

Mr Gunnar Karlsson is a software architect and developer with more than 10 years' experience developing software. Mr Karlsson has a track record of delivering quality applications and systems for a range of clients across different industries. Mr Karlsson has developed applications and systems for the Hong Kong Telecom/VOIP company m800, DBS Bank, the Hong Kong government, as well as embedded software for the world's best-selling cloud-based digital photo frame Nixplay.

Mr Karlsson developed the backend system for OliveX's video streaming platform, as well as the SDKs for its clients and the admin system and console. In addition to his technical skills, Mr Karlsson has lead software development teams ranging in size from 2 to 20 developers. Mr Karlsson lead these teams to implement Automated Testing, Continuous Integration & Continuous Deployment, and Agile workflows.

Mr Karlsson holds a Master of Science in Business Administration from Stockholm School of Economics.

6.5 Director Interests

Other than as set out below or elsewhere in this Prospectus, no existing Director or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing Director or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offers.

6.5.2 Remuneration

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders, which is \$300,000 per annum.

The remuneration of Directors is reviewed annually by the Company.

The Directors are also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses the Directors may incur when travelling to or from meetings or when otherwise engaged in the business of the Company.

The annual salaries paid to the Directors for the 2 financial years prior to the date of this Prospectus, and paid or payable to the Directors for the current financial year to the date of this Prospectus, and the proposed annual salaries payable to the Directors from completion of the Offers, are set out below.

Director	FY 2018	FY 2019	FY 2020
Keith Rumjahn	\$100,000 ¹	\$140,000 ²	\$135,000 ³
Xavier Kris	Nil	Nil	\$88,249 ⁴
Yat Siu	Nil	Nil	\$Nil ⁵
John Bell	Nil	Nil	\$Nil ⁶

Notes:

- 1 This figure is from the period 1 August 2017 to 30 June 2018 during which Mr Rumjahn was paid HKD\$533,500 by OliveX HK.
- 2 This figure is from the period 1 July 2018 to 30 June 2019 during which Mr Rumjahn was paid HKD\$752,000 by OliveX HK.
- 3 This figure is from the period 1 July 2019 to the date of this Prospectus during which Mr Rumjahn has been paid HK\$719,500. Refer to section 7.8.1 for a summary of Mr Rumjahn's services agreement with the Company.
- 4 This figure is for the period from 15 October 2019 to the date of this Prospectus during which Mr Kris has been paid an aggregate of \$88,249 comprising \$35,556 for his role as a Director and \$77,693 pursuant to the Services Agreement. Following the Company's admission to the official list of the NSX, Mr Kris:
 - a. will be paid \$50,000 for his role as an Executive Director which Mr Kris has agreed, for the first 12 months following the Company's admission to the official list of the NSX, is payable through the issue of Shares at a deemed issue price of \$0.20 per Share;
 - b. will be paid \$180,000 payable to XJRK Management Group Pty Ltd (ACN 620 129 802) (**XJRK**), an entity controlled by Mr Kris, for consulting services provided to the Company pursuant to the Services Agreement; and
 - c. is entitled to be paid two \$30,000 cash bonuses payable to XJRK upon satisfaction of certain performance criteria as set out in the Services Agreement.

Refer to section 7.8.2 for a summary of Mr Kris' engagement letter with the Company and the Services Agreement.
- 5 Pursuant to Mr Siu's engagement letter with the Company, Mr Siu's fees as a director do not start accruing until the Company is admitted to the official list of the NSX. Further, Mr Siu has agreed to be issued Shares in lieu of his annual salary at a deemed issue price of \$0.20 per Share. Refer to section 7.9 for a summary of Mr Siu's services agreement with the Company.
- 6 Pursuant to Mr Bell's engagement letter with the Company, Mr Bell's fees as a director do not start accruing until the Company is admitted to the official list of the NSX. Further, Mr Bell has agreed to be issued Shares in lieu of 50% of his annual salary at a deemed issue price of \$0.20 per Share. Refer to section 7.9 for a summary of Mr Bell's services agreement with the Company.

6.5.3 Securities

Set out below are the anticipated relevant interests of the Directors in the securities of the Company upon completion of the Offers:

Director	Shares	Director Options ¹	Performance Rights ²
Keith Rumjahn	3,011,786	750,000 ³	3,701,758 ⁶
Xavier Kris	250,000 ⁵	750,000 ³	-
Yat Siu	150,000 ⁵	750,000 ³	-
John Bell	75,000 ⁵	180,000 ⁴	-

Notes:

- 1 Refer to section 8.3 for a summary of the terms and conditions of the Director Options.
- 2 Refer to section 8.4 for a summary of the terms and conditions of the Performance Rights.
- 3 Comprising:
 - 250,000 Class A Director Options;

- 250,000 Class B Director Options; and
 - 250,000 Class C Director Options.
- 4 Comprising:
- 60,000 Class A Director Options;
 - 60,000 Class B Director Options; and
 - 60,000 Class C Director Options.
- 5 These Shares will be issued to Messrs Kris, Siu and Bell at a deemed issue price of \$0.20 per Share in lieu of cash remuneration for the first 12 months of their engagement as a Director. Please refer to sections 7.8.2 and 7.9 for further details.
- 6 The issue of the Performance Rights to Mr Rumjahn was approved by the Board on or about 19 May 2020 and by the Company's shareholders on 25 May 2020.

6.6 Related Party Transactions

The Company has entered into the following related party transactions on arm's length terms:

- various SPLAs (see section 7.1 for details);
- the CEO Agreement (see section 7.8.1 for details);
- the Services Agreement (see section 7.8.2 for details), of which Mr Xavier Kris is a director and shareholder of XJRK;
- letters of appointment with:
 - Keith Rumjahn as Executive Director (see section 7.8.1 for details);
 - Xavier Kris as Executive Director (see section 7.8.2 for details);
 - Yat Siu as Non-Executive Chairman (see section 7.9 for details); and
 - John Bell as Non-Executive Director (see section 7.9 for details);
- an engagement letter with Hall Chadwick, an entity of which Mr John Bell is a director, for the provision of virtual CFO and company secretarial services to the Company, pursuant to which the Company pays Hall Chadwick \$9,000 (plus GST) per month; and
- a licence agreement between OliveX HK and ABL, pursuant to which ABL agreed to allow OliveX HK to utilise office space, facilities, and equipment from ABL, and pays ABL a monthly amount of HK\$2,000 (~A\$375) per workstation leased. Mr Yat Siu is the sole director of ABL and ABL is a substantial shareholder of the Company.

At the date of this Prospectus, no other material transactions with related parties exist that the Directors are aware of, other than those disclosed in this Prospectus.

6.7 Board Composition

The Board currently comprises of 2 Executive Directors and 2 Non-Executive Directors. Yat Siu has assumed the responsibility of the chairman of the Board.

The Board considers an independent Director to be a Non-Executive Director who is not a substantial Shareholder or a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. None of the Directors are considered to be independent, which is contrary to the Recommendations.

6.8 Corporate Governance

The Board is responsible for the governance of the Company, and oversees its operational and financial performance. It sets strategic direction, establishes goals for management and assesses

the achievement of those goals, determines the appropriate risk profile and monitors compliance in terms of regulatory and ethical standards. Copies of the Company's main corporate governance documents, including the Constitution, charters of the Board and Board committee and key policies are available on the Company's website at www.olivex.ai.

Although the Company is not seeking a listing on the ASX, the Board has taken the view that the Company should, to the extent possible, comply with the ASX Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council (**ASX Recommendations**). Accordingly, the Company voluntarily issues an annual Corporate Governance Statement which summarises the Company's main corporate governance practices and identifies the extent to which those practices do not comply with the ASX Recommendations. The Company is required to report any departures from the ASX Recommendations in its annual financial report. At the date of this Prospectus, the Company complies with the ASX Recommendations other than to the extent set out below.

Recommendation		Yes / No	Comment
Principle 2: Structure the Board to be effective and add value			
<i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i>			
2.1	The board of a listed entity should:	No	The Board is not currently of a sufficient size and structure to establish a nomination committee. At present, the full Board carries out the duties that would ordinarily be assigned to a nomination committee under the written terms of reference for that committee.
	(a) have a nomination committee which:		The Board is responsible for the appointment of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.
	(1) has at least three members, a majority of whom are independent directors; and		The Board regularly reviews the composition of the Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
	(2) is chaired by an independent director,		As the Company grows in size, it is planned that the Company will establish a separate nomination committee with its own nomination committee charter.
	and disclose:		
	(3) the charter of the committee;		
	(4) the members of the committee; and		
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
			As the Company grows in size, it is planned that the nomination committee will maintain and disclose a board skills matrix.
2.4	A majority of the board of a listed entity should be independent directors.	No	Currently, independent directors do not form a majority of the Board as none of the Directors are considered to be independent directors. The Board will continue to assess the Company's needs as it grows in size and if appropriate, appoint additional non-executive and independent directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Company does not currently have a sole independent Non-Executive Chairman. The Board will continue to assess the Company's needs as it grows in size and if

Recommendation	Yes / No	Comment
		appropriate, appoint an independent non-executive chairman.
Principle 3: Instil a culture of acting lawfully, ethically and responsibly <i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i>		
3.1 A listed entity should articulate and disclose its values.	No	The Company is in the process of developing a formalised statement of values that will be placed on the Company's website in due course.
Principle 4: Safeguard integrity in corporate reports <i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i>		
4.1 The board of a listed entity should:	No	The Board is not currently of a sufficient size and structure to establish an audit committee. At present, the full Board carries out the duties that would ordinarily be assigned to an audit under the written terms of reference for that committee.
(a) have an audit committee which:		As the Company grows in size, it is planned at the Company will establish a separate audit committee with its own audit committee charter.
(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and		Under the Board's charter, the specific responsibilities of the Board include to recommend to shareholders the appointment of the external auditor and to meet with the external auditor when required and without management being present.
(2) is chaired by an independent director, who is not the chair of the board,		The Board meets with the Company's auditors at regular intervals to continually assess and monitor the performance of the external auditors.
and disclose:		
(3) the charter of the committee;		
(4) the relevant qualifications and experience of the members of the committee; and		
(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
Principle 7: Recognise and manage risk <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i>		
7.3 A listed entity should disclose:	No	The Company does not have an internal audit function.
(a) if it has an internal audit function, how the function is structured and what role it performs; or		Management oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		The Board reviews reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures. When the Board is of a sufficient size and nature, it will establish and delegate to an Audit and Risk Committee responsibility for implementing the Company's risk management system.
Principle 8: Remunerate fairly and responsibly <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i>		

Recommendation	Yes / No	Comment
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Partial	<p>The full Board is responsible for the determination of the remuneration of directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>Where considered necessary, the Board may engage a remuneration consultant to assist with setting and reviewing the Company's executive and non-executive remuneration policies to ensure the Company attracts and retains executives and Directors who will create value for shareholders.</p> <p>As the Company grows in size, it is planned at the Company will establish a separate remuneration committee with its own remuneration committee charter.</p>

7 Material Contracts

Set out in this section 7 is a summary of the material contracts to which the Company or OliveX HK is a party that may be material in terms of the Offers, for the operation of the business of OliveX, or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the contracts are not repeated in this Prospectus and any intending applicant who wishes to gain full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

7.1 SPLAs

During or around May 2020, the Company, OliveX HK and each:

- HK Shareholders; and
- SAFE Noteholder,

(together, the **Securityholders**) entered into various security purchase letter agreements (**SPLAs**) pursuant to which:

- the Company agreed to acquire the HK Shares from the HK Shareholders; and
- each Safe Noteholder agreed to terminate and release OliveX from its obligations under each SAFE Note.

Upon completion of the SPLAs the Company has agreed to issue the Securityholders and aggregate of 23,559,996 Shares on a pro-rata basis (this equates to a conversion price of approximately A\$0.08 per Share). In addition, various Securityholders will be issued an aggregate of 20,000,000 Performance Rights, comprising:

- 6,666,666 Class A Performance Rights;
- 6,666,667 Class B Performance Rights; and
- 6,666,667 Class C Performance Rights.

The relevant Securityholders will be issued the Performance Rights on a pro-rata basis to their respective shareholdings in the Company under the Performance Rights Offer. The Performance Rights will be issued as follows:

	Class A	Class B	Class C	Total	Relationship
ABL	5,066,946	5,066,947	5,066,947	15,200,839	Related party by virtue of being an entity that controls the Company
Keith Rumjahn	1,233,919	1,233,919	1,233,919	3,701,758	Related party by virtue of being a current Director
Sonny Vu	365,801	365,801	365,801	1,097,402	Related party by virtue of being a Director within the past 6 months
Total	6,666,666	6,666,667	6,666,667	20,000,000	-

Further, each Securityholder agreed to waive any rights it has, or may have, to purchase or redeem any or all of the HK Shares under OliveX HK's constituent documents or otherwise.

The SPLAs otherwise contain terms and conditions that are considered standard for agreements of their nature.

7.2 Convertible Notes

During or around March 2019, the Company entered into convertible note term sheets with various professional and sophisticated investors (**Noteholder**) pursuant to which the Company issued convertible notes with a face value of \$1.00 each to raise an aggregate of A\$500,000 (**Convertible Notes**). The Convertible Notes are convertible at a conversion price of \$0.20 per Share.

During or around May 2020, the Company and each Noteholder entered into a note conversion letter agreement (**Conversion Letters**), pursuant to which each Noteholder agreed to accelerate the conversion of the Convertible Notes.

A summary of the key terms of the Conversion Letters are set out below.

- (a) (**Conversion**): Each Convertible Note will convert into 2,500,000 Shares on the same terms as the Convertible Note on a date determined by the Company, being the date that completion of the Restructure occurs (**Conversion Date**).
- (b) (**Performance Rights**): In addition to the Shares to be issued upon Conversion, the Noteholders will be issued an aggregate of 10,000,000 Performance Rights, comprising:
 - (i) 3,333,334 Class A Performance Rights;
 - (ii) 3,333,333 Class B Performance Rights; and
 - (iii) 3,333,333 Class C Performance Rights.

The Noteholders will be issued the Performance Rights on a pro-rata basis to their respective shareholdings in the Company under the Performance Rights Offer. None of the Noteholders are related parties of the Company.
- (c) (**Termination**): The parties agree, with effect from the Conversion Date, that each Convertible Note is fully discharged and terminated.
- (d) (**Release**): With effect from the Conversion Date, the Noteholder releases the Company from any claim, right, action, proceedings or demand against the Company however arising and whether present or future, fixed or unascertained, actual or contingent now existing, or which but for this document might have directly or indirectly arisen out of the Convertible Note.

The Conversion Letters and Convertible Notes otherwise contain terms and conditions that are considered standard for agreements of their nature.

7.3 HKC Agreements

In or around June 2019, Hong Kong Communications Co Ltd, a company registered in Hong Kong, (**HKC**) and OliveX HK entered into two agreements (together, the **HKC Agreements**). The first agreement is an agreement for the manufacture and supply of the KARA Mirror in exchange for consideration (**Supply of Goods Agreement**). The second agreement is an agreement for OliveX HK to licence to HKC the right to distribute, provide support for and charge for the delivery of services to end users of the KARA Mirror in exchange for a fee payable for each end user (**Software Reseller Agreements**).

A summary of the key terms of the HKC Agreements are set out below.

- (a) (**KARA Mirror**): The KARA Mirror will be manufactured by HKC and will be warranted by HKC for three (3) years from the date of delivery.
- (b) (**Purchase Price**): The purchase price of the KARA Mirror is identified in bands, depending on how many KARA Mirrors are purchased by the Company within the Term. HKC will invoice OliveX HK in the following bands:

- (i) if OliveX HK purchases between 1 and 100 KARA Mirrors, HK\$10,000 per KARA Mirror;
 - (ii) if OliveX HK purchases between 101 and 200 KARA Mirrors, \$HK\$9,000 per KARA Mirror; and
 - (iii) if OliveX HK purchases between 201 and 300 KARA Mirrors, \$HK\$8,000 per KARA Mirror.
- (c) **(Term):** The Supply of Goods Agreement commences on or about 19 June 2019 and will continue for a period of twelve (12) months.
- (d) **(Termination):** Either HKC or OliveX HK may terminate the Supply of Goods Agreement by written notice if:
 - (i) the other party commits a material breach that is not remediable;
 - (ii) the other party commits a material breach that is remediable, and such breach is not remediated within thirty (30) days of the party in breach being notified in writing to do so;
 - (iii) the other party is, admits to being or is declared insolvent, or voluntary or involuntary proceedings are instituted by or against it in bankruptcy, or receivership, or for a winding-up or for the dissolution or re-organization of its assets; or
 - (iv) the other party suspends, threatens to suspend, ceases or threatens to cease carrying on a substantial part of its business.

The key terms of the Software Reseller Agreement are as follows:

- (a) **(Licence Fee):** The licence fee per end user is paid by HKC within the Term to the Company as follows:
 - (i) between 1 and 100 end users, HK\$150 per end user in this band per month;
 - (ii) between 101 and 500 end users, HK\$125 per end user in this band per month;
 - (iii) between 501 and 1000 end users, HK\$100 per end user in this band per month;
 - (iv) between 1001 and 2000 end users, HK\$90 per end user in this band per month; and
 - (v) for each additional band of 1000 end users, the licence fee will reduce by HK\$10 per month per end user until a minimum price of HK\$40 per end user per month is reached.
- (b) **(Intellectual Property):** HKC has no intellectual property rights to the software provided by OliveX HK for the purpose of the Software Reseller Agreement. Any intellectual property right, title or interest created by HKC, arising as a result of the Software Reseller Agreement, is unconditionally and irrevocable assigned to OliveX HK.
- (c) **(Term):** The Software Reseller Agreement commences on or about 21 June 2019 and will continue for twelve (12) months from the commencement date (**Term**).
- (d) **(Termination):** Either HKC or OliveX HK may terminate the Software Reseller Agreement by written notice if:
 - (i) the other party commits a material breach that is not remediable;
 - (ii) the other party commits a material breach that is remediable, and such breach is not remediated within thirty (30) days of the party in breach being notified in writing to do so;

- (iii) the other party is, admits to being or is declared insolvent, or voluntary or involuntary proceedings are instituted by or against it in bankruptcy, or receivership, or for a winding-up or for the dissolution or re-organization of its assets; or
- (iv) the other party suspends, threatens to suspend, ceases or threatens to cease carrying on a substantial part of its business.

The HKC Agreements otherwise contain terms and conditions that are considered standard for agreements of their nature.

7.4 Corporate Mandate

On 24 March 2020, the Company entered into a corporate and financial services agreement (the **Mandate**) with the Lead Manager to which:

- (a) the Lead Manager will act as lead manager to facilitate the Public Offer and subsequent admission of the Company to the official list of the NSX; and
- (b) the Lead Manager is engaged as a corporate advisor to the Company which is effective from 24 March 2020 until at least twelve (12) months from the date the Company is admitted to the Official List of the NSX, which period may be extended by mutual agreement between the Lead Manager and the Company (**Term**),

(together, the **Services**).

The Mandate encompasses the terms and conditions of the Services which the Lead Manager may provide to OliveX HK, a summary of which are set out below:

- (a) (**Remuneration**) If the Company is admitted to the Official List of the NSX, the Lead Manager will be entitled to:
 - (i) (**Management Fee**) a 2% management fee for all funds raised;
 - (ii) (**Selling Fee**) a 4% selling fee for all the funds raised, excluding funds raised as a result of investors introduced by the Company directly and which are agreed to in writing by the Lead Manager;
 - (iii) (**Consulting Fee**): a one-off A\$50,000 corporate consulting fee,
 (together, the **Fees**);
- (iv) (**New Options**): 3,800,000 options with an exercise price of A\$0.20 a share, which are not transferrable for a period of two (2) years and which will expire three (3) years from the listing date; and
- (v) (**Retainer**): a A\$5,000 a month retainer, payable by the Company for a period of twelve (12) months from the date the Company is admitted to the Official List of the NSX.
- (b) (**Termination**): The Mandate will terminate without further liability to the Lead Manager and the Company upon the following:
 - (i) expiration of the Term;
 - (ii) if the Company elects to discontinue with the Public Offer; or
 - (iii) if either the Company or the Lead Manager terminate the agreement by written notice on the other party.

Notwithstanding clauses 7.4(b)(ii) and (iii) above, and unless the Termination was a result of wilful default, negligence, breach of law, or breach of this engagement on the part of the Lead Manager, the Company is still liable to pay the following:

- (i) if the Lead Manager has incurred disbursements on the Company's behalf, those disbursements; or
- (ii) if the Company completes an IPO within twelve (12) months of the date of Termination, the fees outlined in clause 7.4(a).

The Mandate otherwise contains terms and conditions that are considered standard for an agreement of its nature.

7.5 CSL Agreement

On 12 June 2020, CSL Mobile Limited (Registration Number 2587244) (**CSL**) and OliveX HK (together, the **Parties**) entered into a Service Acquisition Agreement (**CSL Agreement**) pursuant to which OliveX HK grants CSL a licence to utilise the Content (defined below) in order to market, promote and distribute the Content.

A summary of the key terms of the CSL Agreement are set out below.

- (a) (**Term**) The CSL Agreement commences on 29 May 2020 (**Commencement Date**) and will continue for an initial period of twelve (12) months (**Initial Term**). The CSL Agreement will automatically renew on each twelve (12) month anniversary following the Initial Term (**Further Term**). If either Party wishes for the CSL Agreement to cease at the end of the Initial Term or Further Term, they must provide the other Party with at least forty (40) business days written notice of their intention not to renew the CSL Agreement.
- (b) (**Products**): means the KARA Mirror, the KARA Smart Fitness app and any similar products (together the **Products**) that will be made available to CSL and CSL shall commence distributing to users on 29 May 2020 (**Launch Date**) until the CSL Agreement is validly terminated in accordance with its terms (**Service Period**).
- (c) (**Content**): means the KARA Smart Fitness app that:
 - (i) will be made available to CSL and CSL shall commence distributing to users on] 2020 (**Service Launch Date**) for the Service Period;
 - (ii) is available for download on wireless devices through the Apple App Store, the Google Play Store or by such other means as the Parties may agree;
 - (iii) shall be hosted and maintained for OS updates by OliveX HK;
 - (iv) shall include at least thirty (30) videos in 5 categories (cardio, stretch, yoga, meditation and others); and
 - (v) shall be updated each week to include at least one (1) new video in each of the five (5) categories.
- (d) (**Services**): pursuant to the terms of the CSL Agreement:
 - (i) CSL will host an in-store launch event for the Products and Content on terms to be reasonably agreed between the Parties;
 - (ii) CSL will promote the Products and Content, through various online and digital platforms;
 - (iii) CSL will provide OliveX HK with the ability to utilise CSL's network to further promote the Products and Content to potential users at least one (1) time per month.
- (e) (**Licence**): The Company grants CSL the non-exclusive licence, within Hong Kong and Macau (**Territory**), to:
 - (i) use, distribute, disseminate, and/or promote the Content;

- (ii) authorise CSL's holding companies and/or subsidiaries to disseminate the Content to subscribers under their respective brands names; and
 - (iii) reproduce, modify, compile or adapt the Content for the purposes set out in Section 7(e)(i) to 7(e)(ii) above, solely to produce advertising and promotional material related to the Content.
- (f) **(Revenue Share Model):** All amounts billed by CSL to Subscribers for purchases of the Products or downloading or accessing of the Content (**Revenue**) is split between CSL and OliveX HK, as follows:
 - (i) CSL is entitled to receive the following portion of the Revenue:
 - (A) 50% of Revenue generated from Contract VAS;
 - (B) 30% of Revenue generated from Standalone VAS; and
 - (C) The difference between the HK\$12,000 wholesale price of the KARA Mirror and any additional amount of revenue received by the sale of the KARA Mirror sold pursuant to this CSL Agreement.
 - (ii) OliveX HK is entitled to receive the following portion of Revenue:
 - (A) 50% of Revenue generated from the Contract VAS;
 - (B) 70% of Revenue generated from Standalone VAS; and
 - (C) \$HK12,000 for each KARA Mirror sale sold pursuant to this CSL Agreement.
- (g) **(Exclusivity):** OliveX HK has granted CSL an non-exclusive distribution right for the Kara Mirror and Kara Smart Fitness app during the Term. Although the distribution right is non-exclusive, it is initially subject to the following exclusivity periods:
 - (i) six (6) months commencing on the Launch Date, for the KARA Mirror (**Product Exclusivity Period**); and
 - (ii) twelve (12) months commencing on the Launch Date, for the KARA Smart Fitness app (**Content Exclusivity Period**),

(together, the **Exclusivity Period**).

During the Exclusivity Period, OliveX HK is prohibited from selling, renting, licencing, distributing or making available the Products to any third party in the Territory without the prior written consent of CSL. This exclusion does not apply to:

 - (i) customers who purchase the Products and the Content for personnel non-commercial use and who are referred by existing business partners of OliveX HK; and
 - (ii) current customers who are identified in item 9 of the CSL Agreement, such as HKC,

(together, the **Exempt Parties**).
- (h) **(Intellectual Property):** CSL has no intellectual property rights in relation to any material in whatever form including, but not limited to, documents, reports, products, software, software tools, software, and development methodologies (**Materials**) that were owned by either OliveX HK or CSL prior to the Commencement Date or that are created, brought into existence or developed by CSL in the course of providing the Services.
- (i) **(Termination by either Party):** Either Party may terminate the CSL Agreement:
 - (i) at any time by providing the other party with three (3) months written notice; or

- (ii) immediately, by written notice, if:
 - (A) the other party commits a breach that is not remediable;
 - (B) the other party commits a material breach that is remediable, and such breach is not remediated within ten (10) business days of the party in breach being notified in writing to do so;
 - (C) the other party suffers an event of insolvency;
 - (D) CSL ceases to offer the Content to users;
 - (E) the other party suspends carrying on a its business for more than ten (10) consecutive business days; or
 - (F) a force majeure event subsists for more than twenty (20) business days.
- (j) **(Termination by CSL):** CSL may terminate the CSL Agreement immediately by written notice if:
 - (i) OliveX HK fails to pass any acceptance test set by CSL;
 - (ii) in CSL's reasonable opinion, OliveX HK attempts to bring CSL's name into disrepute;
 - (iii) in the event OliveX HK hosts the Content, OliveX HK fails to provide the Content to CSL within five (5) business days or more on a consecutive and cumulative basis;
 - (iv) any operational licences held by either Party are terminated, revoked, surrendered, expire or are not renewed.

The CSL Agreement otherwise contains terms and conditions that are considered standard for an agreement of its nature.

7.6 Asia Diabetes Agreement

On 25 February 2019, Asia Diabetes Foundation Limited (**Asia Diabetes**) and OliveX HK entered into a collaboration agreement whereby Asia Diabetes engaged OliveX HK to develop a health related mobile application, with food recognising AI features (**Asia Diabetes Agreement**).

A summary of the key terms of the Asia Diabetes Agreement are set out below.

- (a) **(Term):** the Asia Diabetes Agreement commenced on 25 February 2019 (**Commencement Date**) and continues for a period of thirty six (36) months from the Commencement Date unless it is otherwise:
 - (i) extended by mutual written agreement of the parties; or
 - (ii) terminated in accordance with the terms of the Asia Diabetes Agreement.
- (b) **(Services):** OliveX HK was engaged to develop a health related app, which is developed and designed by OliveX HK, to incorporate AI and augmented reality (**AR**) technology to promote the health and wellbeing of people in Hong Kong (**Services**). OliveX HK is required to source its own employees, plant and equipment at its own expense to fulfil the delivery of the Services.
- (c) **(Fees):** OliveX HK is paid a total of HK\$2,800,000 (~A\$523,600) under the Asia Diabetes Agreement, consisting of several key milestones.
- (d) **(Payment Terms):** As at the date of this Prospectus OliveX HK has been paid fees totalling HK\$1,904,000 (~A\$360,000). OliveX HK is still entitled to be paid the following instalments:

- (i) upon release of the app (**Release**), HK\$616,000 (A\$115,192);
 - (ii) upon completion of the first year from Release, HK\$140,000 (A\$26,180); and
 - (iii) upon completion of the second year from Release, HK\$140,000 (A\$26,180).
- (e) (**Termination**): Either party may terminate the agreement by written notice if the other party materially breaches the Asia Diabetes Agreement, and if such material breach is:
- (i) not remediable, immediately upon the breaching party being notified of the material breach; or
 - (ii) remediable, is not caused by a force majeure event and is not remedied within thirty (30) days of the breaching party being notified of the material breach, at the conclusion of the thirty (30) days; or

If the material breach occurs as a result of the force majeure event, and provided such event continues for one hundred and eighty (180) days, either party may terminate the Asia Diabetes Agreement by providing the other party with fourteen (14) days written notice of their intention to terminate the agreement.

- (f) (**Intellectual Property**): Any intellectual property developed by OliveX during the Term will vest in OliveX HK and Asia Diabetes will have no rights and/or recourse in relation to such intellectual property.

The Asia Diabetes Agreement otherwise contains terms and conditions that are considered standard for an agreement of its nature.

7.7 Convertible Security

On 15 February 2019, OliveX HK purchased a convertible security in actiMirror Corporation Ltd, a company incorporated in Hong Kong, (**ActiMirror**) for a value of US\$100,000 (**Convertible Security**).

A summary of the key terms of the Convertible Security are set out below.

- (a) (**Conversion**): the Convertible Security shall automatically convert, into 100,000 Preferred B Shares (**Share**) issued by ActiMirror at an issue price \$1.00 per Share, upon:
- (i) the issuance by ActiMirror of equity securities in connection with the closing of an equity financing round or related equity financing rounds raising no less than US\$250,000 (**Qualified Financing**); or
 - (ii) the occurrence of an IPO or the sale of:
 - (A) all or substantially all of the Company's assets;
 - (B) a sale of substantially or substantially all of the Company's Shares; or
 - (C) a merger, consolidation or other business combination of the Company with or into another entity,

in which ActiMirror's current shareholders hold after such transaction less than 50% of the Shares of the Company.

- (b) (**Termination**): upon Conversion in accordance with clause (a) the Convertible Security will automatically terminate and OliveX HK's obligations under the Convertible Security will be deemed to be fully satisfied.
- (c) (**Shareholders Agreement**): upon Conversion in accordance with clause (a), OliveX HK agrees to enter into a shareholders agreement, on customary terms, with ActiMirror and its current shareholders.

The Convertible Security otherwise contains terms and conditions that are considered standard for a document of its nature.

7.8 Executive Services Agreements

7.8.1 Keith Rumjahn

On 1 August 2017, OliveX HK (formerly Family Fit Limited) entered into an employment agreement with Mr Keith Rumjahn (as amended on 22 April 2020) pursuant to which Mr Rumjahn was appointed as the Chief Executive Officer (**CEO**) of OliveX HK (**CEO Agreement**). Further, on 27 March 2020, Mr Rumjahn entered into an engagement letter with OliveX HK (**Executive Engagement Letter**), pursuant to which Mr Rumjahn was appointed as an Executive Director of the Company.

A summary of the key terms of the CEO Agreement and Executive Engagement Letter are set out below.

- (a) (**Term**): Mr Rumjahn's engagement as CEO commenced on 1 August 2017 (**Commencement Date**) and continues until the Mr Rumjahn resigns or his roles are validly terminated in accordance with the CEO Agreement, Corporations Act, the Company's Constitution or the NSX Listing Rules.
- (b) (**Remuneration**): Mr Rumjahn is entitled to the following remuneration:
 - (i) for the period commencing on the Commencement Date, a monthly salary of HK\$60,000 (equating to approximately A\$133,715 per annum);
 - (ii) for the period commencing on the date the Company is admitted to the official list of the NSX (**Listing Date**), a monthly salary of HK\$80,000 (equating to approximately A\$180,000 per annum); and
 - (iii) 750,000 Directors Options, consisting of:
 - (A) 250,000 Class A Directors Options;
 - (B) 250,000 Class B Directors Options; and
 - (C) 250,000 Class C Directors Options.
- (c) (**Termination by either Party**): The CEO Agreement may be terminated by either party by providing at least:
 - (i) one (1) months written notice or salary in lieu of notice; or
 - (ii) on and from the Listing Date, four (4) months written notice or salary in lieu of notice.
- (d) (**Termination by OliveX HK**): OliveX HK may terminate the CEO Agreement immediately, without notice or salary in lieu of notice, in the appropriate circumstances. Appropriate circumstances include, but are not limited to, situations of wilful disobedience of lawful and reasonable order, gross misconduct, gross incompetence, gross negligence, the commission of a serious criminal offense, fraud and/or dishonesty.
- (e) (**Termination of Executive Engagement Letter**): The Executive Engagement Letter may be terminated in appropriate circumstances, which may include if Mr Rumjahn:
 - (i) ceases to become a director under the Corporations Act;
 - (ii) becomes bankrupt or make any arrangement or composition with his creditors;
 - (iii) becomes prohibited from being a Director by reason of any order made under the Corporations Act;

- (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (v) resigns from office by notice in writing to the Company; or
- (vi) is removed from office by resolution of the Company's shareholders.

Further, Mr Rumjahn is required to immediately resign from his position as a Director of the Company in the event the CEO Agreement is terminated for any reason.

- (f) **(Compliance with Australian Laws):** Pursuant to the Executive Engagement Letter, any provision contained in the CEO Agreement that is not consistent with, or is in breach of the Corporations Act, the Listing Rules, or any Australian law, has no force or effect.

The CEO Agreement and Executive Engagement Letter otherwise contain terms and conditions which are considered standard for agreements of their nature.

7.8.2 Xavier Kris

On 4 March 2020, the Company entered into an engagement letter with Mr Xavier Kris pursuant to which Mr Kris was appointed as an Executive Director (**Executive Engagement Letter**). On 17 March 2020, the Company also entered into a consulting agreement with XJRK Management Group Pty Ltd (ACN 620 129 802), an entity controlled by Mr Kris, (**XJRK**) (**Services Agreement**). Pursuant to the Services Agreement, XJRK will provide various corporate consulting services to the Company including, but not limited to, developing corporate, business, marketing and operational plans and facilitating opportunities for business growth and expansion (**Consultancy Services**).

A summary of the key terms of the Executive Engagement Letter and Services Agreement are set out below.

- (a) **(Remuneration):** Mr Kris is entitled to director's fees of \$50,000 per annum for his role as an Executive Director. For the first 12 months of Mr Kris' engagement he has agreed to be issued Shares at a deemed issue price of \$0.20 per Share in lieu of cash remuneration. Mr Kris has agreed that these Shares will be escrowed for a period of 12 months from the date of issue.

Furthermore, XJRK will be paid the following fees for providing the Consultancy Services:

- (i) \$190 per hour for at least 80 hours per month, to a maximum charge of \$15,200 per month;
- (ii) for hours of service performed over 80 hours per month will be charged at \$190 per hour, up to a maximum of \$6,000 per month;
- (iii) after the completion of the annual audit for the financial year ending 30 June 2020;
 - (A) a further \$30,000 bonus payment if the Company achieves the Board's revenue target for the Company; and
 - (B) a further \$30,000 bonus payment if the Company achieves the Board's approved normalised EBITDA target for the Company;
- (iv) 750,000 Directors Options, consisting of:
 - (A) 250,000 Class A Directors Options;
 - (B) 250,000 Class B Directors Options; and
 - (C) 250,000 Class C Directors Options.
- (b) **(Term):** Mr Kris's engagement commenced on 4 March 2020 and continues until Mr Kris resigns or Mr Kris' role is terminated in accordance with the terms of the Corporations Act,

the Company's Constitution or the NSX Listing Rules. XJRK Management's engagement commenced on 17 March 2020 and continues for a minimum term of nine (9) months (**Minimum Term**) until the engagement is validly terminated in accordance with the terms of the Services Agreement.

- (c) (**Termination of Executive Engagement Letter**): The Executive Engagement Letter may be terminated in appropriate circumstances, which may include if Mr Kris:
- (i) ceases to become a director under the Corporations Act;
 - (ii) becomes bankrupt or make any arrangement or composition with his creditors;
 - (iii) becomes prohibited from being a Director by reason of any order made under the Corporations Act;
 - (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (v) resigns from office by notice in writing to the Company; or
 - (vi) is removed from office by resolution of the Company's shareholders.
- (d) (**Termination of the Services Agreement by either Party**): The Services Agreement may be immediately terminated by either party giving written notice to the other party in the following circumstances:
- (i) if the other party fails to fulfil their contractual duty of confidentiality;
 - (ii) if the other party fails to remedy a remedial breach within:
 - (A) thirty (30) days of receiving notice of the breach, if the defaulting party is the Company; and
 - (B) fourteen (14) days of receiving notice of the breach, if the defaulting party is XKJR Management;
 - (iii) if the other party suffers an insolvency event; or
 - (iv) if the other party ceases to carry on its business.

It should be noted that after the expiry of the Minimum Term, but for the events identified in clause 7.8.2(d), either party is required to give three (3) months' notice to the other party of their intention to terminate the Services Agreement. In the event the Company is not admitted to the official list of the NSX on or before 1 July 2020, either party may terminate the Consultancy Agreement immediately by providing the other party with written notice.

The Executive Engagement Letter and Services Agreement otherwise contain terms and conditions which are considered standard for agreements of their respective nature, including those relating to confidentiality and intellectual property.

7.8.3 Gunnar Karlsson

On 1 June 2020, OliveX HK and Mr Gunnar Karlsson entered into an employment agreement pursuant to which Mr Karlsson was appointed to the role of Head of Engineering of OliveX HK (**Employment Agreement**).

A summary of the key terms of Employment Agreement are set out below.

- (a) (**Term**): Mr Karlsson's employment pursuant to the Employment Agreement commenced on 1 June 2020 (**Commencement Date**) and continues until Mr Karlsson resigns or his role is validly terminated in accordance with the terms of the Employment Agreement.

- (b) **(Remuneration):** Mr Karlsson is entitled to the following remuneration:
- (i) a monthly salary of HK\$47,000 (equating to approximately A\$104,000 per annum); and
 - (ii) once the Company is admitted to the Official List of the NSX, a monthly salary of HK\$55,000 (equating to approximately \$122,000 per annum),
- payable in arrears at the end of each month by OliveX HK.
- (c) **(Termination by either Party):** The Employment Agreement may be terminated by either Party for any reason by providing at least one (1) months written notice to the other party, or salary in lieu of notice to Mr Karlsson if OliveX HK terminates the Employment Agreement.
- (d) **(Termination by OliveX HK):** The Employment Agreement may be terminated immediately, without notice or salary in lieu of notice, in appropriate circumstances. Appropriate circumstances may include situations of wilful disobedience of lawful or reasonable order, gross misconduct, gross incompetence, gross negligence, the commission of a serious criminal offence, fraud and / or dishonesty. Furthermore, Mr Karlsson's employment may be immediately terminated if Mr Karlsson breaches the confidentiality of his remuneration, general confidentiality and non-solicitation clauses.

The Employment Agreement otherwise contain terms and conditions which are considered standard for agreements of their respective nature, including clauses dealing with intellectual property, non-solicitation, restraint of trade and confidentiality.

7.9 Non-Executive Engagement Letters

The Company entered into engagement letters (as amended) with (each a **Letter**):

- (a) Yat Siu with respect to Mr Siu's appointment as Non-Executive Chairman; and
- (b) John Bell with respect to Mr Bell's appointment as Non-Executive Director.

A summary of the key terms of the Letters are set out below.

- (a) **(Remuneration):** Messrs Siu and Bell will each be remunerated \$30,000 (inclusive of superannuation) per annum (**Fees**).
- (b) **(Shares in lieu of Fees):**
 - (i) Mr Siu has agreed to be issued Shares in lieu of 100% of his Fees; and
 - (ii) Mr Bell has agreed to be issued Shares in lieu of 50% of his Fees,

(together **Director Shares**) with such Shares to be issued:

 - (iii) at a deemed issue price of \$0.20 per Director Share; and
 - (iv) on the date the Company is admitted to the official list of the NSX and thereafter, subject to any necessary approvals, on the 12 month anniversary of the date the Company is admitted to the official list of the NSX (**Payment Date**) for the 12 month period following the Payment Date.
- (c) **(Voluntary Escrow):** Mr Siu and Mr Bell have agreed that their respective Director Shares will be voluntarily escrowed for a period of 12 months following each Payment Date.
- (d) **(Buy-Back):** Mr Siu and Mr Bell acknowledge and agree that in the event they cease to hold office with the Company prior to the expiry of any relevant Payment Period (**Resignation Date**), the Company will be required to selectively buy-back any portion of the Director Shares issued for the period of time between the Resignation Date and the expiry of the

relevant Payment Period for nominal consideration and at any time the Company decides in its absolute discretion (**Buy-Back**).

- (e) (**Compliance with laws**): Mr Yiu and Mr Bell agree to comply with any reasonable directions of the Company in order to give effect to the Buy-Back, including complying with any requirements of the Corporations Act, Constitution and/or NSX Listing Rules.

The Letters are otherwise on terms and conditions that are considered standard for agreements of this nature.

7.10 Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director which confirm each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7-year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7-year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

7.11 Escrow agreements

Please see section 2.9 for details of the escrow agreements to be entered into by the Company prior to admission to the official list of NSX. The escrow agreements will be on NSX's standard terms and conditions as set out in the Listing Rules.

8 Additional Information

8.1 Rights and Liabilities Attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request by contacting the Company on +61 9426 0666.

(a) **Ranking of Shares**

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) **Voting rights**

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

(c) **Dividend rights**

Subject to any rights or restrictions attached to a class of Shares, the Company may pay Dividends as the Directors resolve but only out of profits of the Company.

(d) **Variation of rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

(f) **Annual general meetings**

Each shareholder is entitled to receive notice of, and to attend and vote at, annual general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

(g) **Rights on winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- divide among the shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the member in the proportions which the amount paid (including amounts credited) on the Shares of a member is of the total amounts paid and payable (including amounts credited) on the Shares of all members.

8.2 New Options

The terms and conditions of the New Options are:

(a) **Entitlement and issue price**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option. The New Options will be issued for nil cash consideration.

(b) **Exercise Price**

Subject to clause 8.2(j), the amount payable upon exercise of each New Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (AWST) on the date that is 36 months after issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if required, give NSX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

If a notice delivered under 8.2(g) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of NSX at the time, application will be made by the Company to NSX for quotation of the Shares issued upon the exercise of the New Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(l) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the New Options on the NSX.

(n) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by NSX or under applicable Australian securities laws.

8.3 Director Options

The terms and conditions of the Director Options are:

(a) **Entitlement**

Each Director Option entitles the holder to subscribe for one Share upon exercise of the Director Option.

(b) **Issue Price**

Each Director Option will be issued at an issue price of \$0.0001 per Director Option.

(c) **Exercise Price**

Subject to section (l), the amount payable upon exercise of each Director Option will be \$0.20 (**Exercise Price**).

(d) **Vesting Date**

The Director Options immediately vest and become exercisable as follows (**Vesting Date**):

- (i) with respect to a Class A Director Option, the day the Company is admitted to the official list of the NSX (**Listing Date**);

- (ii) with respect to a Class B Director Option, the 12 month anniversary of the Listing Date; and
- (iii) with respect to a Class C Director Option, the 24 month anniversary of the Listing Date.

(e) **Expiry Date**

Subject to section (f), each Director Option will expire at 5:00pm (AWST) on the date that is three (3) years from the relevant Vesting Date (**Expiry Date**). A Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(f) **Lapse of Director Option**

A Director Option will automatically lapse on the date that is the later of:

- (i) three (3) months after the relevant holder ceases to hold office as a director of the Company; and
- (ii) three (3) months after the Listing Date.

(g) **Exercise Period**

The Director Options are exercisable at any time on and from the Vesting Date until the Expiry Date (**Exercise Period**).

(h) **Notice of Exercise**

In order to exercise an Director Option into Shares once the Director Options have vested, the holder must provide written notice (**Notice of Exercise**) to the Company of its election to exercise the Director Option into Shares and pay the Exercise Price for each Director Option being exercised in Australian currency by electronic fund transfer or other means of payment acceptable to the Company.

(i) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Director Option being exercised in cleared funds (**Exercise Date**).

(j) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give NSX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of NSX at the time, apply for official quotation on NSX of Shares issued pursuant to the exercise of the Director Options.

If a notice delivered under 8.3(j)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things

necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(k) **Shares issued on exercise**

Shares issued on exercise of the Director Options rank equally with the then issued shares of the Company.

(l) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Director Option holder are to be changed in a manner consistent with the Corporations Act and the NSX Listing Rules (if applicable) at the time of the reconstruction.

(m) **Participation in new issues**

There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options without exercising Director Options.

(n) **Change in exercise price**

A Director Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Director Option can be exercised.

(o) **Unquoted**

The Company will not apply for quotation of the Director Options on NSX.

(p) **Transferability**

The Director Options are transferable subject to any restriction or escrow arrangements imposed by NSX or under applicable Australian securities laws.

8.4 Performance Rights

The terms of the Performance Rights are set out below.

8.4.1 Issue Price

- (a) **(Issue Price)** Each Class A Performance Right, Class B Performance Right and Class C Performance Right (each a **Performance Right**) will be issued by the Company for nil cash consideration.

8.4.2 Rights

- (a) **(Performance Rights)** A Performance Right is not a share in the capital of the Company, rather it is a contractual right.
- (b) **(General meetings)** A Performance Right does not confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**Shareholders**). Holders do not have the right to attend general meetings of Shareholders.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Transfer of Performance Rights)** Performance Rights are not transferable.
- (h) **(Reorganisation of capital)** In the event the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the NSX Listing Rules (assuming that they apply at the relevant time) at the time of reorganisation provided that, subject to compliance with the NSX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (i) **(Application to NSX)** The Performance Rights will not be quoted on NSX. If the Company is listed on the NSX at the time, upon conversion of the Performance Rights into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, or such later period required by the NSX Listing Rules, apply for and use its best endeavours to obtain the official quotation on NSX of the Shares arising from the conversion.
- (j) **(Participation in entitlements and bonus issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Amendments required by NSX)** The terms of the Performance Rights may be amended as necessary by the board of directors of the Company in order to comply with the NSX Listing Rules, or any directions of NSX regarding the terms provided that, subject to compliance with the NSX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

8.4.3 Conversion of the Performance Rights

- (a) **(Conversion on achievement of milestone):** Subject to paragraph 8.4.3(b), a Performance Right in the relevant class will convert into one Share upon achievement of:
 - (i) Class A: the Company achieving a VWAP of at least \$0.40 over a period of 20 trading days (**Class A Milestone**);
 - (ii) Class B: the Company achieving a VWAP of at least \$0.50 over a period of 20 trading days (**Class B Milestone**); and
 - (iii) Class C: the Company achieving a VWAP of at least \$0.60 over a period of 20 trading days (**Class C Milestone**).
- (b) **(Conversion on Change of Control):** Subject to paragraph 8.4.3(c) (Deferral of conversion if resulting in a prohibited acquisition of Shares), upon the occurrence of either:
 - (i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) having been made in respect of the Company and:
 - (A) having received acceptances for more than 50% of the Company's shares; and
 - (B) having been declared unconditional by the bidder;
 - (ii) Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

that number of Performance Rights that is equal to 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares.

The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each Holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (c) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Performance Right under paragraph 8.4.3(a) or 8.4.3(b) would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
 - (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph 8.4.3(b)(i) within seven days (7) if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (d) **(Conversion procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.
- (e) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

8.4.4 Expiry

- (a) **(Lapse of Performance Right)** Each Performance Right shall expire on the date that is 3 years from the date of issue (**Expiry Date**).
- (b) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the Expiry Date, then each Performance Right in the relevant class will be automatically redeemed by the Company for nil consideration.

8.4.5 Compliance with law

- (a) Despite anything else contained in these terms, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (b) Nothing contained in these terms prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (c) If the Corporations Act, Listing Rules or Constitution conflict with these terms, or these terms do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms.

The terms of the Performance Rights may be amended as necessary by the directors of the Company in order to comply with the Listing Rules, or any directions of NSX regarding the terms.

8.5 Continuous Disclosure

The Company will be a “disclosing entity” for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to NSX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Price sensitive information will be publicly released through NSX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to NSX. In addition, the Company will post information on its website after the NSX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.6 Substantial Holders

Subject to who applies for Shares under the Public Offer, the Company anticipates that the only persons (and/or their nominees) who will have a voting power in the Company of 5% or more upon completion of the Offers are set out below. Prior to quotation of the Company’s Shares on the NSX, the Company will announce to NSX details of its top 20 Shareholders by number of Shares.

Holder	Minimum Subscription		Maximum Subscription	
	Shares	Voting power	Shares	Voting power
Animoca Brands Limited ¹	12,367,549	34.30%	12,367,549	30.12%
Keith Rumjahn	3,011,786	8.35%	3,011,786	7.34%

Notes:

- 1 Animoca Brands Limited is wholly owned by Animoca Brand Corporation Limited (**AB1**). Mr Yat Siu, a Director of the Company, has a relevant interest in approximately 5.74% of AB1. Mr Siu is also a director of Animoca Brands Limited and AB1.

8.7 Expert and Adviser Interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers.

Taylor Collison Limited has acted as lead manager to the Public Offer and a corporate adviser to the Company. Total fees payable to Taylor Collison Limited for these services are set out in section 7.4.

RSM Corporate Australia Pty Ltd has prepared the Investigating Accountant’s Report which is attached to this Prospectus. Total fees payable to RSM Corporate Australia Pty Ltd for these services are approximately \$54,000 plus GST.

King & Wood Mallesons has acted as the Hong Kong legal adviser to OliveX HK. Total fees payable to King & Wood Mallesons for these services are approximately HKD\$490,000 plus VAT.

AGH Law has acted as the NSX nominated adviser to the Company and as the Australian legal adviser to the Company in relation to the Offers. Total fees payable to AGH Law for these services are approximately \$60,000 plus GST. Further amounts may be paid to AGH Law under its normal time-based charges. AGH Law has received fees of approximately \$120,000 (plus GST) for all services provided to the Company over the 2 years prior to the date of this Prospectus.

8.8 Consents

Each of the parties referred to below:

- does not make the Offers;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

Taylor Collison Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the lead manager to the Public Offer and a corporate adviser to the Company in the form and context in which it is named.

RSM Corporate Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the investigating accountant to the Company in the form and context in which it is named and to the inclusion of the Investigating Accountant's Report attached to this Prospectus in the form and context in which it is included.

RSM Australia Partners has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the auditor to the Company in the form and context in which it is named.

AGH Law has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the NSX nominated adviser to the Company, and as the Australian legal adviser to the Company in relation to the Offers, in the form and context in which it is named.

King & Wood Mallesons has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Hong Kong legal adviser to OliveX HK in the form and context in which it is named.

Link Market Services has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the share registry to the Company in the form and context in which it is named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

8.9 Expenses of the Offers

The estimated cash expenses of the Offers (inclusive of GST) are set out below.

Expenses (in A\$)¹	Minimum Subscription	Maximum Subscription
Capital raising fees ²	\$187,000	\$253,000
Company secretarial	\$39,000	\$39,000
Investigating accountants	\$59,000	\$59,000
Legal (Australia)	\$60,000	\$60,000
Legal (Hong Kong)	\$98,000	\$98,000
NSX fees	\$49,000	\$53,000
Printing and registry costs	\$11,000	\$11,000
Total	\$503,000	\$573,000

Notes:

- 1 The expenses set out in the table above represent the total cash costs of the Offers, including expenses which have already been paid as at the date of this Prospectus. The expenses of the Offers which remain to be paid are between A\$381,000 and A\$451,000 depending on whether the Minimum Subscription or the Maximum Subscription is raised. Refer to section 4.5 for further information.
- 2 In addition to the cash amount, the Company is issuing 3,800,000 New Options to the Lead Manager as partial remuneration for broking services provided to the Company in connection with the Public Offer. As set out in section 4.5, the New Options being issued to the Lead Manager have a fair value of A\$535,050 using the Black Scholes option valuation methodology. Refer to section 7.4 for further details of the Mandate between the Company and the Lead Manager.

8.10 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and no Director is aware of any material legal proceedings that are pending or threatened against the Company.

8.11 Taxation

The tax consequences of any investment in Securities will depend upon each applicant's particular circumstances. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers by consulting their own professional tax advisers. Accordingly, the Company strongly recommends that all applicants obtain their own tax advice before deciding on whether or not to invest. Neither the Company, its Directors nor any of its advisers accept any liability or responsibility in respect of the taxation consequences of an investment in Securities under an Offer.

8.12 Foreign Investor Restrictions

This Prospectus does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify Securities that are offered under this Prospectus or otherwise permit a public offering of the Securities in any jurisdiction outside Australia.

8.12.1 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register the Prospectus or to permit the distribution of the Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been

and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of the Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of the Prospectus, you should obtain independent professional advice.

8.13 Sponsoring broker

The Company has not appointed a sponsoring broker and intends to apply to the NSX for a waiver from Listing Rule 2.2. The Company is not aware of any reason why the waiver would not be granted in the circumstances.

8.14 Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director and proposed Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus and has not withdrawn that consent.

9 Definitions

A\$ and \$ means an Australian dollar.

ABL means Animoca Brands Limited, a company registered in Hong Kong with registration number 2047605.

ActiMirror means actiMirror Corporation Ltd, a company incorporated in Hong Kong.

Additional Offerees means the Noteholders, MITP, the current and certain former Directors and the Recipients (and/or their nominees), as applicable.

Additional Offers means the Broker Offer, the Director Option Offer, Director Share Offer, MITP Offer and the Performance Right Offer.

AI means artificial intelligence.

APAC means Asia-Pacific.

Application Form means a Public Offer Application Form, a Director Share Offer Application Form, a Director Option Offer Application Form, a Broker Offer Application Form, a MITP Offer Application Form, a Performance Right Offer Application Form or an Online Application Form, as applicable.

Application Monies means the amount of money payable for Shares under the Public Offer at \$0.20 each.

apps means the mobile applications owned by OliveX HK as described in section 3.4.1 (as applicable).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the official settlement and operating rules of ASX Settlement.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Broker Offer means the offer of 3,800,000 New Options to the Lead Manager (and/or its nominees) as consideration for broking services provided to the Company in connection with the Public Offer.

Broker Offer Application Form means a "Broker Offer Application Form" in the relevant form accompanying this Prospectus pursuant to which the Lead Manager (and/or its nominees) may apply for New Options under the Broker Offer.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means the Clearing House Electronic Subregister System operated by NSX Settlement.

Closing Date means the date that the Public Offer close being 5.00pm (AWST) on 30 July 2020, or any other time and date determined by the Company.

Coaches means celebrity fitness trainers, wellbeing coaches and social media influencers.

Company means OliveX Holdings Limited ACN 631 675 986.

Constitution means the constitution of the Company.

Conversion Letters has the meaning given in section 7.2.

Convertible Notes has the meaning given in section 7.2.

Corporations Act means the *Corporations Act 2001* (Cth).

CSL means CSL Mobile Limited, a company registered in Hong Kong with Registration Number 2587244.

Director means a director of the Company.

Director Option means an Option issued on the terms set out in section 8.3.

Director Option Offer Application Form means a “Director Option Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which certain Directors (and/or their nominees) may apply for Director Options under the Director Option Offer.

Director Option Offer means the offer of 3,210,000 Director Options to the current and certain former Directors (and/or their nominees).

Director Share Offer Application Form means a “Director Share Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which certain Directors (and/or their nominees) may apply for Shares under the Director Share Offer.

Director Share Offer means the offer of 475,000 Shares to the current Directors (and/or their nominees).

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus which period may be extended by up to a further 7 days.

Group or **OliveX** means the Company and OliveX HK, or either one of them, as the context requires.

HK Shareholders means the holders of 100% of the issued capital of OliveX HK as at the date of this Prospectus.

HK Share means a fully paid ordinary share in the capital of OliveX HK.

HKC means Hong Kong Communications Co Ltd, a company registered in Hong Kong.

HKD\$ or **HK\$** means a Hong Kong dollar.

Investigating Accountant’s Report means the independent limited assurance report prepared by RSM Corporate Australia Pty Ltd and attached to this Prospectus.

KARA Mirror means the smart mirror developed by the Company that utilises AI, as described in section 3.4.2.

KARA Smart Fitness app means the app described in section 3.4.3.

Lead Manager means Taylor Collison Limited ACN 008 172 450 (Australian Financial Services Number 247083).

Listing Rules means the official listing rules of NSX.

Mandate means the corporate mandate between the Company, OliveX HK and the Lead Manager summarised in section 7.4.

Maximum Subscription means the subscription of 15,000,000 Shares at an issue price of \$0.20 each to raise \$3,000,000 (before costs) under the Public Offer.

Minimum Subscription means the subscription of 10,000,000 Shares at an issue price of \$0.20 each to raise \$2,000,000 (before costs) under the Public Offer.

MITP means MITP Agency Pty Ltd ACN 627 285 778.

MITP Offer means the offer of 50,200 New Options to MITP (and/or their nominees).

MITP Offer Application Form means a “MITP Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which MITP (and/or their nominees) may apply for New Options under the MITP Offer.

New Option means an Option issued on the terms set out in section 8.2.

Noteholder means a person that holds a Convertible Note.

NSX means NSX Limited ABN 33 089 447 058 or, where the context requires, the market it operates.

Offers means the Public Offer, the Director Option Offer, the Director Share Offer, the Performance Right Offer, the MITP Offer and the Broker Offer, and **Offer** means any one or more of them, as the context requires.

Official List means the official list of NSX.

OliveX HK means OliveX (HK) Ltd, a company incorporated in Hong Kong with Registration Number 2516003.

Online Application Form means an application form for the Public Offer which must be completed using the following link <https://events.miraqle.com/olivex-offer>.

Opening Date means the date that the Public Offer open being 9:00am AWST on 2 July 2020 (subject to any extension of the Exposure Period), or any other time and date determined by the Company.

Option means an option to acquire a Share.

Original Prospectus means the Company’s prospectus dated 17 June 2020 that was lodged with ASIC on that date,

Performance Right means a performance right issued by the Company on the terms set out in section 8.4.

Performance Right Offer means the offer of 30,000,000 Performance Rights to the Recipients (and/or their nominees).

Performance Right Offer Application Form means a “Performance Right Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which a person may apply for Performance Rights under the Performance Right Offer.

Prospectus means this replacement prospectus dated 2 July 2020.

Public Offer means the offer of 10,000,000 Shares under this Prospectus at an issue price of \$0.20 each to raise a minimum of \$2,000,000 (before costs), with the ability to accept oversubscriptions of an additional 5,000,000 Shares to raise a further \$1,000,000 (before costs).

Public Offer Application Form means a “Public Offer Application Form” in the relevant form accompanying this Prospectus pursuant to which a person may apply for Shares under the Public Offer.

Recipients means each Noteholder, ABL, Keith Rumjahn and Sonny Vu.

Restructure has the meaning given in section 3.1.

Safe Notes means the safe note agreements entered into between OliveX HK and various investors, between February and July 2019, pursuant to which OliveX raised an aggregate amount of approximately US\$1.3 million (~A\$1,880,000).

Safe Noteholder mean a person that holds a Safe Note.

Securityholder means the holder of either a fully paid ordinary share in the capital of OliveX HK or a Safe Note as set out in section 7.1.

Security means an equity security (as that term is defined in the Listing Rules) of the Company.

Securityholder means a HK Shareholder and/or a Safe Noteholder (as applicable).

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

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of one or more Shares.

SPLA means a security purchase letter agreement as described in section 7.1.

US\$ or **USD** means a United States dollar.

Corporate Directory

Directors

Keith Rumjahn
Managing Director and CEO

Xavier Kris
Executive Director

Yat Siu
Non-Executive Chairman

John Bell
Non-Executive Director

Company Secretary

John Bell

Registered Office

283 Rokeby Road
Subiaco WA 6008

Telephone: +61 8 9426 0666

Share Registry

Link Market Services
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Website

www.olivex.ai

NSX code

OLX

Lead Manager

Taylor Collison
Level 10, 167 Macquarie Street
Sydney NSW 2000

Auditor

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 13, 60 Castlereagh Street
Sydney NSW 2000

Legal Adviser (Australia) and NSX Nominated Adviser

AGH Law
Level 2, 66 Kings Park Road
West Perth WA 6005

Legal Adviser to OliveX HK (Hong Kong)

King & Wood Mallesons
13/F, Gloucester Tower, The Landmark
15 Queen's Road Central, Central
Hong Kong

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street
Sydney NSW 2000
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

17 June 2020

The Board of Directors
OliveX Holdings Limited
Level 12, 225 George Street
Sydney, NSW, 2000

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on OliveX Holdings Limited's statutory historical financial information and pro forma historical financial information

We have been engaged by OliveX Holdings Limited ("OliveX" or "the Company") to report on certain statutory historical financial information and pro forma historical financial information for inclusion in a Prospectus dated on or about 17 June 2020.

The Prospectus relates to the Company's proposed listing of ordinary shares on the National Securities Exchange ("NSX") via an Initial Public Offering ("Offer"), to raise up to AUD\$3 million.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Statutory Historical Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the statutory historical financial information of OliveX (HK) Limited (OliveX HK) included in Section 4 of the Prospectus, comprising:

- the audited and reviewed statutory historical statement of comprehensive income for the financial years ended 30 June 2018 (FY18) and 30 June 2019 (FY19) and half year period ended 31 December 2019 (HY20), with a 31 December 2018 comparative (HY19); and
- the audited and reviewed statutory historical cash flow statements for FY2018, FY2019, and HY2020, with a HY2019 comparative.

collectively "the Statutory Historical Financial Information".

OliveX was incorporated on 30 April 2019 as a public company and upon listing will become the holding company of OliveX HK following the restructure and was established to enable the listing on the NSX. OliveX HK is the operating entity incorporated in Hong Kong on 30 March 2017. There are limited actual historical consolidated financial results for OliveX, given it will act as the holding company for the group going forward. Consequently, only OliveX HK's financial information has been disclosed in Section 4 as it is the operating company within the group.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

The Historical and Pro Forma Statement of Financial Position presented in the Prospectus reflects a consolidation of OliveX that will comprise the OliveX Group upon listing.

The Statutory Historical Financial Information of OliveX HK has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards (IFRS) and OliveX's adopted accounting policies.

The Statutory Historical Financial Information of OliveX HK, the operating company has been extracted from:

- the FY18 audited general purpose financial statements of OliveX HK;
- the FY19 audited general purpose financial statements of OliveX HK; and
- the HY20 reviewed general purpose financial statements of OliveX HK.

The financial information is set out in Section 4 of the Prospectus.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information of OliveX included in Section 4 of the Prospectus and comprising:

- the pro forma historical statement of financial position of OliveX as at 31 December 2019; and
- the subsequent events and pro forma adjustments as described in Section 4 of the Prospectus.

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of OliveX, adjusted for the transactions / adjustments summarised in Section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) and OliveX's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 4 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent OliveX's actual or prospective financial position.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of OliveX are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information; and
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450: *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the Statutory Historical Financial Information and Pro Forma Historical Financial Information;
- a review of OliveX and OliveX HK's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information and Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of OliveX HK, as described in Section 4 of the Prospectus, and comprising:

- the statutory historical income statements for FY18, FY19, and HY20 with a HY19 comparative; and
- the statutory historical cash flow for FY18, FY19, and HY20 with a HY19 comparative;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of OliveX, as set out in Section 4 of the Prospectus, and comprising:

- the pro forma statement of financial position of OliveX as at 31 December 2019; and
- the subsequent events and pro forma adjustments as described in Section 4 of the Prospectus,

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.2, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Declaration of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully,

A handwritten signature in black ink that reads 'Tim Goodman'.

RSM CORPORATE AUSTRALIA PTY LTD

Tim Goodman

Director