

Media Release

5 March 2021

OliveX Acquires World's Leading Gamified Fitness Company

- Digital health and fitness company OliveX Holdings Ltd announces acquisition of Six to Start.
- Six to Start is a specialist developer and content creator of storylike games and game-like stories for health and fitness.
- Six to Start owns the Zombies, Run! smartphone experience and is the world's bestselling gamified fitness application, with over 8.5 million downloads.
- OliveX will undertake a capital raising to fund its cash obligations.



Six to Start

Digital health and fitness company OliveX Holdings Limited (NSX: OLX) (OliveX or the Company) is pleased to advise that it has entered into a share purchase agreement (the Acquisition) for the acquisition of 100% of the issued shares of UK company Six to Start Limited (Six to Start) for an initial cash and share consideration equivalent to US\$6,650,000 (~A\$8,482,000) and deferred, performance based, consideration in cash and shares of up to US\$2,850,000 (~A\$3,635,000).

The key terms of the Acquisition are set out in the Schedule to this release.

Six to Start is an award-winning UK-based game developer and fitness technology company which creates immersive and motivating smartphone audio stories and gaming experiences including Zombies, Run!, the Walk, and Zombies, Run! 5k.

Zombies, Run! is the world's leading gamified health and fitness app with an average 300,000 active users per month, approximately 50,000 paid subscription users, and a digital fitness platform with augmented reality capabilities that have been recognised as best in class.



Six to Start's gamification assets include intellectual property, content creation and distribution channels that are strategically important to OliveX as it continues to commercialise the KARA Smart Fitness mirror.

As part of the Acquisition, Adrian Hon, CEO and founder of Six to Start will become Chief Innovation Officer at OliveX whilst continuing in his role as Executive Director of Six to Start – further driving the growth of Six to Start and the execution of the Company's innovation strategy.

In relation to the Acquisition, Keith Rumjahn, CEO of OliveX said:

“At OliveX we’re passionate about making fitness fun, and that’s exactly what Six to Start does. With average revenues per paid subscriber exceeding £25 a year, and with real growth potential, Six to Start will bring immediate value to OliveX. Most importantly though we see enormous benefit in their global, loyal, subscriber base and the team’s product design and monetisation expertise.”

Adrian Hon, CEO of Six to Start said:

“Six to Start, has built a strong business model and a huge subscriber base of loyal users for our apps including Zombies, Run!, and our growth strategy is a perfect fit with OliveX’s. We’ve both created innovative, game-changing technology that when combined will really advance the future of digital fitness, making the OliveX suite of products and solutions truly world-leading. I’m incredibly excited to join OliveX as Chief Innovation Officer, and I’m really looking forward to what lies ahead.”

OliveX intends to undertake a capital raising to raise a minimum of A\$6,000,000 (before costs) in the coming days which will fund its initial cash obligations under the Acquisition and provide additional working capital. In addition, OliveX has notified NSX under Listing Rule 6.41 in relation to the Acquisition and will hold a meeting of shareholders in due course to obtain any necessary shareholder approvals required by NSX (including in relation to the issue of shares and performance rights under the Acquisition).

OliveX Holdings Limited

OliveX is a digital health and fitness company selling innovative products and applications to deliver a unique user experience using artificial intelligence, gamification and premium content. With its flagship product the KARA Smart Fitness Mirror and associated subscription-based applications, OliveX provides a platform that links and engages consumers with brands, influencers and fitness coaches and that enables any space to become a personal fitness studio. OliveX has a market reach that spans over 170 countries.

For more information, please visit www.olivex.ai

KARA Smart Fitness

KARA Smart Fitness is OliveX’s digital application that delivers premium, on demand and live health and fitness-related content and classes from celebrity trainers and wellness influencers across the globe. KARA Smart Fitness complements the KARA Smart Fitness Mirror and together the products provide a complete hardware and software solution that harness artificial intelligence and technology for at-home fitness.

For more information, please visit www.karasmartfitness.com

Six to Start

Six to Start is an independent game developer based in London, specialising in story-like games and game-like stories. Their latest games include Zombies, Run!, the world’s bestselling smartphone fitness app, and The Walk, the first smartphone fitness game funded by the UK’s Department of Health.

Six to Start was founded in 2007 developing games involving millions of players for Channel 4, the BBC, and Muse, along with cutting-edge fiction for Penguin and Macmillan. The company also conducts research and development for companies including Disney Imagineering, Microsoft, and the British Museum.

For more information, please visit www.sixtostart.com and to see the 2020 Zombies, Run! trailer please visit: <https://youtu.be/niby3esOXdY>

Forward-looking statements disclosure

This press release contains forward-looking statements or forward-looking information, within the meaning of applicable securities laws with respect to the Company. By their nature, forward-looking statements are subject to a variety of factors that could cause actual results to differ materially from the results suggested by the forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking statements.

Forward-looking information contained in this press release is based on Company management's opinions, estimates and assumptions in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors that management currently believes are appropriate and reasonable in the circumstances. Forward-looking statements involve significant risks, uncertainties and assumptions, and there can be no assurance that such statements, underlying risks, uncertainties and assumptions will prove to be accurate. Factors that could cause actual results or events to differ materially include, without limitation, risks related to laws, rules and regulation applicable to the Company as well as the industry in which it operates (including in respect of taxes and other levies), economic or market conditions on both a national and global level, currency fluctuations, risks inherent to other entities at a similar stage of development and industry in which the Company currently is, competition from the Company's competitors, unsatisfactory development or marketing of the Company and/or its products or services, regulatory action or litigation (including product liability claims), and failure to enter into agreements or arrangements with other parties on fair or reasonable terms. Forward-looking information is made only as of the date on which it is provided and, except as may be required by applicable laws, the Company disclaims any intent or obligation to update such forward-looking information whether as a result of new information, future events or otherwise.

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This release has been authorised by the board of OliveX Holdings Limited.

Schedule – Key Acquisition Terms

The consideration payable to the shareholders of Six to Start (**Sellers**) for the Acquisition (adjusted on a cash-free/debt-free basis) is comprised of the following:

- Initial cash consideration of US\$4,322,500 (~ A\$5,513,000) payable to the Sellers on completion (**Initial Cash Consideration**);
- Issuing the Sellers (or their respective nominees) at completion such number of OliveX Shares equivalent to a value of US\$2,327,500 (~ A\$2,972,000) based on an issue price equal to the lower of A\$0.80 per Share and the issue price of Shares pursuant to the Capital Raising) (**Issue Price**) (**Consideration Shares**);
- Issuing the Sellers (or their respective nominees) such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$1,140,000 (~ A\$1,454,000) at the Issue Price (with vesting subject to the Milestones set out below) (**Performance Rights**); and
- Deferred cash consideration of up to US\$1,710,000 (~ A\$2,181,000) payable to the Sellers subject to the Milestones set out below (**Deferred Cash Consideration**).

The Acquisition is unconditional, with completion set for 31 May 2021 (unless extended). In the event that completion does not proceed for any reason, the Company will be released by the Sellers from any liability in connection with the Acquisition.

The Performance Rights and Deferred Cash Consideration are divided into 6 tranches, vesting and becoming payable as follows:

Performance Rights	Deferred Cash Consideration	Tranche	Milestone	Expiry
Such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$128,000 at the Issue Price.	US\$192,000	Tranche A	Six to Start achieves Audited Aggregate EBITDA of US\$600,000 after the Completion Date.	42 months from the signing of the Acquisition Agreement (Agreement Date)
Such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$192,000 at the Issue Price.	US\$288,000	Tranche B	Six to Start achieves Audited Aggregate EBITDA of US\$750,000 after the Completion Date.	42 months from the Agreement Date

Such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$144,000 at the Issue Price.	US\$216,000	Tranche C	Six to Start achieves Audited Aggregate EBITDA of US\$1,250,000 after the Completion Date.	42 months from the Agreement Date
Such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$216,000 at the Issue Price.	US\$324,000	Tranche D	Six to Start achieves Audited Aggregate EBITDA of US\$1,500,000 after the Completion Date.	42 months from the Agreement Date
Such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$184,000 at the Issue Price.	US\$276,000	Tranche E	Six to Start achieves Audited Aggregate EBITDA of US\$2,000,000 after the Completion Date.	42 months from the Agreement Date
Such number of Performance Rights that would, if fully vested, be equivalent to a value of US\$276,000 at the Issue Price.	US\$414,000	Tranche F	Six to Start achieves Audited Aggregate EBITDA of US\$2,500,000 after the Completion Date.	42 months from the Agreement Date

The Performance Rights and Deferred Cash Consideration are subject to an acceleration provision whereby the Performance Rights will automatically vest, and the Deferred Cash Consideration will become immediately payable, in the event that Adrian Hon's position as Executive Director of STS is terminated without cause or should OliveX require Mr Hon (after reasonable consultation) to work on projects or matters for the existing OliveX Group for more than 10% of his working time over any 3 month rolling period.

OliveX is also required to operate Six to Start as an independent profit centre following completion, and not to undertake a material change in the business or operations of Six to Start until 42 months from the Agreement Date.