OLIVEX HOLDINGS LIMITED

ACN 631 675 986

ANNUAL FINANCIAL REPORT

30 June 2021

Contents

Corporate Directory

Current Directors

Mr. Keith Rumjahn	*Managing Director and Chief Executive Officer*
Mr. Sonny Vu	*Non-Executive Chairman (appointed 1 October 2020)*
Mr. Xavier Kris	*Executive Director (resigned 24 August 2021)*
Mr. John Bell	*Non-Executive Director (resigned 24 August 2021)*
Mr. Yat Siu	*Non-Executive Director*
Ms. Karen Contet	*Non-Executive Director (appointed 10 May 2021)*
Mr. David Do	*Non-Executive Director (appointed 24 August 2021)*
Ms. Maja McGuire	*Non-Executive Director (appointed 24 August 2021)*

Company Secretary

Mr. John Bell

Registered Office

Street:	283 Rokeby Road Subiaco WA 6008
Postal:	PO Box 1288 Subiaco WA 5904
Telephone:	+61 (0)8 9426 0666
Email:	investor@olivex.ai
Website:	olivex.ai

Share Registry

Link Market Services

Street:	Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000
Telephone:	1300 554 474 (investors within Australia) +61 (0)8 9211 6670

Securities Exchange

National Securities Exchange

Street:	1 Bligh Street Sydney NSW 2000
NSX Code:	OLX

Auditor

Moore Australia Audit (WA)

Street:	Level 15, Exchange Tower 2 The Esplanade Perth WA 6000
Telephone:	+61 0(8) 9225 5355

Legal Advisor and NSX Nominated Advisor

AGH Law

Postal:	Level 2, 66 Kings Park Road West Perth WA 6005
Telephone:	+61 0(8) 6245 0050

CEO's Letter

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present OliveX Holdings Limited's ("OliveX" or the "Company") Annual Report for the financial year ended 30 June 2021.

2021 has been another milestone year for OliveX. The Company successfully completed an oversubscribed A$8.7M placement which, included prominent investors in the blockchain space. This funding will allow the Company to expand on its vision of building a fitness metaverse connected through blockchain technology and non fungible tokens ("NFT") as well as fund the acquisition of technology and communities that grow our fitness metaverse.

The OliveX Fitness Metaverse is a parallel reality that exists in real-time and never stops. A shared environment for our brand partners and their consumers to have a true sense of community, belonging and interaction. Our Fitness Metaverse will enable customers to seamlessly jump between worlds and bring elements from one world to the next including hybrid physical/digital product ownership rights such as NFTs. A place where our customers can exercise, play and be rewarded.

On 1 July 2021, we completed acquisition of Six to Start Limited, the creators of the world's no.1 gamified audio running game in "Zombies Run!" with an average 300,000 monthly active users and approximately 50,000 paid subscribers. A fitness metaverse is a virtual collective space where people can meet like minded fitness enthusiasts, Zombies Run already has a thriving virtual community of runners with 29,100 followers on twitter, 60,000 followers on Facebook and 11,900 followers on Instagram.

In August 2021, we announced the launch of Asia's first football NFT in collaboration with Resources Capital Football Club of the Hong Kong Premier League, which showcases our team's ability to sign sports and fitness IP's and our ability to execute blockchain technology.

The fitness metaverse is about bringing brands to customers from the physical world to the virtual. In December 2020, we acquired Volution, a gym management software that was serving global fitness brands such as Anytime fitness who have 4,500 gym franchises gyms. Through Volution, the company has since expanded to signed partnerships with world class fitness brands in Les Mills and Gold's Gym. In Les Mills, our partner boasts that classes are being taught at over 20,000 gyms globally supporting 140,000 instructors. In Gold's Gym we have an icon in the gym industry. Known as the mecca of bodybuilding and the only fitness gym listed on ESPN's notable gym venues.

Outlook
COVID-19 has accelerated the change of the fitness landscape to a hybrid physical/virtual model and the demand for digital fitness will continue to grow. We believe that the future of fitness is fitness as a game. The future of fitness is a fitness metaverse with interconnected fitness games powered by blockchain technology and NFT's.

The Company is well positioned to create a world class fitness metaverse at the intersection of gaming, blockchain and fitness, helping people get fitter through a play to earn mechanism which rewards exercising and playing.

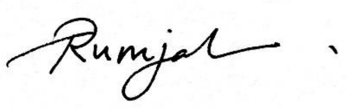
My fellow Directors Yat Siu, David Do, Sonny Vu, Karen Contet and Maja McGuire all add extensive experience and considerable expertise to the Company and their guidance will assist OliveX in achieving its potential.

The OliveX mission is Fit, Fun and Fab, and we continue to apply this mantra as we expand the content and application offerings to users. More than ever, this mantra and our offering is becoming a necessity for end users and the Company's potential customer base.

I am extremely thankful for the commitment of the Board, the executive team and our employees who continue to operate and execute on every opportunity diligently under difficult circumstances.

The Board would like to thank our shareholders, our coaches and our customers for their continued support and for embarking on this journey with OliveX. We look forward to our next exciting phase of growth as we continue to build the OliveX ecosystem together.

Regards



KEITH RUMJAHN
Managing Director and Chief Executive Officer

Directors' report

Your directors present their report on the Consolidated entity, consisting of OliveX Holdings Limited (**Parent** or **the Company**) and its controlled entities (collectively **the Group**), for the year ended 30 June 2021

OliveX listed on the National Securities Exchange (**NSX**) on 24 August 2020.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

- Mr. Keith Rumjahn — Managing Director and Chief Executive Officer
- Mr. Sonny Vu — Non-Executive Chairman *(appointed 1 October 2020)*
- Mr. Xavier Kris — Executive Director *(resigned 24 August 2021)*
- Mr. John Bell — Non-Executive Director *(resigned 24 August 2021)*
- Mr. Yat Siu — Non-Executive Director
- Ms. Karen Contet — Non-Executive Director (*appointed 10 May 2021*)
- Mr. David Do — Non-Executive Director *(appointed 24 August 2021)*
- Mr. Maja McGuire — Non-Executive Director *(appointed 24 August 2021)*

The Directors have been in office since the start of the period to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to paragraph 6 Information relating to the Directors of this Directors Report.

2. Company Secretary

The following person held the position of Company Secretary at the end of the financial period:

- Mr. John Bell — Mr. Bell was appointed as Company Secretary on 1 May 2020 and resigned 24 August 2021. Please refer to paragraph 6 Information relating to the Directors of this Directors Report.

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year end 30 June 2021.

4. Significant Changes in the state of affairs

On 2 July 2020, OliveX Holdings Limited lodged a replacement prospectus for an offer of 10,000,000 shares at an issue price of $0.20 per share to raise $2,000,000 before costs, with the ability to accept oversubscriptions for a further 5,000,000 shares to raise an addition $1,000,000 before costs.

On 10 August 2020, OliveX Holdings Limited successfully raised $2,181,987 before costs under the initial public offer (**IPO**) through the issue of 10,909,935 shares at an issue price of $0.20 per share. In preparation for the IPO, the Company proposed to acquire 100% of the issued capital of OliveX (HK) Ltd.

In or about May 2020, to complete the acquisition, the Company entered into Security Purchase Letter Agreements (**SPLAs**) with each holder of fully paid ordinary shares in the capital of OliveX (HK) Ltd and each holder of the safe convertible notes (together the Security Holders), whereby a total of 23,559,996 shares and 20,000,000 performance rights were to be issued to the Security Holders on completion of the acquisition.

On 3 August 2020, the acquisition was completed, and the Company issued 23,559,996 shares and 20,000,000 performance rights and become the 100% owner of OliveX (HK) Limited.

In March 2020, the Company entered into Note Conversion Letter Agreements with the noteholders pursuant to which the convertible note term sheets will convert into 2,500,000 shares and 10,000,000 performance rights.

On 10 August 2020, the restructure completed, and all convertible notes converted into equity of the Company and the noteholders were issued 2,500,000 shares and 10,000,000 performance rights.

On 24 August 2020, OliveX Holdings Limited was admitted to the National Stock Exchange (**NSX**).

On 15 September 2020, OliveX (AU) Pty Ltd was incorporated as a 100% owned subsidiary of the Company to undertake the Australian operations of the group

On 1 December 2020, OliveX (UK) Ltd was incorporated as a 100% owned subsidiary of the Company to purchase the business assets of Volution.Fit.

Directors' report

4. Significant Changes in the state of affairs (cont'd)

On 3 December 2020, OliveX (UK) Ltd acquired the business assets of Volution.Fit for a purchase price of GBP190,000.

On 29 December 2020, the Company announced that it has signed an agreement with Allied Ocean Ventures Limited for the placement of 3,000,000 OliveX shares at $0.20 per share and the intention to form a Chinese joint venture.

On 4 January 2021, the Company announced that it had entered into a non-binding term sheet for content, branding, sales and marketing collaboration with Gym Aesthetics GmbH which included a strategic placement to Gym Aesthetics GmbH of 1,666,667 shares at $0.45 each to raise $750,000. Under the term sheet, smart mirrors incorporating OliveX's advanced AI technology are proposed to be sold in the German market, to deliver immersive and customised fitness content using Gym Aesthetics GmbH trainers and coaches. Gym Aesthetics GmbH apparel and products would feature on OliveX's platform.

On 5 January 2021, the Company issued 3,000,000 shares at $0.20 per share to Allied Ocean Ventures Limited to raise $600,000.

On 15 February 2021, the Company issued the following shares:

- 1,666,667 shares at $0.45 per share to Gym Aesthetics GmbH to raise $750,000;
- 629,723 shares at $0.20 per share to Sonny Vu as approved in the AGM held on 26 November 2020;
- 372,625 shares at $0.20 per share to service providers as approved in the AGM held on 26 November 2020;
- 5,769 shares at $0.52 per share to service providers as approved in the AGM held on 26 November 2020;
- 50,000 options to service providers as approved in the AGM held on 26 November 2020.

On 25 February 2021, the Company issued 1,090,065 shares at $0.20 per share to Yat Siu to raise $218,013.

On 2 March 2021, the Company entered into a share sale agreement with the shareholders of Six to Start Limited (Sellers) for the acquisition of 100% of the shares of Six to Start Limited (Six to Start). The consideration payable to the Sellers 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 raisings (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 an Issue Price (with vesting subject to the milestones set out below (Performance Rights);
- Deferred cash consideration of up to US$1,710,000 (~A$2,181,000) payable to the Sellers subject to the Milestones set out in Note 32 Events subsequent to reporting date. On 1 July 2021, the Company completed the acquisition of Six to Start Limited.

On 25 March 2021, the Company issued the following shares:

- 38,197 shares at $0.20 per share to services providers; and
- 9,719 shares at $0.45 per share to services providers.

On 7 May 2021, the Company announced a share placement of 8,888,888 shares at A$1.00 per share to raise A$8,888,888, to fund cash consideration obligations arising from the acquisition of Six to Start Limited (**STS**).

On 29 June 2021, the Company issued the following shares as approved at the EGM held on 17 June 2021:

- 255,319 shares at $0.235 per share to Xavier Kris in lieu of cash bonus;
- 27,778 shares at $0.45 per share to Sonny Vu in lieu of Director's fees;
- 13,737 shares at $0.91 per share to Sonny Vu in lieu of Director's fees;
- 125,000 shares at $1.00 per share to Hall Chadwick Corporate Pty Ltd in lieu of cash fees;
- 8,724,163 shares at $1.00 per share to placement participants to raise $8,724,163.

There were no other significant changes to the state of affairs of the Group.

5. Operating and financial review

5.1. **Nature of Operations Principal Activities**

The principal activities of the Group during the year were that of a technology company which aims to improve the health and fitness of its users through gamification, coaching and artificial intelligence (AI) from its suite of technology products – all of which are developed in house.

Directors' report

5. Operating and financial review (cont'd)

5.2. **Operations Review**

The year ended 30 June 2021 was a period of significant progress on multiple fronts, setting the company on course for accelerated international growth and expansion into new business sectors, technologies and communities of interest.

OliveX demonstrated its ability to initiate and complete acquisition deals, develop innovative and creative technologies, such as NFTs and Tokens, and expand into adjacent business sectors, such as E-sports.

One of the key strengths of the growing OliveX 'metaverse' of companies and interests is the opportunity to integrate and cross-promote its expanding range of products and services to achieve a significant network effect, creating bigger communities, more active users and new revenue streams.

The Company listed on the National Stock Exchange of Australia (NSX) in August 2020 (NSX:OLX) through a well-supported initial public offering and raised A$2.2 million through the issue of 10,909,935 shares at an issue price of A$0.20 per share.

The Company successfully raised a further A$8.7 million in June 2021 to fund the acquisition of Six to Start Limited ("Six to Start"), through the issue of 8,724,163 shares at an issue price of A$1.00 per share.

Highlights of the year ended 30 June 2021 for OliveX included:

Two strategic international business acquisitions

- **Six to Start Limited**

  Six to Start

  In March 2021, OliveX entered into a share purchase agreement for the acquisition of Six to Start, 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. The acquisition successfully completed on 1 July 2021.

  Zombies, Run! is already the world's leading gamified health and fitness app and now that it is part of the OliveX stable, Six to Start is developing exciting new partnerships with brands and communities to expand and solidify its position in the market as a leader in audio gaming.

  Six to Start combines immersive and engaging online experiences with the real world and has experience of monetising a loyal subscriber base, making it a perfect strategic fit to help OliveX achieve its health and fitness metaverse goal.

  Six to Start holds key assets including key technology and distribution channels that are valuable to OliveX as the Company continues growing its 'metaverse'. Adrian Hon, Six to Start's CEO, will support OliveX while continuing his role at Six to Start and will bring valuable experience and skills to the Company.

  This is a high profile acquisition, placing OliveX at the forefront of the digital health and fitness innovation and enabling it to continue to grow its fitness metaverse.

- **Volution**

  In December 2020, OliveX entered into a binding letter agreement to acquire the assets for the Volution technology business. Volution offers gym owners and personal fitness trainers an easy-to-use, end-to-end suite of services that run both in-club and virtually, to take advantage of the new 'hybrid gym' model which enables people to exercise in the gym, at home or even in the office. Its tools attract, engage, retain and monetise gym memberships, combining high-quality content with real-time data analytics and reporting.

Partnering with global brands in health and fitness

- **Les Mills**

  LesMills ASIA PACIFIC

  OliveX has gained recognition for its Volution technology platform from one of the world's most iconic health and fitness brands Les Mills. The partnership increases OliveX's market penetration, geographic representation and create new sales channels to drive growth and revenue.

  The ground-breaking Les Mills group exercise content uses OliveX's Volution platform to help transform employee fitness and wellbeing in a growing market for corporate health and fitness programmes.

Directors' report

5. Operating and financial review (cont'd)

- **Gym Aesthetics**

Additionally, the company also made significant progress in January 2021 when the Company entered into a term sheet with Gym Aesthetics, a German-based fitness and fashion retailer with a global reach. This includes the opportunity for cross-promotion of both companies' brands on each other's platforms.

As part of the term sheet the Company raised A$750,000 through a placement to Gym Aesthetics, through the issue of 1,666,667 shares at A$0.45 per share.

Signing of key reseller agreements for the promotion and sale of its KARA Smart Fitness Mirror

The Company signed a number of key reseller agreements for the promotion and sale of its KARA Smart Fitness Mirror and associated products. Initial deals focused on the local and Asia Pacific market, including with Hong Kong retailer Fortress which has over 40 stores and a significant online presence; HKTVMall, part of the wider Hong Kong Television Network Group, Hong Kong's largest 24-hour shopping mall and Hong Kong Broadband, whose customers receive bundled rates for on-demand access to OliveX's fitness content.

The Company's strategy to achieve international sales and growth also made significant progress with its Gym Aesthetics deal. Gym Aesthetics will sell the KARA Smart Fitness Mirrors in Germany and beyond, whilst OliveX incorporates Gym Aesthetics apparel and products on the OliveX platform.

The above is in addition to the achieved organic growth in direct sales of the KARA Smart Fitness Mirror through the Company's own website.

Expanding its international footprint - China, Australia, Europe and the USA.

In December 2020, OliveX announced a share placement with Allied Ocean Ventures Limited and the intention to form a Chinese joint venture to grow its business in the Chinese market. The Company raised A$600,000 through the issue of 3,000,000 shares at A$0.20 per share.

Allied Ocean is affiliated with the general partner of Ascendent Capital partners, a significant private equity fund with investments in high-tech businesses and retailers in China. The intended joint venture presents an opportunity for OliveX to leverage from Allied Ocean's extensive China networks and to grow its business in the Chinese market.

Its share placement with Gym Aesthetics also extends its international footprint, as do the company's deal with Les Mills, both of which give access to high-profile, global platforms

Strengthening its Board

Since listing on the NSX, the Company has appointed:

Sonny Vu (appointed 1 October 2020) as non-executive chairman, a senior executive with extensive experience in start-up companies and the technology sector, including time at Microsoft and having founded and sold multiple technology based businesses.

Karen Contet (appointed 10 May 2021) as an independent Non-Executive Director. Ms. Contet is the Hong Kong-based co-founder and CEO of AngelHub, Hong Kong's only Securities and Futures Commission-regulated tech investment platform and is the co-founder of WHub, Hong Kong's largest startup community and ecosystem accelerator.

For more information on Directors refer to Section 6 Information relating to the Directors.

Directors' report

5. Operating and financial review (cont'd)

5.3. **Financial Review**

a. **Operating results**

For the period ended 30 June 2021 the Group delivered a before loss $7,575,365. (30 June 2020: $1,774,939)

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Company's assessment in this regard can be found in Note 1a.ii Statement of significant accounting policies: Going Concern on page 28.

b. **Financial position**

The net assets of the Company as at 30 June 2021 are $8,503,620 (30 June 2020: $(2,480,796)).

As at 30 June 2021, the Company's had cash and cash equivalents of $3,212,766 (30 June 2020: $3,499) and had available working capital of $2,548,255 (30 June 2020: a working capital deficit of $2,517,754).

5.4. **Events Subsequent to Reporting Date**

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 32 Events subsequent to reporting date.

5.5. **Future Developments, Prospects and Business Strategies**

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

5.6. **Environmental Regulations**

The Company's operations are not subject to significant environmental regulations in the jurisdictions it operates in, namely Australia.

Directors' report

6. Information relating to the Directors

The following information is current as at the date of this report:

- **Mr. Keith Rumjahn**
  - Managing Director and Chief Executive Officer

  Experience and qualifications
  - Mr. Rumjahn was previously founder and CEO of Coachbase, developer of the no.1 paid sports app on iOS, Android and Mac globally which was acquired by Animoca Brands. 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.

  Interest in Shares and Options
  - 6,733,543 Ordinary Shares
    250,000 Class A Director Options
    250,000 Class B Director Options
    250,000 Class C Director Options

  Directorships held in other listed entities
  - None

- **Mr. Yat Siu**
  - Non-Executive Director

  Experience and qualifications
  - Mr 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 B2B messaging services to B2C digital entertainment. Mr Siu is a director for TurnOut Ventures Limited, a partnership between Outblaze Investments Limited, Animoca Brands 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 NGOs and serves on the board of directors for the Asian Youth Orchestra.

  Interest in Shares and Options
  - **Direct**
    1,240,065 Ordinary Shares
    250,000 Class A Director Options
    250,000 Class B Director Options
    250,000 Class C Director Options
    Indirect – Animoca Brands Limited
    29,443,389 Ordinary Shares
    Indirect – Gorgeous Star Ventures Limited
    750,000 Ordinary Shares

  Directorships held in other listed entities
  - Director of Animoca Brands Corporation Limited (Previously ASX Listed)
    The Director is the practical controller of the registered shareholder of Gorgeous Star Ventures Limited

Directors' report

6. Information relating to the Directors (cont'd)

- **Mr. Xavier Kris**
  - Executive Director (Resigned 24 August 2021)

  Experience and qualifications
  - Senior leadership expertise over 20 years' experience as a director of service-based information technology, telecommunication, research and development and media businesses in the UK, France, USA, South East Asia and Australia, Xavier specialises in providing acquisition, integration and business development services for companies seeking to expand their company operations internationally.
    Xavier most recently served as Managing Director of Swift Media Limited (**ASX:SW1**), including as Chairman for the last 6 months of his tenure. In addition, Xavier is a Director of PLUS 8, a hospitality labour hire, management, business brokerage and consulting group, and the founding partner of Boardroom Capital, a boutique corporate advisory firm based in Perth, Western Australia.
    Xavier holds an English Law and French Degree and a Master of Business Administration. Xavier has also completed the 'Company Directors Course' conducted by the AICD and has obtained the qualification of GAICD.

  Interest in Shares and Options
  - **Indirect – Tri-Nation Holdings Pty Ltd <Kris Family A/C>**
    250,000 Ordinary Shares
    250,000 Class A Director Options
    250,000 Class B Director Options
    250,000 Class C Director Options
    Indirect – Tri-Nation Holdings Pty Ltd <Kris Family Trust No. 2 A/C>
    275,000 Ordinary Shares
    Indirect – Four Nation Holdings Pty Ltd <Kris Family Trust No. 2 A/C>
    255,319 Ordinary Shares

  Directorships held in other listed entities
  - Executive Director of Sky and Space Global Limited (ASX)
    Non-executive Director of Cycliq Group Limited (ASX)

  Former directorships in the last 3 years
  - Executive Director of Swift Media Limited (ASX) resigned 26 June 2019

- **Mr John Bell**
  - Non-Executive Director (Resigned 24 August 2021)

  Qualifications
  - B Bus, CAANZ

  Experience and qualifications.
  - Mr. Bell is a Chartered Accountant and a business professional with international business and financial management expertise. Mr Bell's experience ranges from corporate advisory, as director corporate of Hall Chadwick, to executive management, where as CFO at Saffron Digital, he was part of the management team responsible for the transformation and growth from small start up to multinational, and for managing the sale to one of the world's leading mobile handset manfacturers. Mr Bell has been director, CFO and company secretary for a range of listed and unlisted companies.

  Interest in Shares and Options
  - **Indirect – Bellray Holdings Pty Ltd**
    75,000 Ordinary Shares
    60,000 Class A Director Options
    60,000 Class B Director Options
    60,000 Class C Director Options
    Indirect – Centre Forward Pty Ltd <Top Corner A/C>
    15,000 Ordinary Shares
    Indirect – Super Cloche Pty Ltd <La Cloche Superannuation Fund A/C>
    25,000 Ordinary Shares

  Directorships held in other listed entities
  - None.

Directors' report

6. Information relating to the Directors (cont'd)

- **Mr Sonny Vu** — Non-executive Chairman (Appointed 30 April 2019 & Resigned 27 March 2020 & Appointed 1 October 2020)

  Experience and qualifications.
  - Mr Vu is a senior executive with extensive experience in start-up companies and the technology sector. Mr Vu began his career with Microsoft before establishing natural language processing company FireSpout. Following the acquisition of FireSpout by AskJeeves (now ask.com) in 2001, Mr Vu founded AgaMatrix, which was focused on developing biosensors to monitor diabetes patients.

    Following his tenure as Chairman of AgaMatrix, Mr Vu founded wearable activity tracking technology company, Misfit. During his time with Misfit, he focused on brand development, international expansion and sales. Mr Vu raised US$64m for the company over three rounds, before it was acquired by Fossil Group (NASDAQ: FOSL) in 2015 for US$260m. Following the acquisition, Mr Vu became president and CTO of connected devices with Fossil Group.

    Mr Vu founded Alabaster, a company focused on early stage investments in companies building radical solutions that will have a positive, planet-level impact. The group has over 30 early stage investments in materials, science, semiconductors and biotechnology, energy, food and consumer products.

    Mr Vu holds the CEO position at AREVO, a company focused on advances in material science, design software and robotics technology to automate the production of continuous carbon fibre composite products.

  Interest in Shares and Options
  - 2,715,742 Ordinary Shares
    250,000 Class A Director Options
    250,000 Class B Director Options
    250,000 Class C Director Options

  Directorships held in other listed entities
  - None

- **Ms. Karen Contet**
  - Non-executive Director (Appointed 10 May 2021)

  Experience and qualifications.
  - Ms. Contet is the co-founder & CEO of AngelHub the only SFC - licensed tech investment platform and co-founder of WHub.io a startup ecosystem builder and power connector. Ms Contet is a founding board member of the FinTech Association of Hong Kong.

    Ms Contet is an international speaker (Startup Impact Summit, Vivatech, InspireFest, RISE, JSConf), a French Foreign Trade Advisor, and mentor for several accelerator programs.

    Ms Contet has been working in Asia for 17 years, starting in Tokyo as JP Morgan Exotic Equity Derivatives Trader to Software Engineer for an IoT Startup before founding both WHub and AngelHub.

    Ms Contet has a double degree in engineering (France EPF - Canada ETS) and a Master's in International Finance from HEC Paris.

  Interest in Shares and Options
  - Nil

  Directorships held in other listed entities
  - None

  Former directorships in the last 3 years
  - None

Directors' report

6. Information relating to the Directors (cont'd)

▪ **Mr. David Do**	○ Non-executive Director (Appointed 24 August 2021)
Experience and qualifications.	○ David Do is a Managing Director at VI Group, a Vietnam focused Private Equity firm with over $500 Million under management. VI Group has investments in technology, media, education, healthcare, consumer services (food services, entertainment, retail, travel and hospitality) & logistics. David was previously a General Manager at Microsoft where he led Strategy, Mergers & Acquisitions, Investments, Joint Ventures and Post-Merger Integration. His operating experience includes managing global retail, telecom, media, payments sectors for Microsoft's services businesses and well as serving as a member of the Board of Directors of MSNBC, CNBC, ninemsn and companies in China, Australia, Mexico and the Middle East. He was an Independent Director of Wotif (the largest listed Online Travel Agency for Australia, New Zealand and SE-Asia) acquired by Expedia for over $700 Million. Prior to working at Microsoft, David was a member of the Founding Team at EachNet, the leading Chinese e-commerce firm which was acquired by eBay for $225 Million. David has also worked at The Boston Consulting Group (BCG) and JP Morgan. David has an MBA from Harvard University. He also holds a Bachelor of Commerce from the University of New South Wales.
Interest in Shares and Options	○ Nil
Directorships held in other listed entities	○ None
Former directorships in the last 3 years	○ None
▪ **Ms. Maja McGuire**	○ Non-executive Director (Appointed 24 August 2021)
Experience and qualifications.	○ Ms McGuire is an Australian qualified lawyer with almost 15 years' experience in the provision of corporate and compliance advice to ASX listed public companies. This includes working with listed companies as a non-executive director, general counsel, company secretary and in top tier private practice. Ms McGuire holds BComm and LLB qualifications from The University of Western Australia. Ms McGuire commenced her career in 2008 at Clayton Utz, Perth, where she gained experience in a broad range of corporate, commercial, and banking & finance matters. Ms McGuire advised companies and executives within Australia and internationally who operate in a variety of sectors. In 2011 Maja joined the Canadian Bankers Association, Toronto, where she advocated on behalf of Canadian banks on issues pertaining to developments in domestic and international banking regulation related primarily to capital adequacy and funding. Between 2014 – 2018, Ms McGuire was both Company Secretary and Legal Counsel of previously named Admedus Limited (now Anteris Technologies Ltd ASX:AVR), a global healthcare company focused on developing, commercialising, manufacturing and distributing next generation medical technologies and devices. Subsequently, between 2018 – 2020, Ms McGuire undertook the role of Company Secretary and Legal Counsel at US based Alexium International Group Limited (ASX: AJX), a company which holds proprietary patent applications for novel technologies developed to provide thermal regulation and flame retardancy. Ms McGuire continues her career as a corporate consultant and board director, bringing extensive experience in ASX Listing Rule and Corporations Act compliance, capital raisings, corporate governance, general commercial contracts and dispute resolution.
Interest in Shares and Options	○ Nil
Directorships held in other listed entities	○ Non-executive Chair of TechGen Metals Limited (ASX) Non-executive Director of Kuniko Limited (ASX)

Directors' report

7. Meetings of directors and committees

During the period two meetings of Directors (including committees of Directors) were held. Attendances by each Director during the period are stated in the following table.

	Directors' Meetings		Remuneration AND NOMINATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Keith Rumjahn	13	13	*At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*					
Yat Siu	13	13						
Xavier Kris	13	13						
John Bell	13	13						
Sonny Vu	10	10						
Karen Contet	2	1						

8. Indemnifying officers or auditor

8.1. Indemnification

The Company has entered an Indemnity, Insurance and Access Deed with each Director. Pursuant to the Deed:

The Director is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.

The Company must keep a complete set of company documents until the later of:

- The date which is seven years after the Director ceases to be an officer of the Company; and
- The date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is involved as a party, witness or otherwise because the Director is or was an officer of the Company (**Relevant Proceedings**).

The Director has the right to inspect and copy a Company document in connection with any relevant proceedings during the period referred to above.

Subject to the next sentence, the Company must maintain an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of:

a. The date which is seven years after the Director ceases to be an officer of the Company; and
b. The date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

8.2. Insurance premiums

During the period the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. In accordance with the policy, the amount of premium cannot be disclosed.

Directors' report

9. Options

9.1. Unissued shares under option

At the date of this report, the un-issued ordinary shares of OliveX Holdings Limited under option (unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option	Value Per Option
24 August 2020	24 August 2023	*$0.20*	1,060,000	$0.0984
24 August 2020	24 August 2024	*$0.20*	1,060,000	$0.1114
24 August 2020	24 August 2025	*$0.20*	1,060,000	$0.1219
24 August 2020	24 August 2023	*$0.20*	3,800,000	$0.0984
24 August 2020	24 August 2023	*$0.20*	50,200	$0.1981
15 February 2021	15 February 2024	$0.20	50,000	$0.3207
			7,080,200	

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

9.2. Shares issued on exercise of options

During or since the end of the financial period, the Company issued no ordinary shares as a result of the exercise of options.

10. Non-audit services

During the period, Moore Australia Audit (WA), the Company's auditor, did not perform any services other than their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at note 3 Auditor's remuneration.

In the event that non-audit services are provided by Moore Australia Audit (WA), the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

11. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

12. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the period ended 30 June 2021 has been received and can be found on page 23 of the annual report.

13. Remuneration report (audited)

The information in this remuneration report has been audited as required by s308(3C) of the Corporations Act 2001.

13.1. Key management personnel (KMP)

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company and key executive personnel:

- **Mr. Keith Rumjahn** Managing Director and Chief Executive Officer
- **Mr. Sonny Vu** Non-Executive Chairman (*appointed 1 October 2020*)
- **Mr. Yat Siu** Non-Executive Director
- **Mr. Xavier Kris** Executive Director
- **Mr. John Bell** Non-Executive Director
- **Ms. Karen Contet** Non-Executive Director (*appointed 10 May 2021*)

Directors' report

13. Remuneration report (audited) (cont'd)

13.2. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Board ensures that Director and executive reward satisfies the following key criteria for good reward government practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholder;
- Performance;
- Transparency; and
- Capital management.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issues of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executive of the Company is as follows:

- **Executive Directors and other Senior Executives**

  The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long-term commitment to the Company. Executives receive a base remuneration which is market related and may receive performance-based remuneration. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are also entitled to participate in employee share and option schemes.

- **Non-Executive Directors**

  The Company's Constitution provides that Directors are entitled to be remunerated for their services as follows:

  - The total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.
  - The Directors' remuneration accrues from day to day.
  - The total aggregate fixed sum per annum which may be paid to non-executive Directors is $300,000. This amount cannot be increased without the approval of the Company's Shareholders.

  The Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

- **Fixed Remuneration**

  Other than statutory superannuation contribution, no retirement benefits are provided for Executive and Non-Executive Directors of the Company. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the company.

- **Performance Based Remuneration – Short-term and long-term incentive structure**

  The Board will review short-term and long-term incentive structures from time to time. Any incentive structure will be aligned with shareholders' interests

  - **Short-term incentives**

    Short-term incentives in the form of cash bonuses of $1,785 were granted during the year ended 30 June 2021 (30 June 2020: nil).

  - **Long-term incentives**

    The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

    The executive Directors will be eligible to participate in any short term and long-term incentive arrangements operated or introduced by the Company (or any subsidiary) from time to time.

Directors' report

13. Remuneration report (audited) (cont'd)

- **Service Contracts**

  Remuneration and other terms of employment for the directors, KMP and the company secretary are formalised in contracts of employment.

- **Engagement of Remuneration Consultants**

  During the period, the Company did not engage any remuneration consultants.

- **Relationship between Remuneration of KMP and Earnings**

  The Board does not consider earnings during the current period when determining the nature and amount of remuneration of KMP.

13.3. **Directors and KMP remuneration**

Details of the remuneration of the Directors and KMP of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following table.

2021 – Company *Group KMP*	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Performance Related
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Keith Rumjahn[(1)]	168,216	1,785	-	536	-	-	-	61,204	231,741	26%
Yat Siu[(1)]	25,479	-	-	-	-	-	-	61,204	86,683	71%
Xavier Kris [(2)]	50,000	-	-	-	-	-	60,000	61,204	171,204	36%
John Bell[(3)]	25,479	-	-	-	-	-	-	14,690	40,169	37%
Sonny Vu[(4)]	37,500	-	-	-	-	-	125,945	61,204	224,649	27%
Karen Contet[(5)]	4,346	-	-	-	-	-	-	-	4,346	0%
	311,020	1,785	-	536	-	-	185,945	259,506	758,792	

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 10 May 2021

2020 – Company *Group KMP*	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Performance Related
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Keith Rumjahn[(1)]	-	-	-	-	-	-	-	-	-	-
Yat Siu[(1)]	-	-	-	-	-	-	-	-	-	-
Xavier Kris [(2)]	35,556	-	-	-	-	-	-	-	35,556	0%
John Bell[(3)]	-	-	-	-	-	-	-	-	-	-
Sonny Vu[(4)]	-	-	-	-	-	-	-	-	-	-
Jarrod White[(6)]	15,041	-	-	-	-	-	-	-	15,041	0%
	50,597	-	-	-	-	-	-	-	50,597	

Directors' report

13. **Remuneration report (audited) (cont'd)**

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 30 April 2019 & Resigned 27 March 2020
(5) Appointed 15 October 2019 & Resigned 15 April 2020

13.4. **Service Agreements**

a. **Mr Keith Rumjahn – Executive Director Agreement**

On 1 August 2017, OliveX (HK) Limited (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) Limited (CEO Agreement). Further on 27 March 2020, Mr Rumjahn entered into an engagement letter with OliveX (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:

- Mr Rumjahn is entitled to the following remuneration under the CEO Agreement:
  i. For the period commencing on 1 August 2017, a monthly salary of HK$60,000 (equating to approximately A$133,715 per annum); and
  ii. For the period commencing on the date the Company is admitted to the office list of the NSX (Listing Date), a monthly salary of HK$80,000 (equating to approximately A$180,000 per annum). From 1 February 2021, Mr Rumjahn's salary changed to being paid in Australian Dollar of A$15,000 per month to equate to A$180,000 per annum.

- Mr Rumjahn is entitled to the following remuneration under the Executive Engagement Letter:
  i. Remuneration under the CEO Agreement includes his remuneration and fees for acting as an Executive Director of the Company under the Executive Engagement Letter, no addition cash amounts is payable under the Executive Engagement Letter; and
  ii. 750,000 Director Options on completion of the Company's listing on the NSX in the following proportions:
     – 250,000 Class A Directors Options;
     – 250,000 Class B Directors Options; and
     – 250,000 Class C Directors Options.

b. **Mr Xavier Kris – Executive Director Agreement**

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).

Mr Kris is entitled to director's fees of $50,000 per annum for his role as Executive Director. The fees are inclusive of any superannuation to the extent that it is payable.

Payment for fees accrued between the date of first appointment and the day that the Company is admitted to the official list of the NSX will be made with 5 days from the day that the Company is admitted to the official list of the NSX.

Fees for the first year from the date the Company is admitted to the official list of the NSX will be paid in fully paid ordinary share of the Company in lieu of cash and calculated based on $50,000 divided by the initial listing price per share.

In addition to the fees, Mr Kris is entitled to be issued 750,000 Director Options on completion of the Company's listing on the NSX in the following proportions:

i. 250,000 Class A Director Options;
ii. 250,000 Class B Director Options; and
iii. 250,000 Class C Director Options.

Directors' report

13. Remuneration report (audited) (cont'd)

c. **Mr. Yat Siu - Non-executive Director agreement**

The Company entered into an engagement letter with Mr Yat Siu pursuant to which Mr Siu was appointed as an Non-Executive Director.

Mr Siu is entitled to director's fees of $30,000 per annum for his role as Non-executive Director. The fees are inclusive of any superannuation to the extent that it is payable. Mr Siu will be entitled to fees from the date the Company is admitted to the office list of the NSX.

The fees will be paid via shares issued at the start of each year. Mr Siu agreed that in the event he ceased to hold office with the Company prior to the expiry of the year, the Company will be required to selectively buy-back any portion of Shares issued.

In addition to the fees, Mr Siu is entitled to be issued 750,000 Director Options on completion of the Company's listing on the NSX in the following proportions:

i. 250,000 Class A Director Options;
ii. 250,000 Class B Director Options; and
iii. 250,000 Class C Director Options.

d. **Mr. John Bell – Non-Executive Director Agreement**

The Company entered into an engagement letter with Mr John Bell pursuant to which Mr Bell was appointed as an Non-executive Director.

Mr Bell is entitled to director's fees of $30,000 per annum for his role as Non-executive Director. The fees are inclusive of any superannuation to the extent that it is payable. Mr Bell will be entitled to fees from the date the Company is admitted to the office list of the NSX.

The fees will be paid as follows:

i. 50% payable in cash
ii. 50% payable in shares issued at the start of each year.

Mr Bell agreed that in the event he ceased to hold office with the Company prior to the expiry of the year, the Company will be required to selectively buy-back any portion of Shares issued.

In addition to the fees, Mr Bell was entitled to be issued 180,000 Director Options on completion of the Company's listing on the NSX in the following proportions:

i. 60,000 Class A Director Options;
ii. 60,000 Class B Director Options; and
iii. 60,000 Class C Director Options.

e. **Mr Sonny Vu – Non-Executive Chairman Agreement**

The Company entered into an engagement letter with Mr. Sonny Vu pursuant to which Mr Vu was appointed as an Non-executive Chairman.

Mr Vu is entitled to director's fees of $50,000 per annum for his role as Non-executive Chairman. The fees are inclusive of any superannuation to the extent that it is payable. Mr Vu will be entitled to fees from the date the Company is admitted to the office list of the NSX.

The Company also issued 629,723 ordinary shares as an incentive to join the Board.

f. **Ms Karen Contet – Non-Executive Director Agreement**

The Company entered into an engagement letter with Ms. Karen Contet pursuant to which Ms. Contet was appointed as an Non-executive Director.

Ms. Contet is entitled to director's fees of $30,000 per annum comprising 50% payable in cash, payable in arrears on a monthly basis and 50% payable in fully paid ordinary shares.

Directors' report

13. Remuneration report (audited) (cont'd)

13.5. **Share-based compensation**

Options were granted to the Directors during the period ended 30 June 2021 as part of their remuneration.

There were no equity instruments issued during the period to Directors as a result of options exercised that had previously been granted as compensation.

b. **Securities Received that are not performance-related**

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

c. **Options and Rights Granted as Remuneration**

No rights were granted as remuneration during the period ended 30 June 2021.

Options were granted as remuneration during the period ended 30 June 2021.

13.6. **KMP equity holdings**

a. **Fully paid ordinary shares of OliveX Holdings Limited held by each KMP**

2021 *KMP*	Balance at 30-Jun-20 No.	Received during the period as compensation No.	Received during the period on the exercise of options No.	Received during the period on conversion of performance shares No.	Other changes/ resignation during the period No.[6]	Balance at end of period No.
Keith Rumjahn[1]	-	-	-	-	3,031,786	3,031,786
Yat Siu[1]	1,000	150,000	-	-	16,081,614	16,232,614
Xavier Kris [2]	-	505,319	-	-	275,000	780,319
John Bell[3]	-	75,000	-	-	40,000	115,000
Sonny Vu[4]	-	671,238	-	-	947,151	1,618,389
Karen Contet[5]	-	-	-	-	-	-
	1,000	1,401,557	-	-	20,375,551	21,778,108

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 10 May 2021
(6) Other changes during the period relate to acquisition and disposals for Directors and their related parties

2020 *KMP*	Balance at incorporation No.	Received during the period as compensation No.	Received during the period on the exercise of options No.	Received during the period on conversion of performance shares No.	Other changes/ resignation during the period No.[6]	Balance at end of period No.
Keith Rumjahn[1]	-	-	-	-	-	-
Yat Siu[1]	1,000	-	-	-	-	1,000
Xavier Kris [2]	-	-	-	-	-	-
John Bell[3]	-	-	-	-	-	-
Sonny Vu[4]	-	-	-	-	-	-
Jarrod White[5]	-	-	-	-	-	-
	1,000	-	-	-	-	1,000

Directors' report

13. Remuneration report (audited) (cont'd)

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 15 October 2019 & Resigned 15 April 2020
(6) Other changes during the period relate to acquisition and disposals for Directors and their related parties

b. Performance rights in OliveX Holdings Limited held by each KMP

2021 KMP	Balance at 30-Jun-20 No.	Granted as Remuneration during the period No.	Converted during the period No.	Other changes during the period No. [6]	Balance at end of period No.	Vested and convertible No.	Not Vested No.
Keith Rumjahn[1]	-	-	-	3,701,757	3,701,757	3,701,757	-
Yat Siu[1]	-	-	-	15,200,840	15,200,840	15,200,840	-
Xavier Kris [2]	-	-	-	-	-	-	-
John Bell[3]	-	-	-	-	-	-	-
Sonny Vu[4]	-	-	-	1,097,403	1,097,403	1,097,403	-
Karen Contet[5]	-	-	-	-	-	-	-
	-	-	-	20,000,000	20,000,000	20,000,000	-

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 10 May 2021
(6) Other changes during the period relate to acquisition and disposals for Directors and their related parties.

2020 KMP	Balance at incorporation No.	Granted as Remuneration during the period No.	Converted during the period No.	Other changes during the period No. [6]	Balance at end of period No.	Vested and convertible No.	Not Vested No.
Keith Rumjahn[1]	-	-	-	-	-	-	-
Yat Siu[1]	-	-	-	-	-	-	-
Xavier Kris [2]	-	-	-	-	-	-	-
John Bell[3]	-	-	-	-	-	-	-
Sonny Vu[4]	-	-	-	-	-	-	-
Jarrod White[5]	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 15 October 2019 & Resigned 15 April 2020
(6) Other changes during the period relate to acquisition and disposals for Directors and their related parties

Directors' report

13. Remuneration report (audited) (cont'd)

c. **Options in OliveX Holdings Limited held by each KMP**

2021 *KMP*	Balance at 30-Jun-20 No.	Granted as Remuneration during the period No.	Exercised during the period No.	Other changes/ resignation during the period No.	Balance at end of period No.	Vested and Exercisable No.	Not Vested No.
Keith Rumjahn[1]	-	750,000	-	-	750,000	250,000	500,000
Yat Siu[1]	-	750,000	-	-	750,000	250,000	500,000
Xavier Kris [2]	-	750,000	-	-	750,000	250,000	500,000
John Bell[3]	-	180,000	-	-	180,000	60,000	120,000
Sonny Vu[4]	-	750,000	-	-	750,000	250,000	500,000
Karen Contet[5]	-	-	-	-	-	-	-
	-	3,180,000	-	-	3,180,000	1,060,000	2,120,000

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 10 May 2021
(6) Other changes during the period relate to acquisition and disposals for Directors and their related parties.

2020 *KMP*	Balance at incorporation No.	Granted as Remuneration during the period No.	Exercised during the period No.	Other changes/ resignation during the period No.	Balance at end of period No.	Vested and Exercisable No.	Not Vested No.
Keith Rumjahn[1]	-	-	-	-	-	-	-
Yat Siu[1]	-	-	-	-	-	-	-
Xavier Kris [2]	-	-	-	-	-	-	-
John Bell[3]	-	-	-	-	-	-	-
Sonny Vu[4]	-	-	-	-	-	-	-
Jarrod White[5]	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

(1) Appointed 30 April 2019
(2) Appointed 15 October 2019
(3) Appointed 1 May 2020
(4) Appointed 1 October 2020
(5) Appointed 15 October 2019 & Resigned 15 April 2020

13.7. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

Directors' report

13. Remuneration report (audited) (cont'd)

13.8. **Other transactions with KMP and or their Related Parties**

During the 2021 financial period, the Group incurred the following amounts to related parties:

a. XJRK Management Group Pty Ltd – Consulting Agreement $242,400

The Company entered into a consulting agreement with XJRK Management Group Pty Ltd (XJRK), an entity controlled by Mr Kris. The engagement commenced on execution of the agreement and continues for a minimum term of nine months until the engagement is validly terminated in accordance with terms of the service agreement. XJRK has been engaged to provide various corporate consulting services to the Company including, but not limited to, developing corporate, business, marketing and operation plans and facilitating opportunities for business growth and expansion (Consultancy Services).

The Company will pay the following fees to XJRK for providing the Consultancy Services:

- $190 per hour for at least 80 hours per month, to a maximum charge of $15,200 per month;
- For hours of service performed over 90 hours per month will be charged at $190 per hour, up to a maximum of $6,000 per month;
- After the completion of the annual audit for the financial year ending 30 June 2020;
  - A further $30,000 bonus payment if the Company achieves the Board's revenue target for the Company; and
  - A further $30,000 bonus payment if the Company achieves the Boards approved normalized EBITDA target for the Company;
- The Company will also reimburse XJRK for all out-of-pocket expense.

On 29 June 2021, the Company issued shares to an associate of XJRK Management Group Pty Ltd in lieu of payment of the $60,000 bonus.

The Board considers that the XJRK engagement to be on arms' length and commercial terms.

b. Hall Chadwick Corporate Pty Ltd – Engagement Letter $301,397

The Company entered into an engagement letter with Hall Chadwick Corporate Pty Ltd, an entity of which Mr John Bell is a director, for the provision of virtual CFO and company secretary services to the Company. The Company pays Hall Chadwick $9,000 per month for these services. The Company agreed to pay an additional $125,000 to Hall Chadwick Corporate through the issue of Ordinary shares at $1.00 per share for overruns and additional services provided above and beyond the engagement letter.

From 1 May 2021, the Company entered into an new engagement letter with Hall Chadwick Corporate Pty Ltd for the provision of virtual CFO and company secretary services to the Company. The Company pays Hall Chadwick Corporate Pty Ltd $18,000 per month for these services.

The Company entered into engagement letters with Hall Chadwick Corporate Pty Ltd for the provision of due diligence services for a number of proposed acquisitions. The Company paid Hall Chadwick Corporate Pty Ltd $50,122 for these services.

The Board considers that the Hall Chadwick Corporate Pty Ltd engagement to be on arms' length and commercial terms.

Refer also Note 24 Other related party transactions.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).

KEITH RUMJAHN
Managing Director and Chief Executive Officer
Dated this Monday, 13 September 2021

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF OLIVEX HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2021, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 13th day of September 2021.

P a g e | **23**

Consolidated Statement of profit or loss and other comprehensive income

for the year ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
Revenue	4	643,856	595,224
Cost of sales		(437,263)	(96,724)
Gross Profit		206,593	498,500
Other income	5	102,449	36,342
Consulting expenses		(1,940,900)	(753,534)
Depreciation and amortisation expenses	5	(15,253)	(2,922)
Employment expenses	5	(1,647,295)	(717,401)
Exchange fluctuation (loss)/gain		185,658	(5,549)
Finance expenses	5	(49,720)	(277,823)
Impairment expense	5	-	(148,953)
Marketing expenses		(345,607)	(247,895)
Office expenses		(222,473)	(60,265)
Research and development expenses		(28,091)	(44,729)
Share based payment expenses	22	(3,602,199)	-
Travel and accommodation expenses		(8,196)	(14,480)
Other expenses		(210,331)	(36,230)
Loss before tax		(7,575,365)	(1,774,939)
Income tax expense	6	-	-
Net loss after tax for the period		(7,575,365)	(1,774,939)
Other comprehensive income, net of income tax			
■ Items that will not be reclassified subsequently to profit or loss		-	-
■ Items that may be reclassified subsequently to profit or loss		-	-
□ Foreign currency movement gain/(loss)		234,295	(57,530)
Other comprehensive income for the period, net of tax		234,295	(57,530)
Total comprehensive income attributable to members of the parent entity		(7,341,070)	(1,832,469)
Earnings per share:			
Basic loss per share (cents)	7	(20.19)	(13.00)
Diluted loss per share (cents)	7	(20.19)	(13.00)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of financial position
as at 30 June 2021

	Note	30 June 2021 $	30 Jun 2020 $
Current assets			
Cash and cash equivalents	8	3,212,766	3,499
Trade and other receivables	9	498,170	92,176
Inventories	10	315,406	11,310
Other financial assets	11	-	-
Other current assets	12	90,131	127,581
Total current assets		4,116,473	234,566
Non-current assets			
Plant and equipment	13	76,567	36,958
Intangible assets	14	432,294	-
Other non-current assets	15	5,446,504	-
Total non-current assets		5,955,365	36,958
Total assets		10,071,838	271,524
Current liabilities			
Trade and other payables	16	1,504,295	388,453
Provisions	18	63,923	8,222
Other financial liabilities	17	-	2,355,645
Total current liabilities		1,568,218	2,752,320
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		1,568,218	2,752,320
Net assets		8,503,620	(2,480,796)
Equity			
Issued equity	19	17,944,144	271,599
Other equity	20	-	500,000
Reserves	21	1,375,190	(12,046)
Accumulated losses		(10,815,714)	(3,240,349)
Total equity		8,503,620	(2,480,796)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes

Consolidated statement of changes in Equity
for the half year ended 30 June 2021

	Note	Issued Capital $	Other Equity $	Share Premium Reserve $	Common Control Reserve $	Option Reserve $	Performance Rights Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2019		271,599	-	67,650	-	-	-	(22,166)	(1,465,409)	(1,148,326)
Loss for the year attributable owners of the parent		-	-	-	-	-	-	-	(1,774,940)	(1,774,940)
Other comprehensive income for the period attributable owners of the parent		-	-	-	-	-	-	(57,530)	-	(57,530)
Total comprehensive income for the year attributable owners of the parent		-	-	-	-	-	-	(57,530)	(1,774,940)	(1,832,470)
Transactions with owners, directly in equity										
Issue of convertible notes		-	500,000	-	-	-	-	-	-	500,000
Balance at 30 June 2020		271,599	500,000	67,650	-	-	-	(79,696)	(3,240,349)	(2,480,796)
Balance at 1 July 2020		271,599	500,000	67,650	-	-	-	(79,696)	(3,240,349)	(2,480,796)
Loss for the year attributable owners of the parent		-	-	-	-	-	-	-	(7,575,365)	(7,575,365)
Other comprehensive income for the period attributable to owners of the parent attributable		-	-	-	-	-		234,295	-	234,295
Total comprehensive income for the year attributable owners of the parent		-	-	-	-	-	-	234,295	(7,575,365)	(7,341,070)
Transaction with owners, directly in equity										
Shares issued during the year		15,790,840	(500,000)	-	-	-	-	-	-	15,290,840
Performance rights issued during the year		-	-	-	-	-	2,952,580	-	-	2,952,580
Options issued during the year		-	-	-	-	659,562	-	-	-	659,562
Shares issued under the Group Restructure		2,459,201	-	(67,650)	-	-	-	-	-	2,391,551
Common control reserve arising from Group		-	-	-	(2,391,551)	-	-	-	-	(2,391,551)
Transaction costs		(577,496)	-	-	-	-	-	-	-	(577,496)
Balance at 30 June 2021		17,944,144	-	-	(2,391,551)	659,562	2,952,580	154,599	(10,815,714)	8,503,620

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2021

	Note	30 June 2021 $	30 June 2020 $
Cash flows from operating activities			
Receipts from customers		527,944	270,890
Interest received		5	248
Interest paid		-	(2)
Payments to suppliers and employees		(3,398,014)	(1,356,853)
Research and development costs		(28,091)	(44,729)
Government Grants		9,622	36,092
Net cash used in operating activities	8e	(2,888,534)	(1,094,354)
Cash flows from investing activities			
Purchase of property, plant and equipment		(88,695)	(31,740)
Purchase of Volution.Fit		(377,606)	-
Purchase of Six to Start		(5,446,504)	-
Advance to Miro		(133,378)	-
Purchase of convertible security		-	(148,953)
Short term advance (provided) repaid		(63,098)	-
Net cash (used in)/provided by investing activities		(6,109,281)	(180,693)
Cash flows from financing activities			
Proceeds from issued capital		12,177,739	-
Proceeds from other financial liabilities		29,343	22,343
Net cash provided by financing activities	8f	12,207,082	22,343
Net cash flows		3,209,267	(1,252,704)
Cash and cash equivalents at the beginning of the period		3,499	1,206,070
Changes in foreign currency held		-	50,133
Cash and cash equivalents at the end of the period	8	3,212,766	3,499

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies

These are the consolidated financial statements and notes of OliveX Holdings Ltd (**OliveX** or **the Company**) and its controlled entities (collectively **the Group**). OliveX is a company limited by shares, domiciled and incorporated in Australia.

The registered office and the principal office of the Company is 283 Rokeby Road, Subiaco Western Australia. The financial statements were authorised for issue on 13 September 2021 by the directors of the Company.

a. **Basis of preparation**

The consolidated financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

All amounts are presented in Australian Dollars, unless otherwise noted.

i. **Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

ii. **Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of $7,575,365 (30 June 2020: $1,774,939 loss) and a net cash out-flow from operating activities of $2,888,534 (30 June 2020: $1,094,354 out-flow).

The Directors believe that it is reasonably foreseeable that the Group 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:

- The Group has cash and cash equivalents of $3,212,766 as at 30 June 2021.
- On 2 March 2021, the Company entered into a share sale agreement with the shareholders of Six to Start Limited to acquire 100% of the shares. As part of this transaction the Company has completed a capital raising to fund the acquisition and working capital. The Capital raisings successfully raised $8.7 million. The initial cash consideration payable to the shareholder of Six to Start Limited is US$4,332,500 (~A$5,513,000). Funds held on trust for the acquisition was $5,446,504 as at 30 June 2021. On 1 July 2021, the Company completed the acquisition of Six to Start Limited.
- On 10 March 2021, the Company announced its plans to undertake a listing on the Canadian Stock Exchange in the coming months.
- The Company plans to undertake future capital raisings to continue the growth of the business and to provide sufficient working capital.
- The Company intends to and is committed to explore strategic opportunities to further drive revenue growth and profitability.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds from future capital raisings, generating sufficient revenues through its technology assets and managing its contractual and discretionary cash outflows in line with available funds to enable the Group to meet both its current obligations and its committed future expenditure. The Directors have prepared a cashflow forecast for the foreseeable future reflecting this expectation. The achievement of the forecast is dependent upon a combination of events as described above, the outcome of which is uncertain.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 1. Statement of significant accounting policies

iii. **Use of estimates and judgments**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1y.

iv. **Comparative figures**

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year. Comparative figures have been retrospectively adjusted as if the Restructure had taken place at the beginning of the earliest comparative period presented, refer to note 1c.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

b. **Accounting Policies**

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2020 but determined that their application to the financial statements is either not relevant or not material.

c. **Principles of consolidation**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

i. **Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies

ii. **Subsidiaries**

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 28 Controlled entities on page 63 of the financial statements.

iii. **Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, than such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. **Transactions eliminated on consolidation**

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

v. **Common Control**

For acquisitions occurring while under the Common control of the Company and for consolidation purposes, the assets and liabilities continue to reflect the carrying values in the accounting records of the consolidated group prior to the business combination occurring.

Subsequent to the FY2020 year end, a group restructure occurred whereby the following transactions took place:

- On 2 July 2020, OliveX Holdings Limited lodged a replacement prospectus for an offer of 10,000,000 shares at an issue price of $0.20 per share to raise $2,000,000 before costs, with the ability to accept oversubscriptions for a further 5,000,000 shares to raise an addition $1,000,000 before costs. On 10 August 2020, OliveX Holdings Limited successfully raised $2,181,987 before costs under the initial public offer (IPO) through the issue of 10,909,935 shares at an issue price of $0.20 per share.
- In preparation for the IPO, the Company proposed to acquire 100% of the issued capital of OliveX (HK) Ltd. In or about May 2020, to complete the acquisition, the Company entered into Security Purchase Letter Agreements (SPLAs) with each holder of fully paid ordinary shares in the capital of OliveX (HK) Ltd and each holder of the safe convertible notes (together the Security Holders), whereby a total of 23,559,996 shares and 20,000,000 performance rights were to be issued to the Security Holders on completion of the acquisition. On 3 August 2020, the acquisition was completed, and the Company issued 23,559,996 shares and 20,000,000 performance rights and become the 100% owner of OliveX (HK) Limited.

As the restructure was determined to occur under the control of the same shareholders, a common control reserve was created in the equity section of the balance sheet. A business combination involving entities or businesses under the common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that the control is not transitory.

The Group has the choice to either apply the acquisition method or to apply the polling of interest method (predecessor value method). Management have determined that the pooling of interest method to be most appropriate. The pooling of interest 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 in the common control reserve. No additional goodwill is created by the Restructure. All transaction cost incurred in relation to the Restructure are expensed to the consolidated statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

d. **Current and Non-Current classification**

The group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- A Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

e. **Foreign currency transactions and balances**

i. **Functional and presentation currency**

The functional currency of the Group is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

The functional currency for OliveX (HK) Limited for the year ended 30 June 2020 was American dollars. The group has assessed and determined that the functional currency is Australian dollars for the consolidated Group as most of the capital raised is derived from Australia in Australian dollars. These funds are then used to fund the operations of the subsidiaries in the Group.

ii. **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 period-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.

iii. **Group Companies**

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f. **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.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

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.

g. **Plant and equipment**

i. **Recognition and measurement**

Items of plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1o Impairment of non-financial assets).

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.

ii. **Depreciation**

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	2021 %	2020 %
■ Software	20.00	20.00
■ Computer	20.00	20.00
■ Furniture and Fittings	20.00	20.00

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.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

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.

h. **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see Note 2) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less that its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the period of loss on disposal.

i. **Intangible assets**

Intangible assets acquired or developed internally are initially measured at cost.

The cost of an acquired intangible asset comprises its purchase price, import duties, and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure on intangible assets is capitalised only if it is probable that it will increase the future economic benefits associated with the specific asset. Other expenditure is recognised in profit or loss as incurred.

After initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, if any.

Intangible assets are amortised on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. The estimated useful lives, residual values, and amortisation methods are reviewed at each year end, and any changes in estimates are accounted for prospectively.

i. **Digital Currencies**

Digital currencies are indefinite life intangible assets initial recognised at cost. The digital currencies are subsequently measured at fair value by reference to the quoted price in an active digital currency market.

Any increase or decrease in the fair value of the digital currencies are recognised through the profit and loss, similar to any gains or losses upon the disposals of digital currencies.

j. **Employee benefits**

i. **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.

ii. **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 Group 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 Group as the benefits are taken by the employees.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

iii. **Other long-term benefits**

The Group's obligation in respect of long-term employee benefits other than definite benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Group's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

k. **Leases**

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determine, the Group uses the incremental borrowing rate.

Right of use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before commencement date as well as any initial direct costs. The subsequent measurement of the right of use assets is at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

l. **Value added taxes**

Value-added tax (VAT) is the generic term for the broad-based consumption taxes that the Group is exposed to such as:

- Australia (Goods and Services Tax or GST);
- Hong Kong (Value-added tax or VAT); and
- United Kingdom (Value-added tax or VAT).

hereafter collectively referred to as VAT.

Revenues, expenses, and assets are recognised net of the amount VAT, except where the amount of VAT incurred is not recoverable from the 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

m. **Financial instruments – assets**

a. **Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. **Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i. **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

ii. **Equity instruments**

- The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.
- Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

d. **Impairment**

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

n. **Financial instruments - liabilities**

a. **Classification**

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

b. **Recognition and derecognition**

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Group commits to purchase the financial liability. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

c. **Measurement**

At initial recognition, the Group measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

o. **Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent from other assets and Groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

p. **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

q. **Share-based payments**

The Group 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 to 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.

Share-based compensation relating to share options are recognised at fair value. The fair value of the options is recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income, with a corresponding increase in equity. The total amount to be expenses is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied.

r. **Contributed equity**

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transactions costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

s. **Government grants**

Government grants are recognised when there is a reasonable assurance that the grant will be received, and all attached conditions will be compiled with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t. **Earnings per share**

i. **Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss after income tax attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

ii. **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

u. **Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for the goods or services.

The Group recognises revenue from the following major sources:

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

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

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

v. **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

w. **Finance income and expenses**

The Group’s finance income and finance costs include interest income and interest expense.

Interest income or expense is recognised using the effective interest method.

All revenue is stated net of the amount of VAT or Sales taxes (note 1l).

x. **Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ results are regularly reviewed by the Group’s Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

y. **Critical Accounting Estimates and Judgments**

The Board discusses the development, selection and disclosure of the Group’s critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. **Key Judgements – Deferred expenditure**

Research and development costs have been expensed through the Statement of Profit and 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.

ii. **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 Group 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.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 1. Statement of significant accounting policies (continued)

iii. **Key Estimate - Impairment**

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

iv. **Key Estimate – Financial liabilities**

The Group has entered into two SAFE instruments in the prior period (see note 17)**.** The SAFE instruments do not specify a coupon rate and therefore, suggest that the instruments do not have a financial cost. The Group 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%-20%. Accordingly, the Group has exercised its judgement and used the discount to the listing price as the basis for determining the amortised cost.

z. **New, revised or amending Accounting Standards and Interpretations adopted by the Group.**

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

i. **Other standards not yet applicable**

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2. Business Combinations

a. **OliveX (HK) Limited**

On 3 August 2020, OliveX Holdings Limited acquired 100% of the ordinary share capital and voting rights in OliveX (HK) Limited. At the date of the acquisition OliveX Holdings Limited and OliveX (HK) Limited were controlled by common shareholders.

i. Business combination under common control

Business combinations are outside the scope of AASB 3 when the same group of individuals has, as a result of contractual arrangement, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The Company's acquisition of OliveX (HK) Limited is deemed a business combination under common control.

For such business combinations under common control, the pooling of interest method is used to include the assets, liabilities, results, equity change sand cash flows of the combined entities in the consolidated financial statements.

In applying the pooling of interest method, the financial statement items of the combined entities or businesses for the year in which the common control transaction occurs are include in the consolidated financial statements of the Group as if the combination had occurred from the date when the combined entities or businesses first came under control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the Group. Therefore, the Group recognises the assets, liabilities and equity of the combined entities or businesses at the carrying amounts as if such consolidated financial statement had been prepared by the controlling party, including adjustments required for confirming to the Group's accounting policies and applying those policies to all periods presented.

There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost at the time of the common control transactions. The effect of all transactions, balances, and unrealised gains on transactions between the combined entities, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the Group. Unrealised losses are also eliminated but are considered an impairment indication of the assets transferred.

Refer to note 1c.v for the accounting policies.

ii. Acquisition consideration

The consideration for the acquisition of OliveX (HK) Limited was the issue of 13,649,000 ordinary shares in the Company at a deemed issue price of $0.20 per share.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 2. Business Combinations (continued)

b. **Volution.fit**

On 3 December 2020, OliveX (UK) Limited acquired the business of Volution.Fit under an asset sale agreement. This transaction constitutes a business combination under AASB 3. Volution.Fit is a software business that develops end-to-end CRMs specifically for the fitness industry. The acquisition has complemented the Group's goal to improve the health and fitness of its users through its suite of technology products and software. The acquisition will fast track the development of OliveX's Kara Fitness platform.

i. Acquisition consideration

The consideration for the acquisition of Volution.Fit consisted of the cash consideration of GBP190,000 (AU$335,867).

ii. Goodwill

The identifiable net assets of the business acquired are remeasured at their fair value on the date of the acquisition (i.e. the date that control passes).

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the business acquired.

Details of the transaction are as follows:

	Fair Value $
Fair value of consideration transferred:	
Cash consideration	335,867
	335,867
Fair value of identifiable assets and liabilities at acquisition date	
Provision for annual leave	(34,412)
Fair value of identifiable assets and liabilities assumed	(34,412)
Goodwill	370,279

iii. Revenue and profit contribution

The acquired business contributed revenues of $62,589 and net loss of $498,877 to the group for the period from 3 December 2020 to 30 June 2021.

If the acquisition had occurred on 1 July 2020, consolidated pro-forma revenue and loss for the year ended 30 June 2021 would have been $751,150 and $8,430,581 respectively.

Note 3. Auditor's remuneration

	2021 $	2020 $
Remuneration of the auditor of the OliveX Holdings Limited for:		
■ Auditing or reviewing the financial reports:		
☐ Moore Australia Audit (WA)	36,000	20,000
	36,000	20,000

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 4 Revenue

	2021 $	2020 $
a. Revenue – major product lines		
Services	62,589	499,352
Apps and games revenue	47,065	56,986
Mirror sales	534,202	38,886
	643,856	595,224
b. Timing of Revenue Recognition		
Goods transferred at a point in time	581,267	95,872
Services transferred over time	62,589	499,352
	643,856	595,224
c. Other income		
Interest income	10,334	249
Government subsidy	82,493	36,093
Other income	9,622	-
	102,449	36,342

Note 5 Loss before income tax

	2021 $	2020 $
a. Depreciation and amortisation		
Depreciation	15,253	2,922
	15,253	2,922
b. Employment costs		
Salary and wages	1,251,473	596,269
MPF/Superannuation/NIC/Pensions	80,150	21,083
Director Fees	268,750	50,597
Other	46,922	49,452
	1,647,295	717,401
c. Finance costs		
Interest expense	49,720	277,823
	49,720	277,823
d. Impairment of financial assets		
Impairment of financial assets	-	148,953
	-	148,953

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 6 Income tax

	2021 $	2020 $
a. **Income tax expense**		
Current tax	-	-
Deferred tax	-	-
	-	-
Deferred income tax expense included in income tax expense comprises:		
■ Increase / (decrease) in deferred tax assets	-	-
■ (Increase) / decrease in deferred tax liabilities	-	-
	-	-
b. **Reconciliation of income tax expense to prima facie tax payable**		
The prima facie tax payable / (benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 30% (2020: 30%)	(2,272,610)	(532,482)
Add / (Less) tax effect of:		
■ Shares based payments	1,075,849	-
■ Foreign Exchange	(60,934)	-
■ International Tax Rate Difference	264,491	180,948
■ Deferred tax asset not brought to account	993,204	351,534
Income tax expense / (benefit)	-	-
c. **Deferred tax assets**		
Tax losses	1,559,576	588,198
Provisions and accruals	27,181	-
Other	25,089	31,564
Deferred tax assets	1,611,846	619,762
Set-off deferred tax liabilities	(15,076)	(16,196)
Deferred tax assets	1,596,770	603,566
Less: Deferred tax assets not recognised	(1,596,770)	(603,566)
Net deferred tax assets	-	-
d. **Deferred tax liabilities**		
Prepayments	15,076	16,196
Set-off deferred tax assets	(15,076)	(16,196)
Net deferred tax liabilities	-	-

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 7 Earnings per share (EPS)

	2021 $	2020 $
a. Reconciliation of earnings to profit or loss		
Loss for the period	(7,575,365)	(1,774,939)
Loss used in the calculation of basic and diluted EPS	(7,575,365)	(1,774,939)

	2021 No.	2020 No.
b. Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	37,513,729	13,650,000
c. Weighted average number of ordinary shares outstanding during the period used in calculation of diluted EPS	37,513,729	13,650,000

	2021 $	2020 $
d. Earnings per share		
Basic EPS (cents)	(20.19)	(13.00)
Diluted EPS (cents)	(20.19)	(13.00)

Share options are considered to be potential ordinary shares but were anti-dilutive in nature for the 30 June 2021 financial year and were not included in the calculations of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

Note 8 Cash and cash equivalents

	2021 $	2020 $
a. **Current**		
Cash at bank	3,212,766	3,499
	3,212,766	3,499
b. **Reconciliation of cash**		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
■ Cash and cash equivalents	3,212,766	3,499
	3,212,766	3,499

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26 Financial Risk Management.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 8 Cash and cash equivalents (continued)

	2021 $	2020 $
c. **Reconciliation of cash flow from operations to profit/(loss) after income tax**		
Loss after income tax	(7,575,365)	(1,774,939)
Non-cash flows in (loss)/profit from ordinary activities:		
■ Depreciation and amortisation	15,253	2,922
■ Research and development	-	
■ Finance costs	49,720	277,821
■ Exchange fluctuations	158,956	8,279
■ Impairment	-	148,953
■ Share based payments	4,132,626	-
■ Interest received	(10,329)	-
Changes *in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:*		
■ Decease/(increase) in receivables and other receivables	(229,833)	(36,197)
■ Decrease/(increase) in inventories	(304,096)	13,447
■ (Decrease)/increase in other current assets	37,450	(54,295)
■ (Decrease)/increase in trade and other payables	781,383	311,433
■ (Decrease)/increase in provisions	55,701	8,222
Cash flow (used in) operations	(2,888,534)	(1,094,354)
d. Reconciliation of cash flow from financing activities		
(i) *Other financial liabilities*		
Opening balance	1,849,689	1,545,739
Cash inflows/(outflows)	-	22,343
Other financial liabilities	-	(111,015)
Finance costs	43,724	272,431
FX changes	-	120,191
Transfer to equity	(1,893,413)	-
Closing balance	-	1,849,689

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 8 Cash and cash equivalents (continued)

		2021 $	2020 $
(ii)	*Insurance Premium Funding*		
	Opening balance	-	-
	Cash inflows/(outflows)	29,343	-
	Closing balance	29,343	-
(iii)	*Total changes in liabilities from financing activities*		
	Opening balance	1,849,689	1,545,739
	Cash inflows/(outflows)	29,343	22,343
	Other financial liabilities	-	(111,015)
	Finance costs	43,724	272,431
	FX changes	-	120,191
	Transfer to equity	(1,893,413)	-
	Closing balance	29,343	1,849,689

Note 9 Trade and Other Receivables

	Note	2021 $	2020 $
Trade receivables		277,327	92,176
Less: Allowance for expected credit losses	(ii)	(10,601)	-
GST/VAT receivable		87,737	-
Loan – Miro AI	(iii)	143,707	-
		498,170	92,176

(i) The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26 Financial Risk Management

(ii) All the Company's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of $10,601 (2020: Nil) has been recorded accordingly within Service revenue.

(iii) On 9 November 2020, the Company entered into an unsecured loan agreement with Gum Agency USA LLC known as "Miro AI" for US$100,000. Interest will accrue on the loan at 12% per annum and will be calculated on the daily balance of the loan. The loan is repayable 1 year from the funding date being 11 November 2021.

Note 10 Inventories

	2021 $	2020 $
Mirrors	315,406	11,310
	315,406	11,310

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 11 Other financial assets

	Note	2021 $	2020 $
Convertible Security		145,709	145,709
Provision for Impairment	(i)	(145,709)	(145,709)
		-	-
(i) Provision for impairment			
Balance at beginning of the year		145,709	-
Write off convertible security		-	145,709
Balance at end of year		145,709	145,709

The Company entered into a convertible security agreement with actiMirror Corporaton, an entity incorprated under the laws and regulations of Hong Kong Special Adminsitrative Region Limited, the supplier of mirrors to the Company on 9 July 2019.

The convertible security has a mandatory conversion clause on the occurrence of a qualified financing event with the Company entitled to 100,000 preferred shares in actiMirror Corporation at a par value of US$1 per preferred share.

A qualified financing event will occur on a change of control arising on sale of all or substantially all of actiMirror assets or shares or a merger where current shareholders hold less than 50% of the merged entity. A qualified financing event is also defined as a IPO or an equity raising by actiMirror of at leaset US$250,000.

The preferred shares entitled the Company to a Tag-along or Drag-along rights under a shareholders agreement as well as priority on liquidation. The preferred shares do not disclosed any dividend entitlement. The asset was fully impaired at 30 June 2020.

Note 12 Other current assets

	2021 $	2020 $
Prepayments	86,353	124,335
Rental Deposit	3,778	3,246
	90,131	127,581

Note 13 Plant and equipment

	2021 $	2020 $
Office Equipment	1,016	-
Accumulated depreciation	(116)	-
	900	-
Furniture and Fittings	9,428	-
Accumulated depreciation	(1,622)	-
	7,806	-

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 13 Plant and equipment (continued)

	2021 $	2020 $
Software	27,165	29,556
Accumulated depreciation	(6,339)	(985)
	20,826	28,571
Computer equipment	56,609	10,484
Accumulated depreciation	(9,574)	(2,097)
	47,035	8,387
Total plant and equipment	76,567	36,958

a. Movements in Carrying Amounts

2020	Furniture and fittings $	Software $	Computer equipment $	Total $
Carrying amount at the beginning of the period	-	-	8,141	8,141
Additions	-	30,214	1,527	31,741
Depreciation expense	-	(1,007)	(1,916)	(2,923)
Foreign currency exchange differences	-	(636)	635	(1)
Carrying amount at the end of year	-	28,571	8,387	36,958

2021	Furniture and fittings $	Software $	Computer equipment $	Total $
Carrying amount at the beginning of the period	-	28,571	8,387	36,958
Additions	10,756	-	48,067	58,823
Depreciation expense	(1,792)	(5,613)	(7,848)	(15,253)
Foreign currency exchange differences	(258)	(2,132)	(1,571)	(3,961)
Carrying amount at the end of year	8,706	20,826	47,035	76,567

Note 14 Intangible Assets

	2021 $	2020 $
Goodwill	377,606	-
Accumulated impairment losses	-	-
	377,606	-
Cryptocurrency	54,688	
Accumulated amortisation and impairment losses	-	
	54,688	-
	432,294	-

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 14 Intangible Assets (continued)

a. Movements in Carrying Amounts

2021	Goodwill $	Crypto-currencies $	Total $
Carrying amount at the beginning of the period	-	-	-
Additions	370,279	1,172,730	1,543,009
Disposals / write-offs	-	(1,140,048)	(1,140,048)
Depreciation expense	-	-	-
Foreign currency exchange differences	7,327	22,006	29,333
Carrying amount at the end of year	377,606	54,688	432,294

b. **Allocation of goodwill to cash-generating units (CGU)**

Goodwill has been allocated for impairment testing purposes to the Volution.Fit unit being OliveX (UK) Limited. Before recognition of impairment losses, the carrying amount of goodwill (other than goodwill relating to discontinued operations) was allocated to CGU as follows.

	2021 $	2020 $
■ Volution.Fit	377,606	-

The recoverable amount of the Group's Volution.Fit CGU has been determined based on 3 December 2020 value as part of the business combination accounting. Goodwill on the CGU has therefore been tested against the fair value less cost to sell basis on 30 June 2021. The valuation was based on a revenue multiple related to the combined revenue streams of the respective CGU. No further impairment testing has been performed in respect of the goodwill as at 30 June 2021 as the facts, circumstances and key assumptions that existed on 3 December 2020 have not materially changed.

Note 15 Other non-current assets

	Note	2021 $	2020 $
Funds held on Trust – Six to Start Limited	(i)	5,446,504	-
		5,446,504	-

(i) Funds transferred to the lawyers to be held on trust for the cash consideration payable as part of the Six to Start Limited acquisition. Cash consideration transferred to the Sellers of Six to Start Limited at the completion date of 1 July 2021. Refer to note 32 Events subsequent to reporting date for further details.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 16 Trade and other payables

	Note	2021 $	2020 $
Trade payables	(i)	925,246	266,163
Accrued expenses		190,622	122,290
Insurance Premium Funding		29,343	-
Other payables		359,084	-
		1,504,295	388,453

(i) Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

Note 17 Other financial liabilities

	2021 $	2020 $
a. SAFE Instruments conversion rights		
Opening balance	-	397,358
Additions	-	108,597
Transfer to equity	-	-
	-	505,955

The amount recorded as conversion rights represents conversion rights by applying the effective interest rate for the SAFE instruments with the residual value being applied to the conversion rights.

	2021 $	2020 $
b. Other financial liabilities – SAFE Instruments amortised cost		
SAFE	-	1,849,460
Current portion	-	-
	-	1,849,460
Opening balance	1,849,690	1,664,661
SAFE issue		21,856
Finance costs	43,724	271,770
Fair value adjustments	-	(108,597)
Transfer to equity	(1,893,414)	-
Closing balance	-	1,849,690
Present value	-	1,849,690
Finance costs	-	46,048
	-	1,895,738

SAFE Tranche 1 entitle the subscribers to a 20% discount on the listing price of the ordinary shares of the Company or its successor entity and SAFE Tranche 2 entitle the subscribers to a 15% discount on the listing price of the Company or its successor entity.

As at 30 June 2021, OliveX (HK) Limited had US$nil (2020:US$1,301,045) SAFE Instruments. These instruments incorporate a principal term right to convert the SAFE into equity instruments on the occurrence of a Liquidity Event.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 17 Other financial liabilities (continued)

The Group has determined that the SAFE instruments are financial liabilities and accordingly, recorded these instruments on an amortised cost basis using the effective interest rate method of 21% (Tranche 1) and 16% (Tranche 2). The difference between proceeds from the SAFE instrument and the carrying value of the SAFE instrument at inception is recorded as the conversion rights.

As part of the acquisition of OliveX (HK) Limited these instruments were transferred to OliveX Holdings Limited and subsequently converted to equity prior to listing on 12 August 2020. The SAFE Instruments converted to 9,909,996 ordinary shares in the Company.

	2021 $	2020 $
Other financial liabilities		
SAFE instruments amortised cost	-	1,849,690
SAFE instruments conversion rights	-	505,955
Closing balance	-	2,355,645

Note 18 Provisions

	2021 $	2020 $
Provision for annual leave	63,923	8,222
	63,923	8,222

Note 19 Issued equity

	30 Jun 21 No.	30 Jun 20 No.	30 Jun 21 $	30 Jun 20 $
Fully paid ordinary shares at no par value	53,403,693	1,561,000	17,944,144	271,599
a. Ordinary shares				
At the beginning of the period	1,561,000	-	271,599	271,599
Balance before reverse acquisition	1,561,000	1,561,000	271,599	-
Shares issued during the year:				
■ Elimination of OliveX (HK) Limited shares	*(1,560,000)*	-	(270,599)	-
■ Shares issued as part of share swap	13,649,000	-	2,729,800	-
■ Shares issued to SAFE Noteholders	9,909,996	-	2,296,194	-
■ Shares issued to Convertible Noteholders	2,500,000	-	500,000	-
■ Issue of Prospectus shares	10,909,935	-	2,181,987	-
■ Issue of Placement shares	14,480,895	-	10,292,176	-
■ Shares issued to Directors	1,401,557	-	305,945	
■ Shares issued to consultants and employees	551,310	-	214,538	-
Transaction costs relating to share issues	-	-	(577,496)	-
At reporting date	53,403,693	1,561,000	17,944,144	271,599

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 19 Issued equity (continued)

b. Options	30 Jun 21 No.	30 Jun 20 No.	30 Jun 21 $	30 Jun 20 $
Options	7,080,200	-	659,562	-
At the beginning of the period	-	-	-	-
Options issued/(lapsed) during the year:				
Options exercisable at $0.20 each expiring 24.8.2023	1,090,000	-	104,377	-
Options exercisable at $0.20 each expiring 24.8.2024	1,060,000	-	100,314	-
Options exercisable at $0.20 each expiring 24.8.2025	1,060,000	-	54,854	-
Options exercisable at $0.20 each expiring 24.8.2023	3,800,000	-	374,039	-
Options exercisable at $0.20 each expiring 24.8.2023	50,200	-	9,944	-
Options exercisable at $0.20 each expiring 15.2.2024	50,000	-	16,034	-
Options lapsed - Options exercisable at $0.20 each expiring 24.8.2023	(30,000)	-	-	-
At reporting date	7,080,200	-	659,562	-

Refer to Note 22 Share-based payments for further details on terms and conditions.

c. Performance Rights	30 Jun 21 No.	30 Jun 20 No.	30 Jun 21 $	30 Jun 20 $
Performance Rights	30,000,000	-	-	-
At the beginning of the period	-	-	-	-
Performance Rights issued to founders	20,000,000	-	1,968,387	-
Performance Rights issued to convertible noteholders	10,000,000	-	984,193	-
At reporting date	30,000,000	-	2,952,580	-

The Company has 30,000,000 Performance Rights on issue, being 10,000,000 Class A Performance Rights, 10,000,000 Class B Performance Rights and 10,000,000 Class C Performance Rights, with the following milestones:

Refer to Note 22 Share-based payments for further details on terms and conditions.

Milestone
Class A Performance Rights: ▪ The Company achieving a VWAP of at least $0.40 over a period of 20 trading days. ▪ On achievement of the milestone a Class A Performance Right converts into one Ordinary Share.
Class B Performance Rights: ▪ The Company achieving a VWAP of at least $0.50 over a period of 20 trading days. ▪ On achievement of the milestone a Class A Performance Right converts into one Ordinary Share.
Class C Performance Rights: ▪ The Company achieving a VWAP of at least $0.60 over a period of 20 trading days. ▪ On achievement of the milestone a Class A Performance Right converts into one Ordinary Share.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 19 Issued equity (continued)

d. Capital Management

The Directors' objectives when managing capital are to ensure that the Company can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments.

The focus of the Company's capital risk management is the current working capital position against the requirements of the Company in respect to its operations, software developments programmes, and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company were as follows:

	Note	2021 $	2020 $
Cash and cash equivalents	8	3,212,766	3,499
Trade and other receivables	9	498,170	92,176
Other current assets	12	90,131	127,581
Trade and other payables	16	(1,504,295)	(388,453)
Working capital position		2,296,772	(165,197)

Note 20 Other equity

	2021 No.	2020 No.	2021 $	2020 $
At the beginning of the period	-	-	500,000	500,000
■ Conversion of convertible notes to ordinary shares	-	-	(500,000)	-
At reporting date	-	-	-	500,000

During or around March 2019, the Company entered into convertible note terms sheets with various professional and sophisticated investors (Noteholders) pursuant to which the Company issued convertible notes with a face value $1.00 each to raise an aggregate of $500,000 (Convertible Notes).

The Convertible Notes are interest free. The Convertible Notes automatically convert into fully paid ordinary shares in the capital of the Company upon the Company issuing Shares to the public under an initial public offer on the National Stock Exchange before the Maturity Date (Conversion Event).

On 12 August 2020, the convertible notes converted to 2,500,000 ordinary shares as part of the restructure before the listing on the NSX on 24 August 2020.

Note 21 Reserves

	2021 $	2020 $
Foreign currency translation reserve	154,599	(79,696)
Common control reserve	(2,391,551)	-
Performance rights reserve	2,952,580	-
Option reserve	659,562	-
Share premium reserve	-	67,650
	1,375,190	(12,046)

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 22 Share-based payments

	2021 $	2020 $
Share-based payment expense	3,602,199	-
Gross share-based payments	3,602,199	-

a. Share-based payment arrangements in effect during the year

i. **Director Options**

In consideration for acting as director of OliveX Holdings Limited, the Company issued 3,180,000 Options with terms and summaries below:

Number of Options	Date of Expiry	Exercise Price	Vesting Terms
1,060,000	24 August 2023	$0.20	The day the Company is admitted to the official list of the NSX (Listing Date).
1,060,000	24 August 2024	$0.20	The 12-month anniversary of the Listing Date.
1,060,000	24 August 2025	$0.20	The 24-month anniversary of the Listing Date.

These options were valued as follows on grant date:

- 1,060,000 Class A Director Options as $104,337
- 1,060,000 Class B Director Options as $118,111
- 1,060,000 Class C Director Options as $129,174

ii. **Lead Manager Options**

In consideration for acting as the lead manager for the IPO, the Company issued 3,800,000 Options with terms and summaries below:

Number of Options	Date of Expiry	Exercise Price	Vesting Terms
3,800,000	24 August 2023	$0.20	Immediately upon issue

These options were valued as $374,039 on grant date.

iii. **Service Provider Options**

In consideration for management services, the Company issued 50,000 Options with terms and summaries below:

Number of Options	Date of Expiry	Exercise Price	Vesting Terms
50,000	15 February 2024	$0.20	Immediately upon issue

These options were valued as $16,034 on grant date.

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 22 Share-based payments (continued)

iv. **Performance Rights**

In consideration for the conversion of the convertible notes and continued support from key personnel, the Company issued 30,000,000 Performance Rights with terms and summaries below:

Number of Performance Rights	Date of Expiry	Milestone	Vesting Terms
10,000,000	24 August 2023	The Company achieving a VWAP of at least $0.40 over a period of 20 trading days.	Immediately upon issue
10,000,000	24 August 2023	The Company achieving a VWAP of at least $0.50 over a period of 20 trading days.	Immediately upon issue
10,000,000	24 August 2023	The Company achieving a VWAP of at least $0.60 over a period of 20 trading days.	Immediately upon issue

These Performance Rights were valued as follows on grant date:

- 10,000,000 Class A Performance Rights as $1,112,078
- 10,000,000 Class B Performance Rights as $973,924
- 10,000,000 Class C Performance Rights as $866,578

b. Fair value of options grants during the period

The fair value of the options granted is deemed to represent the value of the services received over the vesting period.

These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Grant date:	24 Aug 2020	24 Aug 2020	24 Aug 2020	26 Nov 2020
Grant date share price:	$0.20	$0.20	$0.20	$0.46
Option exercise price:	$0.20	$0.20	$0.20	$0.20
Number of options issued:	4,860,000	1,060,000	1,060,000	50,000
Expiry Date	24 Aug 2023	24 Aug 2024	24 Aug 2025	15 Feb 2024
Expected share price volatility:	76%	76%	76%	76%
Risk-free interest rate:	0.26%	0.42%	0.42%	0.10%
Value per option	$0.0984	$0.1114	$0.1219	$0.3207

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 22 Share-based payments (continued)

c. Fair value of performance rights granted during the period

The fair value of the performance rights granted is deemed to represent the value of the services received over the vesting period.

These values were calculated using the Black-Scholes option pricing model, applying the following inputs to performance rights issued this year:

Grant date:	24 Aug 2020	24 Aug 2020	24 Aug 2020
Grant date share price:	$0.20	$0.20	$0.20
Share price target:	$0.40	$0.50	$0.60
Number of performance rights issued:	10,000,000	10,000,000	10,000,000
Expiry Date	24 Aug 2023	24 Aug 2023	24 Aug 2023
Expected share price volatility:	76%	76%	76%
Risk-free interest rate:	0.27%	0.27%	0.27%
Value per option	$0.1112	$0.0974	$0.0867

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 23 Key Management Personnel (KMP)

The names and positions of KMP are as follows:

- Keith Rumjahn
- Yat Siu
- Xavier Kris
- John Bell
- Sonny Vu *(Appointed 1 October 2020)*
- Karen Contet *(Appointed 10 May 2021)*

a. Key management personnel compensation included in employment costs are as follows:

	2021 $	2020 $
Short-term employee benefits	313,341	50,597
Post-employment benefits	-	-
Share-based payments	445,451	-
	758,792	50,597

The detailed remunerations disclosures are disclosed in full in the remuneration report on pages 14 to 22.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 24 Other related party transactions

The following parties are classified by the board of director as related parties:

- Animoca Brands Limited

  Animoca Brands Limited, an entity of which Mr Yat Siu is a director, owns 26.7% of the shares on issue in the Company.

- XJRK Management Group Pty Ltd

  The Company entered into a consulting agreement with XJRK Management Group Pty Ltd (XJRK), an entity controlled by Mr Kris. The engagement commenced on execution of the agreement and continues for a minimum term of nine months until the engagement is validly terminated in accordance with terms of the service agreement. XJRK has been engaged to provide various corporate consulting services to the Company including, but not limited to, developing corporate, business, marketing and operation plans and facilitating opportunities for business growth and expansion (Consultancy Services).

- Hall Chadwick Corporate Pty Ltd

  The company entered into an engagement letter with Hall Chadwick Corporate Pty Ltd, an entity of which Mr John Bell is a director, for the provision of virtual CFO and company secretary services to Company.

	2021 $	2020 $
The following transaction occurred with related parties:		
Transactions with other related parties		
Sale and purchase of goods and services		
Sale of various goods and services to Animoca Brands Limited	-	268,116
Purchase of various goods and services from Animoca Brands Limited	18,495	208,576
Purchase of various goods and services from XJRK Management Group Pty Ltd	242,400	77,693
Purchase of various goods and services from Hall Chadwick Corporate Pty Ltd	301,397	18,000
Outstanding balances arising from sales/purchases of goods and services		
The following balances are outstanding at the end of the financial period in relation to transaction with related parties:		
Current Trade Receivables		
Animoca Brands Limited	-	46,378
Current Trade Payables		
Hall Chadwick Corporate Pty Ltd	34,210	9,900
Current Accrued Expenses		
XJRK Management Group Pty Ltd	49,095	88,249
Hall Chadwick Corporate Pty Ltd	19,250	9,000
Sonny Vu	12,500	-
Karen Contet	4,346	-
Jarrod White	-	15,041
SAFE Notes from related parties		
OliveX Limited	-	349,701
Animoca Brands Limited	-	72,854

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 25 Operating Segment

Identification of reportable segments

The Group operates predominantly in the development of technology for the health and fitness industry.

The Group has identified its operating segments based on the internal reports that are provided to the Board on a monthly basis that are used in determining the allocation of resources across the Group. Management has identified the group has three reporting segments.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Year ended 30 June 2021	Hong Kong $	Australia $	United Kingdom $	Other $	Total $
Revenue					
Revenue	581,267	-	62,589	-	643,856
Total Segment Revenue	581,267	-	62,589	-	643,856
Segment net profit / (loss) from continuing operations before tax	(1,538,137)	(310,227)	(516,741)	203,113	(2,161,992)
Reconciliation of segment profit / (loss) to group profit / (loss):					
Amounts not included in segment results but reviewed by the board:					
Other income					10,329
Consulting					(1,334,369)
Employee benefits					(268,750)
Exchange fluctuations					(8,009)
Finance costs					(5,790)
Marketing					(6,445)
Office costs					(11,568)
Share-based payments					(3,586,165)
Other expenses					(202,606)
Net (loss)/profit for the year					(7,575,365)
Segment Assets	751,382	26,150	117,998	-	895,530
Reconciliation of segment assets to group assets:					
Unallocated assets					9,176,308
Total Assets					10,071,838
Segment Liabilities	623,724	42,492	85,601	-	751,817
Reconciliation of segment liabilities to group liabilities:					
Unallocated liabilities					816,401
Total Liabilities					1,568,218

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 25 Operating Segment (continued)

Year ended 30 June 2020	Hong Kong $	Other $	Total $
Revenue			
Revenue	595,224	-	595,224
Total Segment Revenue	595,224	-	595,224
Segment net profit / (loss) from continuing operations before tax	(1,340,358)	-	(1,340,358)
Reconciliation of segment profit / (loss) to group profit / (loss):			
Amounts not included in segment results but reviewed by the board:			
Consulting			(362,977)
Employee benefits			(50,597)
Other expenses			(21,007)
Net (loss)/profit for the year			(1,774,939)
Segment Assets	124,243	-	124,243
Reconciliation of segment assets to group assets:			
Unallocated assets			147,281
Total Assets			271,524
Segment Liabilities	2,497,039	-	2,497,039
Reconciliation of segment liabilities to group liabilities:			
Unallocated liabilities			255,281
Total Liabilities			2,752,320

Note 26 Financial Risk Management

a. Financial Risk Management Policies

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Company's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's Financial Assets and Liabilities is shown below:

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 26 Financial Risk Management (continued)

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2021 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2020 Total $
Financial Assets								
■ Cash and cash equivalents	3,212,766	-	-	3,212,766	3,499	-	-	3,499
■ Other receivables	-	-	498,170	498,170	-	-	92,176	92,176
Total Financial Assets	3,212,766	-	498,170	3,710,936	3,499	-	92,176	95,675
Financial Liabilities								
Financial liabilities at amortised cost								
■ Trade and other payables	-	-	1,504,295	1,504,295	-	-	388,453	388,453
Total Financial Liabilities	-	-	1,504,295	1,504,295	-	-	388,453	388,453
Net Financial Assets/(Liabilities)	3,212,766	-	(1,006,125)	2,206,641	3,499	-	(296,277)	(292,778)

b. Specific Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

(i) ***Credit risk***

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

The objective of the Company is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Company trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is insignificant. The Company's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

■ Credit risk exposures

The maximum exposure to credit risk is to its alliance partners and is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Company in accordance with approved Board’s policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 26 Financial Risk Management (continued)

- Impairment losses

The ageing of the Company's trade and other receivables at reporting date was as follows:

	Gross 2021 $	Impaired 2021 $	Net 2021 $	Past due but not impaired 2021 $
Trade receivables				
Not past due	172,409	(832)	171,577	-
Past due up to 60 days	17,699	(1,434)	16,265	16,265
Past due 60 days to 90 months	13,519	-	13,519	13,519
Past due over 90 months	73,701	(8,335)	65,366	65,366
	277,328	(10,601)	266,727	95,150
Other receivables				
Not past due	286,130	-	286,130	-
Total	563,458	(10,601)	552,857	95,150

(ii) **Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

- *Contractual Maturities*

The following are the contractual maturities of financial liabilities of the Company:

	Within 1 Year		Greater Than 1 Year		Total	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Financial liabilities due for payment						
Trade and other payables	1,504,295	388,453	-	-	1,504,295	388,453
Total contractual outflows	1,504,295	388,453	-	-	1,504,295	388,453
Financial assets						
Cash and cash equivalents	3,212,766	3,499	-	-	3,212,766	3,499
Trade and other receivables	498,170	92,176	-	-	498,170	92,176
Total anticipated inflows	3,710,936	95,675	-	-	3,710,936	95,675
Net (outflow)/inflow on financial instruments	2,206,641	(292,778)	-	-	2,206,641	(292,778)

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 26 Financial Risk Management (continued)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) ***Interest rate risk***

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Company as no debt arrangements have been entered into, and movements in interest rates on the Company's financial assets is not material.

Sensitivity

The Company is exposed to market interest rates on moneys it has deposited with banking institutions in form of short-term deposits.

At the end of the financial period, the Company had the following financial assets exposed to US variable interest rate risk.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Company's financial risk. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

	2021 $	2020 $
Cash and cash equivalents	3,212,766	3,499
	3,212,766	3,499

At the end of the financial period, the Company had no financial liabilities exposed to variable interest rate risks.

The Company's cash management policy is to invest surplus funds at the best available rate.

The following table illustrates sensitivity to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The sensitivity assumes that the movement in a particular variable is independent of other variables.

Interest rates	Profit $	Equity $
Year ended 30 June 2021		
±100 basis points change in interest rates	Nil	Nil
Year ended 30 June 2020		
±100 basis points change in interest rates	Nil	Nil

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Company. Movement in interest rates on the Company's financial liabilities and assets is not material.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 26 Financial Risk Management (continued)

(2) ***Foreign exchange risk***

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The Company has no material exposure to foreign exchange risk.

(3) ***Price risk***

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Company.

Note 27 Parent entity disclosures

	2021 $	2020 $
a. Financial Position of OliveX Holdings Limited		
Current assets	8,308,622	147,281
Non-current assets	5,446,504	152,326
Total assets	13,755,126	299,607
Current liabilities	805,051	255,231
Non-Current liabilities	-	-
Total liabilities	805,051	255,231
Net assets	12,950,075	44,376
Equity		
Issued capital	15,214,344	1,000
Other Equity	-	500,000
Share based payment reserve	3,612,142	-
Accumulated losses	(5,876,411)	(456,674)
Total equity	12,950,075	44,326
b. Financial performance of OliveX Holdings Limited		
Profit / (loss) for the year	(5,419,736)	(434,581)
Other comprehensive income		-
Total comprehensive income	(5,419,736)	(434,581)

c. Guarantees entered into by OliveX Holdings Limited for the debts of its subsidiaries

There are no guarantees entered into by OliveX Holdings Limited for the debts of its subsidiaries as at 30 June 2021 (2020: nil).

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 28 Controlled Entities

Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned	
			30 June 2021 %	30 June 2020 %
OliveX (HK) Limited	Hong Kong	Ordinary	100	0
OliveX (UK) Limited	United Kingdom	Ordinary	100	0
OliveX (AU) Pty Ltd	Australia	Ordinary	100	0

a. Investments in subsidiaries are accounted for at cost.

b. OliveX Holdings Limited is the ultimate parent of the Group.

Note 29 Commitments

The Group has no material commitments as at 30 June 2021 (30 June 2020: nil).

Note 30 Contingent liabilities

There are no contingent liabilities as at 30 June 2021 (30 June 2020: nil).

Note 31 COVID-19

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Group remains unknown. The Group's financial performance has not be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Group's operations and are likely to be beyond the control of the Group.

The Directors are closely monitoring the impact of COVID-19 and are considering the effect on the Group's business and financial performance. However, the situation is evolving daily, and the consequences are uncertain. As a result, this may further impact the Group's financial performance, however the Directors believe this will not affect the Group's ability to continue as a going concern.

Note 32 Events subsequent to reporting date

Business Combination of Six to Start Limited

On 1 July 2021, the Company completed the acquisition of Six to Start Limited. The acquisition was subject to the completion of several obligations that was subsequently completed on 1 July 2021. At the time the financial statements were authorised for issue, the initial accounting for business combinations is incomplete and the information will be disclosed in the financial statement of the subsequent year. Refer to Note 15 Other non-current assets for funds held on trust for the acquisition as at 30 June 2021.

On 2 March 2021, the Company entered into a share sale agreement with the shareholders of Six to Start Limited (Sellers) for the acquisition of 100% of the shares of Six to Start Limited (Six to Start). The consideration payable to the Sellers 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 raisings (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 an Issue Price (with vesting subject to the milestones set out below (Performance Rights);
- 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).

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 32 Events subsequent to reporting date (continued)

As at 30 June 2021, the Company had transferred to the lawyers trust account A$5,446,504 for the Initial Cash Consideration. Refer to Note 15 Other non-current assets for further details.

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

Performance Rights	Deferred Cash Consideration	Tranche	Milestones	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 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 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.

Notes to the consolidated financial statements
for the year ended 30 June 2021

Note 32 Events subsequent to reporting date (continued)

Share Placements

On 1 July 2021, the Company successfully completed the acquisition of Six to Start Limited and issued the following securities:

- 3,832,670 shares at $0.80 per share to the Six to Start Sellers;
- 210,779 Tranche A performance rights at $0.80 per share to the Six to Start Sellers;
- 316,168 Tranche B performance rights at $0.80 per share to the Six to Start Sellers;
- 237,126 Tranche C performance rights at $0.80 per share to the Six to Start Sellers;
- 355,688 Tranche D performance rights at $0.80 per share to the Six to Start Sellers;
- 302,993 Tranche E performance rights at $0.80 per share to the Six to Start Sellers; and
- 454,488 Tranche F performance rights at $0.80 per share to the Six to Start Sellers.

On 5 July 2021, the Company issued 15,000 shares at $1.00 per share to placement participants as approved at the EGH held on 17 June 2021.

On 4 August 2021, the Company issued 30,000,000 shares on conversion of the following performance rights:

- 10,000,000 Class A Performance Rights;
- 10,000,000 Class B Performance Rights; and
- 10,000,000 Class C Performance Rights.

Director Appointments

On 24 August 2021, the Company announced that Xavier Kris and John Bell have resigned as Directors of the Company and Maja McGuire and David Do have been appointed as Non-Executive Directors.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 24 to 65, are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) comply with Accounting Standard;

   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements;

   (c) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Group.

2. the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);

3. in the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1a.ii Going concern.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

KEITH RUMJAHN
Managing Director and Chief Executive Officer
Dated this Monday, 13 September 2021

MOORE

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLIVEX HOLDINGS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of OliveX Holdings Limited (the Company) and its subsidiaries, which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the period then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

In forming our opinion on the Group financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1a(ii) to the financial statements concerning the Group's ability to continue as a going concern. The Group's ability to advance its principal activities and meet operational expenditure at current levels is dependent upon future capital raisings and generating sufficient revenues through its technology assets over the next 12 months. These conditions, along with other matters set forth in Note 1a(ii) indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. In the event that these outcomes cannot be achieved as expected, the Group may be unable to realise its assets and discharge its liabilities in the normal course of the business. The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Page | 67

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLIVEX HOLDINGS LIMITED (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Accounting for Group Restructure, Business Combination and Consolidation</th></tr>
<tr><th colspan="2">Refer to Note 2 Business Combinations</th></tr>
<tr><td>During the year, the Group underwent a group restructure whereby the Company entered into Security Purchase Letter Agreements (SPLAs) with shareholders and security holders for the acquisition of 100% of the issued capital of OliveX (HK) Ltd. The acquisition, completed on 3rd August 2020, was deemed as a business combination under common control. Accordingly, the Group adopted the pooling of interest method accounting for this transaction which resulted in a common control reserve of $2,391,551 in the current period.

In addition, the Group also acquired the business of Volution.Fit on 3rd December 2020 which has been accounted for by applying the acquisition method under AASB 3 Business Combinations. The acquisition resulted in goodwill of $370,279.

We considered the accounting for these transactions as a key audit matter due to the significance of the transactions and their complex nature requiring management to exercise judgment to determine the transaction values and the accounting approach adopted.</td><td>Our procedures included, amongst others:

• Reviewing the underlying Security Purchase Letter Agreements (SPLAs) and the company's prospectus issued on 19 March 2021 to understand the key terms and conditions
• Reviewing the asset sale agreements to understand the key terms and conditions of the acquisition
• Critically evaluating the basis for the acquisition methods adopted by management and assess the appropriateness of the method in accordance with AASB 3 business combinations and other technical accounting papers for the accounting of common control transactions.
• Reviewing management calculation for the restructure and business combination consolidation and discussing with management to understand the nature of these transactions
• Assessing the appropriateness of the relevant disclosures in the financial statements</td></tr>
</table>

P a g e | 68

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLIVEX HOLDINGS LIMITED (CONTINUED)

Key Audit Matters (continued)

Share-based payments	
Refer to Remuneration Report and Note 22 Share-based payments	
As detailed in the Remuneration report and Note 22, during the year ended 30 June 2021, the Group transacted with Key Management Personnel (KMPs) and other parties including directors, consultants, shareholders and security holders. The total share-based payment expense during the financial year ended 30 June 2021 was $3,602,199 as detailed in the Statement of Profit or Loss and Other Comprehensive Income. The fair value of the share-based payments is determined using the Black-Scholes model which takes into account the terms and conditions upon which the instruments were granted and a number of key underlying assumptions. Given the significance of the expense and the level of key estimates and judgments in determining the valuation of the share-based payments, the accounting for the share-based payments was considered a key audit matter.	Our procedures included, amongst others: • Enquiring and obtaining confirmations from KMPs regarding share-based payment transactions during the year • Reviewing minutes of meetings, NSX announcements, agreements (including various offer letters) pertaining to the underlying share-based payments • Assessing the valuation methodology used by management to estimate the fair value of equity instruments issued, including testing the integrity of the information provided, assessing the appropriateness of key assumptions and input into the valuation model • Evaluating the proper expensing of the share-based payments on a proportionate basis across the relevant financial period from grant date to vesting date. • Performing our own internal recalculation to ensure the total reported share-based expense is not materially misstated • Assessing whether these transactions have been appropriately disclosed and reported in the financial statements

Revenue recognitions	
Refer to Note 4 Revenue	
The total revenue for the Group for the year ended 30 June 2021 was $643,856. Refer to note 1(u) for the Group's revenue recognition policy. The major sources of revenue are service income and sale of electronic equipment Given the significance of the balance and judgements involved in assessment of revenue recognition in accordance with AASB 15 Revenue from Contracts with Customers, we considered this area as a key audit matter.	Our procedures included, amongst others: • Obtaining understanding of and documenting the key internal controls in relation to revenue recognition • Consulting with management in relation to revenue recognition policies and ensuring the accounting treatment is consistent with policies and prior period approach • Reviewing terms and conditions of contracts to test appropriateness of revenue recognised in line with accounting standards • Testing on a sample basis, revenue recognised to supporting documents to ensure appropriateness of revenue recognised in accordance with AASB 15 Revenue from Contracts with Customers • Assessing the appropriateness of the relevant disclosures in the financial statements

P a g e | 69

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLIVEX HOLDINGS LIMITED (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the period ended 30 June 2021.

In our opinion, the Remuneration Report of OliveX Holdings Limited, for the period ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Page | 70

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OLIVEX HOLDINGS LIMITED (CONTINUED)

Report on the Remuneration Report (continued)

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 13th day of September 2021

Page | 71

Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the NSX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which: (a) sets out the respective roles and responsibilities of the board, the chair and management; and (b) includes a description of those matters expressly reserved to the board and those delegated to management.	YES	The Board has the following specific responsibilities: (a) appointment of the Chief Executive Officer / Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination; (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance; (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance; (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures; (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting; (f) approving the annual, half yearly and quarterly accounts; (g) approving significant changes to the organisational structure; (h) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the NSX Listing Rules if applicable); (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the NSX Listing Rules if applicable); and (k) meeting with the external auditor, at their request, without management being present. The Board delegates responsibility for the Company's day-to-day operations and administration to the Managing Director. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Board.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	YES	In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. Prior to appointing a new member to the Board or putting forward a candidate to shareholders for election as a director, the Board undertakes appropriate checks including making enquiries of any: (a) criminal history; (b) history of fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty; and (c) history of personal bankruptcy or any involvement in companies that have gone into administration due to insolvency, and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Board's charter requires that each Board member and each senior executive must enter into a written agreement with the Company setting out the terms of their appointment.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the NSX Listing Rules and applicable other laws. When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.	YES	The Company's diversity policy provides a framework for the Company to achieve: (a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals; (b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff; (c) improved employment and career development opportunities for women; (d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity, (collectively, the **Objectives**). The Board is responsible for developing measurable objectives and strategies to meet the Objectives of the diversity policy (**Measurable Objectives**) and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement. The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary. The Company's diversity strategies include: (a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board; (b) reviewing succession plans to ensure an appropriate focus on diversity; (c) identifying specific factors to take account of in recruitment and selection processes to encourage diversity; (d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; (e) developing a culture which takes account of domestic responsibilities of employees; and (f) any other strategies the Board develops from time to time. The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees. The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	The Board is currently responsible for the performance evaluation of individual Directors on an annual basis. To assist in this process an independent adviser may be used. The Board will disclose, in relation to each reporting period, whether a performance evaluation was undertaken. It is envisaged that once the Company is of a sufficient size to establish a nomination committee, that committee will be responsible for arranging the performance evaluation of the board, its committees and individual directors on behalf of the Board.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	The Board is currently responsible for the performance evaluation of the Company's senior executives. Once the Company is of a sufficient size to establish a remuneration committee, the remuneration committee will oversee the performance evaluation of the executive team. This evaluation will be based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel. The Board will disclose, in relation to each reporting period, whether a performance evaluation of the senior executive team was undertaken.
Principle 2: Structure the board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	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. 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. 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. As the Company grows in size, it is planned that the Company will establish a separate nomination committee with its own nomination committee charter.
Recommendation 2.2 A listed entity should have and disclose a board skill 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.
Recommendation 2.3 **A listed entity should disclose:** (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the NSX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director	YES	The Board is currently comprised of one (1) executive director, Mr Keith Rumjahn, (3) non-executive directors, Mr Yat Siu and Mr Sonny and Mr David Do and (2) independent non-executive directors , Ms Karen Contet and Ms Maja McGuire. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with, the exercise of independent judgement. 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.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 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 two (2) 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.
Recommendation 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 appropriate, appoint an independent non-executive chairman. The CEO and Chairman are not the same person.
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	YES	Under the Board's charter, the Company Secretary is to facilitate the induction of new Directors. The Company's strategies to achieve the necessary blend of skills and diversity amongst Board members include workplace development programs, mentoring programs and targeted training and development.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	The Company's Statement of Purpose and Value is available on the Company's website.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 3.2 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and ensure that the board or a committee of the board is informed of any material breaches of that code.	YES	The Company's Code of Conduct provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees. Managers and supervisors are responsible and accountable for: (a) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct; (b) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and (c) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct. All employees are responsible for: (a) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct; (b) reporting suspected corrupt conduct; and (c) reporting any departure from the Code of Conduct by themselves or others. The Conduct of Conduct governs a variety of employment conduct, including: (a) personal and professional behaviour; (b) conflicts of interest; (c) public and media comment; (d) use of Company resources; (e) security of information; (f) intellectual property/copyright; (g) discrimination and harassment; (h) corrupt conduct; (i) occupational health and safety; (j) compliance with legislation; (k) fair dealing; (l) responsibilities to investors; (m) breaches of the Code of Conduct; and (n) reporting matters of concern.
Recommendation 3.3 A listed entity should: (a) have and disclose a whistleblower policy; and ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	YES	The Company's Whistleblower Policy provides a framework for creating and maintaining a culture of proper conduct and fair and honest dealing in its business activities. The document is available on the Company's website.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and ensure that the board or a committee of the board is informed of any material breaches of that policy	YES	The Company's Anti-Bribery and Corruption Policy provides a framework for ensuring that the Company, its directors and staff are acting professionally, fairly and with integrity in all business dealings. The Company has a zero tolerance to bribery and corruption. The document is available on the Company's website.

<table>
<tr><th>PRINCIPLES AND RECOMMENDATIONS</th><th>COMPLY (YES/NO)</th><th>EXPLANATION</th></tr>
<tr><td colspan="3">Principle 4: Safeguard integrity in financial reporting</td></tr>
<tr><td>Recommendation 4.1
The board of a listed entity should:
(a) have an audit committee which:
(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
(ii) is chaired by an independent director, who is not the chair of the board,
and disclose:
(iii) the charter of the committee;
(iv) the relevant qualifications and experience of the members of the committee; and
(v) 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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</td><td>NO</td><td>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.
As the Company grows in size, it is planned at the Company will establish a separate audit committee with its own audit committee charter.
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.
The Board meets with the Company's auditors at regular intervals to continually assess and monitor the performance of the external auditors.</td></tr>
<tr><td>Recommendation 4.2
The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</td><td>YES</td><td>To assist the Board in its review and consideration of the Company's financial statements for a financial period, the Company's Chief Financial Officer and Managing Director declare to the Board whether, in their opinion:
(a) the Company's financial records have been properly maintained; and
(b) the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance,
and, in doing so, confirm if their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</td></tr>
<tr><td>Recommendation 4.3
A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</td><td>YES</td><td>The Company will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</td></tr>
<tr><td colspan="3">Principle 5: Make timely and balanced disclosure</td></tr>
<tr><td>Recommendation 5.1
A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</td><td>YES</td><td>The Company has in place a written policy on information disclosure and relevant procedures.
The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.
The Company Secretary is responsible for:
(a) overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders; and
(b) providing guidance to Directors and employees on disclosure requirements and procedures.
Price sensitive information is 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 the NSX.
Information is posted on the Company's website after the NSX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.</td></tr>
</table>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	The Board will be responsible for signing off on all market announcements with respect to the Company prior to its release to the market.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	The Company will release all new and substantive investor or analyst presentations to the NSX announcements platform ahead of any presentation.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	The Company's full corporate governance practices and policies are set out on the Company's website at: www.olivex.ai.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs and to facilitate two-way communication with investors. Information is communicated to shareholders through: (a) the Annual Report delivered by post and which is also placed on the Company's website; (b) the half yearly report which is placed on the Company's website; (c) the quarterly reports which are placed on the Company's website; (d) disclosures and announcements made to the NSX copies of which are placed on the Company's website; (e) notices and explanatory memoranda of Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) copies of which are placed on the Company's website; (f) the Managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website; (g) the Company's website on which the Company posts all announcements which it makes to the NSX; and (h) the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to attend and participate in general meetings. Accordingly, meeting are held during normal business hours and at a location considered to be most convenient for the greatest possible number of shareholders to attend. However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	Shareholders can register with the Company's Registrar to receive email notifications of when an announcement is made by the Company to the NSX, including the release of the annual, half yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the NSX is immediately posted. Shareholders are encouraged to receive communications from the Company and its share registry electronically.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.		The Company will give all security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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 risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	YES	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Board. The Company's process of risk management and internal compliance and control includes: (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks. (b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls. (c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control. As the Company grows in size, it is planned at the Company will establish a separate audit and risk committee with its own committee charter.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	The Board reviews assessments of the effectiveness of risk management and internal compliance and control on an annual basis and will disclose information on the review process in is Annual Report.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	NO	The Company does not have an internal audit function. 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. 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.
Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	The Company believes it does not have any material exposure to economic, environmental or social sustainability risks and as such does not produce a sustainability report.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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 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.	PARTIAL	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. 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. As the Company grows in size, it is planned at the Company will establish a separate remuneration committee with its own remuneration committee charter.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company discloses details in its Annual Report and any prospectus of remuneration paid to executive and non-executive directors. The maximum aggregate annual remuneration payable to non-executive directors is set by shareholders in general meeting in accordance with the Company's constitution.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	The Company has adopted a Security Trading Policy to regulate the manner in which directors and employees may trade in Company securities in accordance with the insider trading prohibitions of the Corporation Act 2001 (Cth). The Security Trading Policy prohibits directors and restricted employees from using derivatives or other products to limit the economic risk of holding unvested Company Securities or Company Securities subject to holding lock.

Additional Information for Listed Public Companies

The following additional information is required by the NSX in respect of listed public companies and is applicable as at 3 September 2021.

1 Capital

a. Ordinary share capital

76,705,150 ordinary fully paid shares held by 203 shareholders.

b. Options over Unissued Shares and Performance Rights

- The Company has an additional 7,080,200 options on issue in accordance with section 9.1 of the Directors' Report
- The Company has 1,877,242 performance rights on issue, being 210,779 Tranche A Performance Rights, 316,168 Tranche B Performance Rights, 237,126 Tranche C Performance Rights, 355,688 Tranche D Performance Rights, 302,993 Tranche E Performance Rights and 454,488 Tranche F Performance Rights .

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options:** Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.
- **Performance Rights:** Performance Rights do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the Performance Right convert and subsequently registered as ordinary shares.

d. Substantial Shareholders as at 3 September 2021.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Animoca Brands Limited	29,443,389	33.75
Keith Rumjahn	6,733,543	7.72

e. Distribution of Shareholders as at 3 September 2021.

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	5	5,000	0.01
1,001 – 5,000	13	41,150	0.05
5,001 – 10,000	10	82,183	0.11
10,001 – 100,000	97	4,451,132	5.80
100,001 – and over	78	72,125,685	94.03
	203	76,705,150	100.00

f. Unmarketable Parcels as at 3 September 2021

As at 3 September 2021 there were 5 shareholders holding less than a marketable parcel of shares.

g. On-Market Buy-Back

There is no current on-market buy-back.

Additional Information for Listed Public Companies

h. Restricted Securities

As at 3 September 2021 the following securities are subject to escrow:

- 6,713,543 Ordinary Fully Paid Shares escrowed for a period of 24 months from listing date
- 1,916,335 Ordinary Fully Paid Shares escrowed until 1 April 2022
- 1,916,335 Ordinary Fully Paid Shares escrowed until 1 January 2023
- 2,430,000 unquoted options exercisable at $0.20 each escrowed for a period of 24 months from listing date

i. 20 Largest Shareholders — Ordinary Shares as at as at 3 September 2021

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Animoca Brands Limited	29,443,389	33.75
2	Keith Rumjahn	6,733,543	7.72
3	ACN 627 852 797 Pty Ltd	3,125,001	3.58
4	Allied Ocean Ventures Limited <Vistra Corporate Services Centre>	3,000,000	3.44
5	Sonny Vu	2,715,742	3.11
6	SAF Management Pty Ltd	2,580,001	2.96
7	Mr Adrian Hon	2,262,422	2.59
8	Graceview Pty Ltd <Graceview Superannuation Fund>	2,000,000	2.29
9	Gym Aesthetics GMBH	1,666,667	1.91
10	Yenom Resources Pty Ltd	1,249,999	1.43
10	Jackie Au Yeung	1,249,999	1.43
11	Yat Siu	1,240,065	1.42
12	Zhu Wu	1,015,038	1.16
13	Mr Mark Lear Pollasky	900,000	1.03
14	Poljam Pty Ltd <Pollasky Family Super A/C>	875,000	1.00
15	Ponderosa Investments (WA) Pty Ltd <Ponderosa Investment A/C>	852,185	0.98
16	Cleland Projects Pty Ltd <CT A/C>	840,336	0.96
16	Paul John Pheby	840,336	0.96
17	Graceview Pty Ltd <Graceview Super Fund>	840,084	0.96
18	Mr Hyungcheol Lim	751,675	0.86
19	Gorgeous Star Ventures Limited	750,000	0.86
20	First Trustee Company (NZ) Limited <Ian Roger Moore A/C>	698,050	0.80
	TOTAL	65,629,532	75.22

2 Unquoted Securities

As at 3 September 2021, the following unquoted securities are on issue:

- 210,779 Tranche A Performance Rights – 6 holders

a. Holders with more than 20%

Additional Information for Listed Public Companies

Name	Number	%
Mr Adrian Hon	124,422	59.03

- 316,168 Tranche B Performance Rights – 6 holders

a. Holders with more than 20%

Name	Number	%
Mr Adrian Hon	186,632	59.03

- 237,126 Tranche C Performance Rights – 6 Holders

a. Holders with more than 20%

Name	Number	%
Mr Adrian Hon	139,974	59.03

- 355,688 Tranche D Performance Rights – 6 Holders

a. Holders with more than 20%

Name	Number	%
Mr Adrian Hon	209,961	59.03

- 302,933 Tranche E Performance Rights – 6 Holders

a. Holders with more than 20%

Name	Number	%
Mr Adrian Hon	178,856	59.03

- 454,488 Tranche F Performance Rights – 6 Holders

a. Holders with more than 20%

Name	Number	%
Mr Adrian Hon	268,283	59.03

- 1,060,000 Class A Director Options expiring 24 August 2023 @ $0.20 – 5 holders

a. Holders with more than 20%

Name	Number	%
Yat Siu	250,000	23.58
Tri-Nation Holdings Pty Ltd <KRIS FAMILY A/C>	250,000	23.58
Sonny Vu	250,000	23.58
Keith Rumjahn	250,000	23.58

- 1,060,000 Class B Director Options expiring 24 August 2024 @ $0.20 – 5 holders

a. Holders with more than 20%

Name	Number	%
Yat Siu	250,000	23.58
Tri-Nation Holdings Pty Ltd <KRIS FAMILY A/C>	250,000	23.58
Sonny Vu	250,000	23.58
Keith Rumjahn	250,000	23.58

Additional Information for Listed Public Companies

- 1,060,000 Class C Director Options expiring 24 August 2025 @ $0.20 – 5 holders

a. Holders with more than 20%

Name	Number	%
Yat Siu	250,000	23.58
Tri-Nation Holdings Pty Ltd <KRIS FAMILY A/C>	250,000	23.58
Sonny Vu	250,000	23.58
Keith Rumjahn	250,000	23.58

- 3,850,200 Options expiring 24 August 2023 @ $0.20 – 3 holders

a. Holders with more than 20%

Name	Number	%
ACN 627 852 797 Pty Ltd	1,900,000	49.35
Taycol Nominees Pty Ltd	1,900,000	49.35

2 The Joint Company Secretary is Joel Ives and Marshall Lee

3 **Principal registered office**

As disclosed in the Corporate Directory on page 2 of this Annual Report.

4 **Registers of securities**

As disclosed in the Corporate Directory on page 2 of this Annual Report.

5 **Stock exchange listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the National Stock Exchange Limited, As disclosed in the Corporate Directory on page 2 of this Annual Report.

6 **Use of funds**

The Company has used its funds in accordance with its initial business objectives.