

## Media Release

# OLIVEX AIMS TO CREATE THE FIRST BLOCKCHAIN CYCLING GAME IN THE WORLD WITH THE ACQUISITION OF SOL CYCLE

## HIGHLIGHTS

- OliveX to acquire gamified fitness platform Sol Cycle, including its associated licences, material contracts, intellectual property and media from Huo Xing Limited Company (**Redline**) and Sol Cycle founder Scott Williams
- Sol Cycle is a gamified fitness platform that integrates with a physical bicycle where physical output by the player progresses them through the game's narrative
- OliveX aims to bring the Sol Cycle game engine to the fitness metaverse and DOSE ecosystem and build the world's first ever blockchain cycling game
- Sol Cycle will allow OliveX to build additional fitness based titles and tap into the USD\$54.44 billion global cycling market (2020)<sup>1</sup>
- As part of the acquisition, Redline and OliveX have also entered into service contract to continue to develop the SOL software in Taiwan

**22 November 2021** – OliveX Holdings Limited (OliveX or the Company) (NSX:OLX) is pleased to announce it has, through its wholly-owned subsidiary OliveX (HK) Limited (**OliveX HK**), entered into:

- an Asset Sale Agreement to acquire the gamified fitness platform Sol Cycle from Redline; and
- a Software Development Agreement with Redline and Sol Cycle founder, Scott Williams for the purposes of continuing to develop the SOL software in line with the Company's strategy,

**(Proposed Acquisition)**. The key terms of the Asset Sale Agreement and the Software Development Agreement are set out in the Annexure to this announcement.

## About Sol Cycle

Sol Cycle is a gamified fitness platform that integrates with a physical bicycle. Utilising an exercise cycle with Bluetooth Power/Speed sensors the game monitors the players physical output and progresses them through the game's narrative as they continue to work out.

<sup>1</sup> Source: Grand View Research - Bicycle Market Size, Share & Trends Analysis Report By Product (Mountain, Hybrid, Road), By Technology (Electric, Conventional), By End User (Men, Women, Kids), By Region, And Segment Forecasts, 2021 - 2028



The main products of Sol Cycle comprises of Mars (which utilises images from NASA's JPL & UofA), Everest and Undead each with its own unique terrain to conquer and storyline to complete. The game was developed by Redline with an initial release date of Feb 2021.

### OliveX and Sol Cycle

OliveX's strategy is to continue to build an open and fully interoperable fitness metaverse and amass a tier 1 portfolio of gamified fitness applications for its user base. The Sol Cycle game engine is not only complimentary to OliveX's other gamified fitness offerings such as *Zombies, Run!*<sup>TM</sup> and *Dustland Runner* but also provides access to a wider fitness focused user base of active cyclists within a significantly sized global market - USD\$54.44 billion global cycling market (2020)<sup>2</sup>.

OliveX will seek to further develop both blockchain and non-blockchain game offerings utilising the game engine from Sol Cycle and leverage the existing Sol Cycle community and user base. In doing so OliveX aims to create the world's first ever blockchain cycling game.

The potential sweat-for-reward blockchain based game will allow players to earn rewards in the virtual world for physical output they put in in the physical world, these rewards will include digital items in the form of:

- DOSE, the OliveX utility token, which can then be used to make upgrades to characters and access additional features
- Collectable digital assets known as non-fungible tokens (NFTs) which can be utilised in-game or traded in the secondary market

### Keith Rumjahn, founder and CEO of OliveX, commented:

*"The acquisition of Sol Cycle is a clear step forward on our strategy to build the fitness metaverse and will allow us to create the world's first ever blockchain cycling game. Dustland Runner was our initial starting point but at OliveX we will continually seek to grow and diversify our fitness based blockchain gaming portfolio to build a fully interoperable and open fitness metaverse, and Sol Cycle ticks all the boxes in what we are looking for to build that ecosystem."*

*Sol Cycle brings a fully developed game engine, within a significantly sized global cycling market that will benefit greatly from porting to blockchain and the sweat-for-reward game model. We feel as though there are limitless possibilities for the fitness metaverse and look forward to further developing Sol Cycle with the support of its founder Scott Williams"*

<sup>2</sup> Source: Grand View Research - Bicycle Market Size, Share & Trends Analysis Report By Product (Mountain, Hybrid, Road), By Technology (Electric, Conventional), By End User (Men, Women, Kids), By Region, And Segment Forecasts, 2021 - 2028



## About OliveX

OliveX is a digital health and fitness company delivering unique user experiences through fitness gamification, augmented reality, and play-to-earn experiences. The OliveX fitness metaverse provides platforms that enable real-world fitness to merge with the digital universe in order to engage consumers with brands, influencers, and coaches. OliveX is designed for those who exercise at home, at the gym, or outdoors in over 170 countries.

The DOSE token, created by OliveX as a cross-platform token for the fitness metaverse and the utility token for run-to-win games within the OliveX ecosystem including Dustland Runner. DOSE is an ERC-20-compatible fungible token and is an acronym for the chemicals released when getting fit and working out: Dopamine, Oxytocin, Serotonin and Endorphin. Dustland Runner is the first ever blockchain fitness game where players physical output is rewarded in the virtual world with digital items.

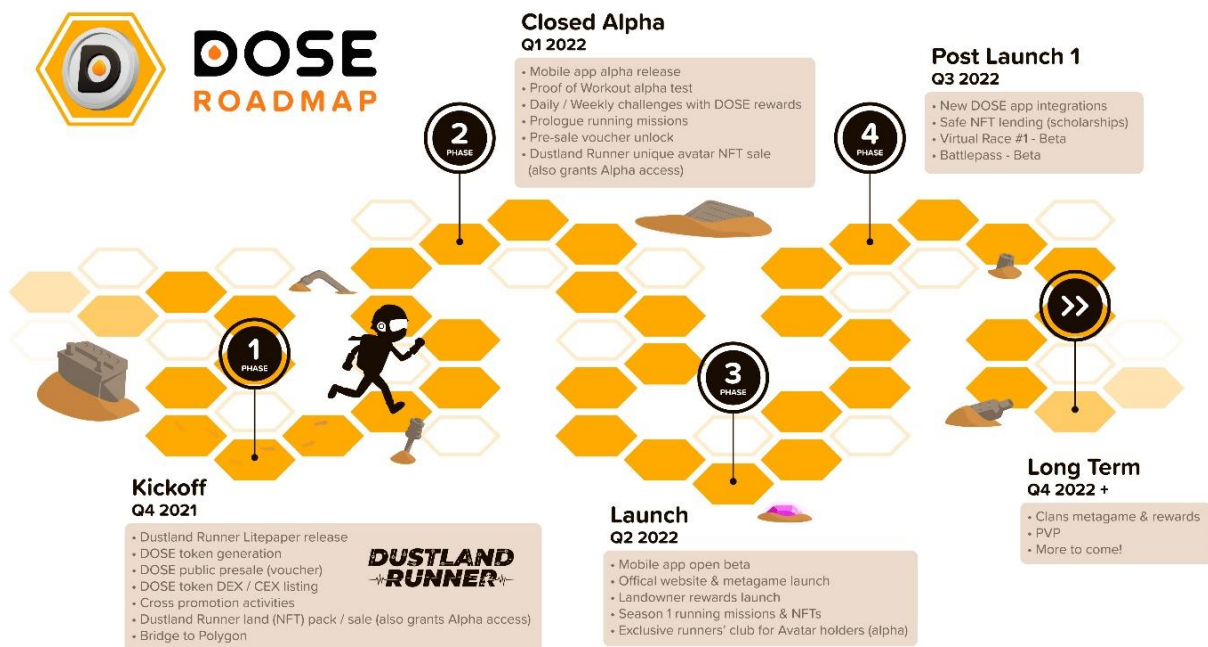


Figure 1 – DOSE token indicative timeline

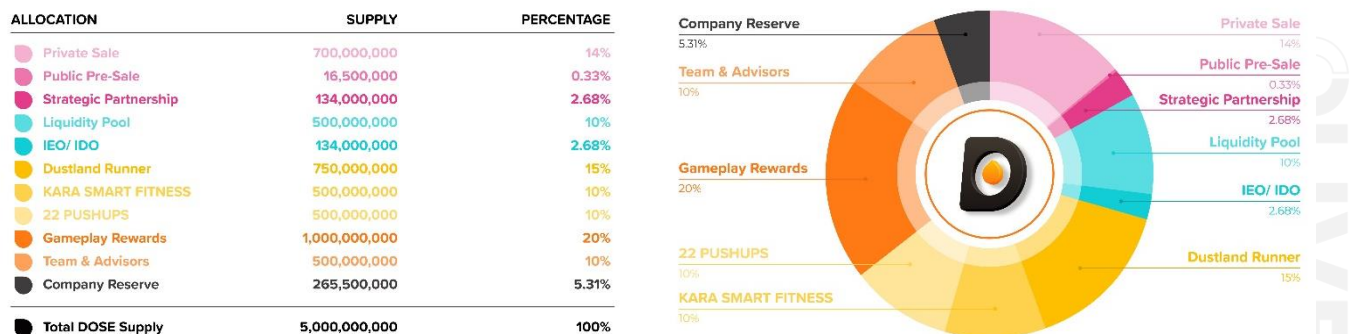


Figure 2 – DOSE tokenomics and supply

ENDS



## Annexure – Key terms of the Proposed Acquisition

The key terms of the Asset Sale Agreement include the following:

- (a) Consideration:
  - (i) the issue by OliveX HK to the Seller (or its nominee/s) of 1,666,667 DOSE Tokens (at an issue price of US\$0.03 per DOSE Token) (**Consideration Tokens**), subject to a 12-month escrow;
  - (ii) the immediate payment of US\$75,000 cash on completion of the Proposed Acquisition;
  - (iii) a deferred payment of US\$37,500 cash, payable 12 months after completion of the Proposed Acquisition; and
  - (iv) a royalty in favour of the Seller of \$0.22 per New Unique User capped at US\$400,000 over a period of 5 years from the date of the Software Development Agreement.
- (b) Completion: Completion is to occur in 5 Business Days, or such later date as may be mutually agreed between the parties in writing.

The key terms of the Software Development Agreement include the following:

- (a) Nature of services:
  - (i) Redline to allocate \$US300,000 in resources over three years to provide software development services to OliveX in accordance with annual programmes and budgets to be agreed with OliveX.
  - (ii) Scott Williams to commit a minimum of 20 hours per week to work on the development of the SOL software under the Software Development Agreement within Redline. Any excessive time over these set hours will need to be agreed upfront with OliveX HK and charged in addition at a rate of US\$80 per hour.
- (b) Fees:
  - (i) Payment by OliveX to Redline of US\$540,000 over the next three years, paid in monthly instalments of US\$15,000 per month.
  - (ii) Should OliveX wish to terminate the Software Development Agreement prior to the end of the three years then OliveX will pay Redline US\$80,000 per year for each year (prorated) of the contract unfulfilled. OliveX to retain ownership of the SOL software after termination.
  - (iii) Redline will be entitled to a royalty of US\$0.22 per New Unique User capped at US\$400,000 for a set time period of five years from the date of the Software Development Agreement. This royalty is to be calculated and paid quarterly and remains payable following termination of the Software Development Agreement.

The Asset Sale Agreement and the Software Development Agreement contain other terms of a type usually found in agreements of this nature, including representations and warranties, indemnities and confidentiality clauses applicable during and after the term of the agreements.

**For further information, photography or interview requests, please contact:**

Keith Rumjahn  
Managing Director & Chief Executive Officer  
keith@olivex.ai

#### **About OliveX and OliveX BVI**

OliveX (NSX:OLX) is a leading health and fitness company, based in Hong Kong, which is behind successful consumer and enterprise fitness technology such as 22 Push Ups, KARA Smart and Volution Fitness. OliveX combines gamification with artificial intelligence and premium content to motivate and engage its consumers and link them to brands, influencers and fitness coaches. OliveX works with global health and fitness brands such as Les Mills and Gold's Gyms and fitness apparel company Gym Aesthetics.

OliveX (BVI) Limited, a wholly-owned subsidiary of OliveX registered in the British Virgin Islands, is building a fitness metaverse where players can work out at home, in the gym, or outdoors to gain in-game rewards. These experiences are linked with its newly launched DOSE token, which is designed to be rewarded and spent across OliveX platforms, including 22 Push Ups and KARA Smart.

#### **Disclaimer**

Restrictions due to compliance regulations for different jurisdictions apply. The \$DOSE token will not be offered to residents of Australia, China, the United States of America, South Korea, Nepal, Bangladesh, Macedonia, Bolivia, Ecuador, India, Pakistan, Algeria, and Morocco. The \$DOSE token team and its affiliates do not bear legal responsibilities in the case that individuals refuse to comply with international laws applicable to their respective jurisdictions. The \$DOSE team is not liable for any loss or legal liability incurred in the event that individuals violate the terms of their respective jurisdictions. Please consult the respective laws governing your region for the most accurate information.

