



## Media Release

# OLIVEX STRATEGIC AND MARKET CONDITIONS UPDATE

### HIGHLIGHTS

- OliveX further commits to its strategy to build an open and fully interoperable fitness metaverse with strategic partnership with one of the leading wearables fitness brands Myzone
- OliveX is helping Myzone to develop upon the latest iteration of its move-to-earn model with the start of its web3.0 journey
- The partnership will see Myzone's innovative fitness offering replicated in the OliveX-owned Fitness Metaverse, based on the brand's signature heart-rate zones, for users to experience in the metaverse.

**21 December 2022** - The Board of OliveX Holdings Limited (NSX: OLX) ("OLX" or "Company") is pleased to announce the following:

### Market Position and Strategy

As part of an overall strategic review, OliveX has taken steps to streamline the business and focus on core products with the greatest revenue potential; move-and-own running game **Dustland Runner** and two audio fitness adventure brands **Zombies, Run!** and **Marvel Move**. The Company believes this move will allow it to further develop these games, which are essential building blocks to its overall strategy.

Further to that, the Company's operating model enables it to retain the capacity for rapid scaling when market conditions become more favorable.

**Dustland Runner** is OliveX's blockchain game, available on both iOS and Android. Dustland Runner's iOS application became available to download via the Apple App Store on May 4; the Android version was launched earlier in March. To date, Dustland Runner has been downloaded over 83,000 times across both iOS and Android platforms, and boasts more than 10,000 monthly active users, with monthly user numbers continuing to grow.

In February 2022 OliveX secured a licensing agreement with global entertainment giant Marvel Entertainment (Marvel) in order to develop Marvel-branded interactive digital fitness content and experiences. The Licence Agreement is a multi-year agreement, with expectations to launch **Marvel Move** toward the latter part of 2023.

**Zombies, Run!** is OliveX's mobile fitness game developed by Six to Start Limited. Live since 2012, it is a Web2-based game available on iOS and Android. Since August 2022 to-date, Zombies, Run! has seen a 29% year-on-year increase in downloads. The app has also tracked a year-on-year increase in its active users in both October and November 2022. This year's Black Friday sale also sold a record-breaking 1000 gift memberships. The game has also expanded into 4 new markets, with Brazil now the no. 4 market (in terms of active users) world-wide.

In November 2022, the Company undertook a significant restructuring of its functions based in Hong Kong and the United Kingdom, resulting in approximately 40% labour redundancies



among cost-saving initiatives that included salary reductions for the majority of all remaining staff.

These strategies have enabled the Company to reduce its net cash outflows by some 48%. OliveX is in a net cash position which means its operating cash exceeds its drawn debt, and as at today, the Company's liquidity position remains strong, with ~US\$5.2m net cash on the balance sheet. In combination with the cost measures detailed above, the Company's liquidity places OliveX in a strong position to withstand these tough market conditions.

The support, understanding and loyalty of our staff during these trying times is testament to the culture of OliveX.

### **Limited Exposure to Crypto Currency Turbulence**

Due to careful risk management, OliveX has had limited exposure to the recent adverse events in the blockchain industry.

As reported in the media, Alameda Research, a cryptocurrency trading firm, has entered into bankruptcy proceedings (as at 10 November 2022). OliveX utilised Alameda Research as their market-maker, and as such Alameda held 35 million DOSE Tokens, representing 0.07% of the Company's total supply of five billion DOSE Tokens. The Company is pursuing legal options for recovering its tokens, and does not consider this a significant impact to their business.

OliveX had a further 600,000 tokens (representing 0.012% of our total token supply) on the AAX exchange, which has also ceased all withdrawals. Again, OliveX is pursuing legal recourse to retrieve these tokens, but do not believe this poses any material impact to the business.

With confidence softening in this sector, the Company believes further 'bank runs' on other centralised crypto exchanges in the coming quarters poses a risk. While OliveX has DOSE Tokens listed on other platforms and will continue to do so to sustain a minimal level of trading, the Company has taken steps to reduce their exposure to any further fall out.

### **Outlook**

OliveX will continue to closely monitor current market conditions and will remain responsive, agile and nimble to ensure the best outcome and value to our shareholders.

The OliveX team remains focused on performance improvement initiatives and providing a clear party towards profitability. The Company would like to thank its shareholders for the continued support of OliveX.

This announcement is authorised by the Board of the Company.

## About OliveX

OliveX is a digital health and fitness company delivering unique user experiences through fitness gamification, augmented reality, and move-and-earn experiences. The OliveX fitness metaverse provides platforms that merge the real-world and the digital universe to connect consumers exercising at home, the gym, or outdoors with brands, influencers, and coaches in over 170 countries.

As part of its long-term strategy to expand the fitness metaverse, OliveX is committed to its core development principles of building blockchain fitness games, investing in and incubating emerging blockchain titles, and partnering with global brands on the Sandbox. The Metaverse will ultimately be underpinned by OliveX's bespoke cross-platform DOSE token, an ERC-20-compatible fungible token.

## ENDS

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

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### Restrictions on our Games, Fitness Metaverse, and \$DOSE

Restrictions due to compliance regulations for different jurisdictions apply. Residents from certain jurisdictions may not earn \$DOSE or participate in NFT sales and/or campaigns in our fitness metaverse. Additional restrictions may apply depending on the type of game or experience you are attempting to access.