

NSX Release

QUARTERLY ACTIVITIES AND CASHFLOW UPDATE – 31 MARCH 2023

HIGHLIGHTS

- Record high quarterly revenue generation from the OliveX Genesis NFT sales proceeds \$4,672,744 (US\$3.1M)
- 24.4% net overall decrease in office administration, corporate costs, advertising and marketing, and professional and consultancy fees (drop by \$462,618) to the previous quarter (Q2)
- 34.2% reduction in staff costs (decrease by \$403,829) to the previous quarter by reducing our workforce by 40% (from 40 FTEs in Q2 to 24 FTEs in Q3)
- Net Cash Burn reduction by \$490,723, 22% decrease from previous quarter

12 May 2023 - OliveX Holdings Limited (**OliveX** or the **Company**) is pleased to provide an update on its activities for the third quarter (Q3) ended 31 March 2023, along with its Appendix A Cash Flow Report and Appendix B – Digital Asset Holdings. All figures are unaudited and are denominated in AUD unless otherwise stated.

Although digital asset and broader equity market conditions remained challenging over the quarter, OliveX remained focused on executing our strategy with pleasing results. OliveX auctioned USD \$3.1M of OliveX Genesis NFT's and launched Marvel Move. The Company has continued on cost reduction and optimisation, with a significant reduction in workforce whilst focusing on the improvement on processes to improve efficiency.

Strategy & Business Update

OliveX's main priorities for the quarter were revenue generation and the improvement of cost efficiency and effectiveness. Our core focus for the quarter remained on the projects with the highest potential for revenue, Marvel Move, Zombies, Run!, and Dustland Runner.

As part of the Company's optimisation strategy, existing projects for Volution, Kara Smart Mirror were removed, with Dustland Rider put on hold. Marvel Move, Zombies, Run! and Dustland Runner utilise the same game engine allowing the Company to optimise its resources whilst continuing to make steady progress on the games.

Marvel Move has been a project we've invested a lot of resources into in the past year and we're proud that we launched our pre-sale in April. Our strategy is to turn Zombies, Run! into a multi-IP platform starting with renaming Zombies, Run! into ZRX, remodeling the app and player experience, and diversifying the audio running stories, from Zombies only to include running with Marvel Super Heroes and more. Our focus this quarter is to drive more revenue into our Marvel Move fitness program. On launch, we garnered coverage from 52 reputable global media outlets including Techcrunch, Forbes and more.

In parallel, we will continue to execute our web3 strategy based on the success of our OliveX genesis NFT sale. Our game Dustland Runner is a reskin of the Zombies, Run! Game targeted at the blockchain audience where the average revenue per user is much higher.

OliveX is exploration options to launch another NFT auction later in the year on the back of its recent success. Although the total sales volume of NFT were down US\$549M in April 2023 from US\$1,182M in February 2023, as reported by Cryptoslam Data, the number of unique buyers continues to hold strong in the NFT market, sitting around 649K. OliveX remain confident in our products and believe that we are well-positioned when the market conditions become favorable.

Dustland Runner remains a core focus for the Company as it will support and create demand for our DOSE token and Web3 ecosystem. Dustland Runner remains in beta, and the Company remains optimistic on its growth on completion. We aim to complete the core game loop later this year whereby players of the game can spend DOSE tokens to enhance their experience. This will be critically important as it would create volume, which will positively impact interest and demand on the DOSE token.

Dustland Runner has the potential to surpass NFT and Marvel Move sales, as it is a recurring revenue generator. Moreover, we are focusing on ways to increase consumer engagement and continue to ensure the game is enjoyable for users.

Executive team

With our focus shifted toward NFT marketing, we are looking to hire new personnel with relevant experience in the coming quarter.

Product development

The OliveX team continues to work on the Zombies, Run! restructure within the ZRX app, ahead of the much-anticipated launch of the Marvel Move audio interactive fitness experience in Winter 2023.

Our Dustland Runner has now launched its “know your audience” feature which now allows players to withdraw their DOSE tokens. The game also launched crafting which allowed players to spend DOSE token to upgrade their NFT assets in the game.

Zombies Run launched four new languages in the last quarter: Spanish, French, Japanese and Korean. The team has built new infrastructure to support the addition of unlimited languages and lays the foundation for more languages in the future.

In closing, this quarter has been full of opportunity as the team continues to focus on the creation of revenue-generating games, NFT sales and delivering shareholder value and we thank our shareholders for their ongoing support for OliveX.

Financial Review

Overall liquid cash and digital assets for the reporting quarter increased by approximately \$1.2M, a 22% increase on the previous quarter (quarter ending 31 December 2022, or “Q2”). This was mainly contributed by the Company’s completion of the OliveX Genesis NFT Sales. The NFT auction reported an estimated 2,500 bids on all 370 NFTs.

The NFTs were finalized at the floor price of 5 ETH each and generated 1,850 ETH in revenue (estimated US\$3.1 million on 19 February 2023 at mint end). This resulted in digital assets holding for the reporting quarter (Q3) increasing by \$2.9M or 227% above the previous quarter. The Company has already benefited from the cost-saving initiatives outlined in the 31 December 2022 business update, with the exception of costs that supported our revenue generation such as public relations and marketing costs.

Since the previous quarter, the Company has continued with cost-cutting measures, which included shutting down a number of non-profitable business units and restructuring our business model. The Company will continue to explore strategic ways to further cut costs and optimise expenditure on operating activities.

Treasury

The focus for the quarter was to manage existing exposure to digital assets. Proceeds received from NFT auction are maintained with relatively defensive portfolio with positions kept mainly in stablecoins. Tranches of the proceeds are converted back to fiat cash to ensure the optimization of liquid assets to meet our short-term contractual obligations on our balance sheet. Approximately \$745,600 worth of USDT was converted in the reporting quarter Q3. The company's priority is to continue with closer monitoring and reviewing of the valuations and liquidity of the remaining digital assets holdings.

In the presence of the volatile and unregulated crypto market, the company continues to conservatively hold more fiat cash over digital assets and will support projects that will meet the company's strategy, goals, and objectives.

ENDS

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.

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.

Appendix A - Quarterly Cashflow Report – at 31 March 2023

Consolidated Statement of Cash Flows	Current Quarter (Q3) \$AUD'000	Year to Date (9 months) \$AUD'000
1 CASH FLOWS FROM OPERATING ACTIVITIES		
1.1 Receipts from customers	384	1,481
1.2 Interest received	13	13
1.3 Interest paid	(0)	(0)
1.4 Payments to Suppliers and Employees		
(a) Cost of Sales	(288)	(761)
(b) Corporate and Administration Costs	(984)	(4,610)
(c) Advertising and marketing	(165)	(327)
(d) Staff Costs	(776)	(2,997)
1.5 Gain / (Loss) on FX	76	88
1.6 Government Subsidy	-	451
1.7 Net cash used in operating activities	(1,740)	(6,662)
2 CASH FLOWS FROM INVESTING ACTIVITIES		
2.1 Purchase of property, plant and equipment	(7)	(36)
2.2 Acquisition of STS, net of cash acquired	-	-
2.3 Purchase of Investments	-	(466)
2.4 Trademarks	-	(3)
2.5 Sales / (Purchase) of crypto assets	(135)	189
2.6 Proceeds from conversion of stable coins to fiat currency	748	4,486
2.7 Repayments from related parties	(2)	(8)
2.8 Net cash (used in) / provided by investing activities	604	4,162
3 CASH FLOWS FROM FINANCING ACTIVITIES		
3.1 Proceeds from the issue of shares	-	-
3.2 Capital raising costs	-	-
3.3 Proceeds from DOSE Token Raise	-	-
3.4 Proceeds from the exercise of options	-	20
3.5 Net cash (used in) / provided by financing activities	-	20
4 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		
4.1 Cash and cash equivalents at beginning of the period	6,626	7,940
4.2 Net cash from / (used in) operating activities (item 1.7 above)	(1,740)	(6,662)
4.3 Net cash from / (used in) investing activities (item 2.8 above)	604	4,162
4.4 Net cash from / (used in) financing activities (item 3.5 above)	-	20
4.5 Effect of movement in exchange rates on foreign currency held	(52)	(22)
4.3 Cash and cash equivalents at end of the period¹	5,438	5,438

Note 1: At the date of this report, the Group held restricted cash in a term deposit as a security against an irrevocable Letter of Credit for US\$1,125,000 (equivalent to AUD \$1.7M) which expires on 1 January 2027. This is to secure a multiyear licencing agreement with Marvel LLC in order to develop Marvel-branded interactive digital fitness content and experiences. The Letter of Credit is 100% cash backed and is held under a term deposit with a major Australian bank.

Appendix B - Digital Asset Holdings – at 31 March 2023

As at 31 March 2023	\$AUD
Stablecoins	\$2,372,259
USDC	\$49,139
USDT	\$2,323,120
Altcoins	\$686,009
ETH	\$343,058
BNB	\$118,790
MATIC	\$157,060
Apecoin	\$56,644
Other	\$10,457
Digital Land	\$246,219
NFTs	\$913,895
NFT (various)	\$561,316
BAYC	\$352,579
Total	\$4,218,382