



MyFiziq Signs Binding Term Sheet with Triage Technologies to Integrate the Triage Technology into the *CompleteScan* SaaS Offering

Highlights

- **MyFiziq to implement Triage's Artificial Intelligence (AI) "health assistant" technology within the *CompleteScan* SaaS offering.**
- **Triage AI technology platform can currently identify 588 skin conditions in 133 major categories via smartphone and is currently available in 200 countries around the world.**
- **The Triage AI platform has been used over 500,000 times in 2020.**
- **MyFiziq will also take a strategic equity stake in Triage.**

MyFiziq Limited (ASX: MYQ) (MyFiziq) is pleased to update shareholders with the signing of a binding term sheet with Canadian based Triage Technologies Inc. (**Triage**) that will, subject to certain conditions (including negotiation of certain commercial terms and execution of definitive agreements), see MyFiziq take a strategic equity stake in Triage and license use of Triage AI health assistant technology for integration into the *CompleteScan* SaaS offering.

Triage has developed the world's most advanced dermatological AI system which can accurately identify skin conditions from a photo in only seconds. The technology was created using a proprietary database that is not only the largest of its kind in the world, but it is also larger than those of IBM and Google combined. Triage expects to receive a USA patent for its system in 2021, with further jurisdictions to follow.

The AI engine identifies 588 skin conditions in the major 133 categories. Importantly, the application can identify all categories of skin cancers. Those 133 categories of skin conditions cover 99% of the global derma conditions market and has been built in consultation with leading academic institutions and dermatologists around the world.

The Triage web application was released at the end of 2019 and has had over 160,000 people use the application over 500,000 times, with 12% of the initial user base being clinicians utilizing this new tool to provide an improved standard of care. Triage is being used by individuals and clinicians in over 200 countries worldwide, allowing skin conditions of all skin types and tones across all ethnicities to be detected and identified.

The accuracy of the sophisticated AI engine has been tested against dermatologists and has proven to be more accurate more often than a dermatologist. In a recent study in Canada conducted with 157 dermatologists, the Triage application beat 154 dermatologists and tied with 3 dermatologists in identifying various skin conditions including both benign and malignant skin lesions. Benchmarking data for this study was originally published in the *European Journal of Cancer*.ⁱⁱⁱ

The need for an accessible and easy-to-use application such as Triage is well understood in the current global environment, especially with 1 in 5 Americans and 2 in 3 Australians expected to develop a skin cancer by the age of 70. With early detection and intervention, the 5-year survival rate for melanoma is 99% as stated by the US Skin Cancer Foundation.ⁱⁱⁱ Further cited works have identified skin and related subcutaneous conditions affecting an estimated 1.9 billion people at any given time and they remain the fourth leading



cause of non-fatal disease burden worldwide, affecting 30-70% of individuals and prevalent in all geographies and age groups.

Access to dermatological care is limited due to a shortage of dermatologists, causing long wait times and leading patients to seek dermatology care from general practitioners. Skin disease is also one of the most common chief complaints in a primary care context, with 8-36% of patients presenting with at least one skin complaint. However, dermatologists are consistently in short supply, particularly in rural areas, and their consultation costs are rising. Thus, the burden of initial triage and subsequent diagnosis commonly falls on non-specialists such as primary care physicians (PCPs), nurse practitioners (NPs), and physician assistants. Because of limited dermatology knowledge and training in this specialty for hundreds of conditions, diagnostic accuracy of non-specialists ranges from 24-70%. Low diagnostic accuracy can lead to poor patient outcomes, such as delayed or improper treatment.

To expand access to specialists and to improve diagnostic accuracy, store-and-forward “teledermatology” has become more popular, with the number of such programs increasing by 48% in U.S. non-governmental programs between 2011 and 2016. In store-and-forward teledermatology, digital images of affected skin areas, typically captured with digital cameras or smartphones, are transmitted along with other medical information to a dermatologist. The dermatologist then remotely reviews the case and provides consultation on the diagnosis, work-up, treatment, and recommendations for follow-up. This approach has been shown to result in similar clinical outcomes compared to conventional in-person consultation in dermatology clinics, and improved satisfaction from both patients and providers^{iv}.

- 85 Million Americans (i.e., 1 in 4 individuals of all ages) were seen by a physician for at least 1 skin disease in 2013.
- In 2013, skin disease resulted in direct healthcare costs of \$75 billion and indirect lost opportunity costs of \$11 billion.
- The costs and prevalence of skin disease are comparable with, or exceed, other diseases with significant public health concerns, such as cardiovascular disease and diabetes.^v

Triage will license MyFiziq to use the Triage AI engine, and the companies will work together to integrate Triage’s technology into the MyFiziq-owned *CompleteScan* platform. The MyFiziq team, with its ‘on-device’ expertise, will be advancing the AI engine of Triage to be an on-device ready to use application for consumers. MyFiziq and Triage intend to integrate the patented solutions to expand the capabilities of their image capture suites for the global market.

Under the terms of the Agreement, the companies expect to complete the integration of the Triage applications into the *CompleteScan* platform with the first demonstrable product being made available in Q1 2021.

As noted above, the transaction contemplates a number of payments to Triage in which MyFiziq will pay a total of up to USD\$3m. Some of these payments are ‘at call’ from Triage, so are currently not binding commitments. MyFiziq has sufficient funds to meet the initial payments obligations under the agreement and will meet the remaining payments through cashflow or, if required, MyFiziq will raise additional capital to meet its future commitments. In this regard, MyFiziq notes that the payment schedule is spread out over 14 months.

The terms of the binding term sheet are disclosed as follows.



Summary of Material Terms:

Item	Summary/Details
Parties	MyFiziq Limited (MYQ) Triage Technologies Inc (Triage)
Conditions Precedent	None. However, the Formal Agreements outlined below must be negotiated and finalised for the commercial transaction to proceed.
Agreement	Binding Term Sheet
Formal Agreements to be concluded	<p>The main commercial agreement between the parties pursuant to which MYQ, and Triage combine the platforms into <i>CompleteScan</i> capabilities and related intellectual property to integrate them into the partner platform/technology.</p> <ul style="list-style-type: none"> • Commercial Agreement – this will cover pricing, revenue sharing, term, territories covered, distribution rights and standard representations and warranties. • The Software Development Kit, • End User License Agreement, • Support Agreement and • Data Processing Agreement are support agreements related to the <i>CompleteScan</i> Contract. • Investment Agreement. <p>All of the above agreements are yet to be negotiated and agreed (although some of them are standard form agreements that MyFiziq users with every partner). MyFiziq is confident that any remaining commercial terms can be agreed promptly.</p> <p>Under the terms of the binding term sheet, all of the aforementioned agreements will be concluded no later than 27th December 2020.</p>
Investment Amount	MyFiziq has agreed to invest a total of up to USD\$6,000,000 into Triage, being USD\$3,000,000 in cash and USD\$3,000,000 in MyFiziq ordinary shares.
Investment Stages	<p>MYQ will invest USD\$500,000 at the time of signing the binding term sheet. With further payments over the following 14 months.</p> <p>USD\$500,000 paid 6 months from signing the binding term sheet.</p> <p>Four separate USD\$500,000 tranches at a 60-day call notice after the initial 6-month second tranche. If all tranches were called each 60-day period, the full USD\$3,000,000 would be received by Triage over the 14-month duration.</p> <p>Once MyFiziq invests all of the cash and shares tranches into Triage, MyFiziq would be issued an equity interest in Triage equal to 15.19% (on a fully diluted basis. Based on the current shares on issue).</p> <p>MyFiziq has a first right of refusal on future capital requirements of Triage.</p>
Share Consideration	The MyFiziq share tranche allotments (for a total of US\$3,000,000 in shares) will be outlined in the definitive Investment Agreement. The pricing, number



	<p>of MyFiziq shares to be issued and timing of any share issue is yet to be agreed and will be defined in the definitive Investment Agreement.</p> <p>Indicatively, based on the share price at the close of trade on Monday 30th November 2020, being A\$0.95, the company would issue up to 4,285,715 shares in MYQ to Triage.</p> <p>Any issue of shares to Triage will be subject to receiving prior shareholder approval in general meeting of shareholders.</p>
Financial Impact	<p>MYQ does not expect any immediate material financial return as a result of entering into this agreement.</p> <p>MYQ expects to start generating licence and other fees from the commercial arrangement in the future (which cannot be forecast at this time).</p>
Governing Law	New York

Vlado Bosanac, Chief Executive Officer of MyFiziq, said:

“Over the past 6 months, I have been developing a multiplatform strategy for MyFiziq. I first obtained the NuraLogix capabilities with the integration of Facial Scan using Transdermal Optical Imaging, which quickly proved to be a very attractive and complementary addition to the deep suite of image captures that MyFiziq has been releasing to the world. I have identified Triage as a natural fit for the platform and for the expanded interest which MYQ has developed from the medical and remote care communities for triaging users not only in the current COVID situation but also in normal times. Triage brings a complementary offering to our *CompleteScan* platform, which is assisting in the completion of my vision in creating the “Tricorder” of digital health screening in your hand.

As I have shared with you all over the last few months, I am looking to expand MYQ’s ability to monetize its aggregate capabilities amongst the vast amount of people that are gaining access to our platform through the many contracts which MYQ has executed and which have started to “go live”.

By bringing in platforms like personal health/wellness and medical checking application, this expansion process not only broadens user/market interest in MYQ capability but also generates better service by combining all these functionalities directly on the smartphone/mobile device. Consequently, these technologies and wider utilization should significantly improve the value of MYQ.”

Tory Jarman, Chief Executive Officer and Founder of Triage Technologies Inc., said:

“We’re excited about working with MyFiziq and combining our technologies to produce a unique solution to help improve the health and wellness of people everywhere especially during this time of the pandemic. Artificial intelligence has been a passion of mine for nearly a decade. After losing a close friend to skin cancer, I set out to create the world’s best AI engine that could identify skin conditions in a cheap and accessible manner. I am proud to say we have achieved this with Triage. We believe our diverse and in-depth identification of treatable skin conditions is unchallenged by even the largest companies on the planet. When I met Vlado and we discussed how the 2 companies can work together, it was an easy yes from me as the founder. MyFiziq represents a clear path to the market with global partners and pre-existing user bases waiting for easy and accessible identification of symptoms, diseases and health requirements.

Staying at home during the current pandemic can be both physically and mentally exhausting. Now more than ever, it is important to be aware of, and monitor your condition and potential health concerns using these combined solutions. With these technologies, you can measure many health indicators for you and your family from the convenience of your home, using just your smartphone.”

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About Triage Technologies Inc.

Triage's mission is to bring the unique healthcare benefits of artificial intelligence to patients and practitioners worldwide. Triage was formed by an international group of doctors and scientists on a mission to deliver universal care using artificial intelligence.

With the support of world-renowned institutions, Triage has developed breakthrough technology which can detect skin disease using a smartphone.

We know the complexities of dermatology can be daunting, so we've developed a tool to provide you with an instant second opinion. You can compare your diagnosis to our expert AI's opinion. Triage gives you a list of possible conditions from your photo and helps you think of things you might have missed.

Triage offers a unique clinical platform that empowers dermatologists, physicians, and nurses to get an instant second opinion of a patient's skin condition. Just snap a photo with your smartphone or tablet and submit it. You'll be able to confirm your diagnosis and ease the concerns of you and or your patients quickly and confidently.

Why continue to be uncertain and anxious about your skin problem when there's no need to delay identifying it or becoming confused by searching skin conditions online? Triage is a unique tool developed by leading dermatologists and powered by artificial intelligence to help you analyse and identify your skin condition easily and accurately.

For more information please visit: www.triage.com

For more information contact:

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About MyFiziq:

MyFiziq has developed and patented a proprietary image capture and dimensioning technology that enables its users to check, track, and assess accurately their dimensions and vital signs using only a smartphone privately on-device.

Our goal is to assist our sales channel partners by empowering their users with this personal health/fitness/wellness capability. In return, the MYQ technologies gives our partners the ability to assess, assist, and communicate outcomes with their clients when navigating day-to-day life. Whether this knowledge involves a personal journey to better health, or it adds understanding the risk associated with their physical condition, tracking the changes experienced through training, dieting, or medical regimes will produce better outcomes for the user. The MYQ technology delivers this data seamlessly, privately, and cost-effectively in under one minute.

Our partner benefits from our SaaS Software as a service in the context of a pricing solution, reducing with scale. Integration is made easy with the MyFiziq modular system, based on multiple software development kits, allowing a partner to select the functions, measurements, and displays to suit the underlying user population's needs.

MyFiziq has developed this capability by leveraging the power of Computer Vision, Machine Learning, and patented systems, to process these captured images on secure, enterprise-level infrastructure, delivering an end-to-end experience that is unrivaled in the industry. MyFiziq simplifies the collection of measurements



and vital signs and skin conditions, diminishing the role of the human error present in traditional information gathering and analysis methods.

For more information please visit: www.myfiziq.com

*This announcement has been approved by the board of MyFiziQ Limited.

ⁱ <https://skinclass.de/mclass/>

ⁱⁱ [https://www.ejancer.com/article/S0959-8049\(18\)31562-4/fulltext](https://www.ejancer.com/article/S0959-8049(18)31562-4/fulltext)

ⁱⁱⁱ skincancer.org/skin-cancer-information/skin-cancer-facts/

^{iv} <https://arxiv.org/ftp/arxiv/papers/1909/1909.05382.pdf>

^v [https://www.jaad.org/article/S0190-9622\(17\)30016-6/pdf](https://www.jaad.org/article/S0190-9622(17)30016-6/pdf)