



ASX Code: MYQ

ABN 85 602 111 115

#### Corporate Structure

Issued Capital: ~106M

Options Issued: ~11.35M

Perform Rights: ~17.75M

Share price: \$0.205 (29 Jan '20)

#### CORPORATE DIRECTORY

##### *Non-Executive Directors*

Peter Wall (Chairman)

Mike Melby

Nick Prosser

##### *Chief Executive Officer*

Vlado Bosanac

##### *Company Secretary*

Steven Richards

#### CONTACT DETAILS

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[myfiziq.com](http://myfiziq.com)

## MyFiziq Prepared for Growth in 2020

**MyFiziq Limited (ASX: MYQ) (MyFiziq or Company)** has today released its Appendix 4C and is pleased to provide its shareholders with an update on its activities for the quarter ending 31 December 2019.

#### HIGHLIGHTS:

- The Company has reached an inflection point, moving into commercialisation phase with numerous product launches imminent
- New binding term sheets signed with Fit Capital HK and MyDoc
- William Bradford appointed to lead business development in the US
- Joint venture partner, BCT, wins DXC technology award
- Operating cash outflows (adjusted for one-off revenue and expenditure items) consistent over the past 3 quarters, with sufficient financing available to fund operations over the next 6 months
- Evolt, Mayweather and McGregor FAST awaiting launch, with Boditrax, Fitocracy, Stryde & Bearn to follow in the first half of 2020
- Growth on the horizon with a focus on business development and the conversion of new business to revenue

#### Vlado Bosanac, Chief Executive Officer of MyFiziq said:

“There are exciting times ahead for everyone involved with MyFiziq, with the Company having reached a critical inflection point in its business lifecycle.

MyFiziq’s technology is in the process of being integrated with a number of our partners’ consumer facing apps, ready to go-live in the next 1 to 6 months. Included, is the launch of the Evolt app through Evolt360, who has a current 500,000+ active user base with an initial target of 100,000 active monthly users. As this is our first public facing app too be revenue generating, we anticipate this to have a positive impact on cash flow as users subscribe.

Business development is forging ahead, with two binding term sheets signed during the last quarter, with Fit Capital HK and MyDoc. Our sales pipeline is stronger than ever, with over 160 prospects currently engaged in discussions with our team.

William Bradford’s appointment as Head of Business Development in the US is a significant step forward for MyFiziq, not only for his immense knowledge around monetizing digital platforms, but also the credibility our technology gains having his personal brand introducing MyFiziq to the largest digital platforms in the US.

William has an exceptional reputation in the US, having made a name for himself at companies such as Beachbody, LLC, Fox Broadcasting and Yahoo!

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Internally, all our business units continue to work in unison, as the Company positions itself for a dynamic period of growth. MyFiziq's business model remains one of its strongest attributes, facilitating internal efficiencies with a low-cost base, laying the foundation for future growth."

## **CONTRACTS:**

Over the last quarter, the Company formalised all binding agreements with Evolt360 Technologies (Evolt) and strengthened its contracts register by securing agreements with both Fit Capital HK and MyDoc.

- **Evolt360**

Evolt is an approved medical grade device and has over 500,000 active users across Fitness, Wellness, Gyms, Clinics and Workplaces. The MyFiziq technology is intended to extend the Evolt reach of the technology into the hands of the consumer at home. Once integrated, customers of Evolt will be able to download access to the MyFiziq technology, via the Evolt app, which is available on both the Apple App Store and Google Play. Further details around the official launch will be announced to the market closer to the time.

All legal agreements with Evolt were completed during the quarter, including:

- Commercial Agreement
- MyFiziq Software Development Kit End User License Agreement (EULA)
- MyFiziq Data Processing Agreement
- MyFiziq Support Agreement

- **Fit Capital**

The agreement executed with Fit Capital Ltd further broadens and extends MyFiziq's push into Greater Asia. Fit Capital's current and future strategy into the online health and fitness arena reflects both MyFiziq's target market and desired method to market, and will see the MyFiziq platform integrated into the multi-dimensional training platform, Stryde Fitness App. They are working with some of the biggest names in the Asian fitness industry.

## **Fit Capital Founders Leon Lee and Alex Chung said (extract):**

"When we first saw the (MyFiziq) technology at RISE Hong Kong earlier this year, we immediately identified its huge potential in the fitness market we have spent our lives in. We earmarked it to become a strategic and integral piece of our offering. Many applications suggest they can do what MyFiziq has accomplished, yet, when put to task, we haven't found anything with the mobility, accuracy, or functionality that the MyFiziq technology offers."

- **MyDoc**

MyFiziq's 50% owned joint venture partner, Body Composition Technologies Pte Ltd ("BCT"), executed a binding term sheet with Singapore's premier digital telemedicine platform company, MyDoc Pte Ltd ("MyDoc") during the quarter.

MyDoc is a well-established and respected telemedicine platform / application for interacting with doctors online. BCT's technology is a sensible fit for MyDoc whose focus is providing acute, chronic and preventive medical care services. MyDoc's strategic partners in the region include global insurers such as Aetna, AIA and Cigna, together with a network of healthcare providers like Fullerton, IHP and AcuMed, leading regional pharmacy chains like Guardian Pharmacy and technology partners such as Omron.



**Dr. Vas Metupalle, Co-Founder and Chief Information Officer, MyDoc said (extract):**

"At MyDoc we focus strongly on preventative care, and a big part of that is managing the risks of chronic diseases. We wanted to improve the risk assessment for chronic diseases, to ensure our patients get an accurate diagnosis and are cared for at the soonest juncture.

"We chose to work with BCT because they have developed a unique technology that is evidence based, while keeping it user friendly to increase adoption."

**CAPITAL:**

**\$1 million received from ACAM**

During the quarter, MyFiziq received a further A\$1,000,000 under the placement with Asia Cornerstone Asset Management ("ACAM"), as outlined to shareholders on 4 June 2019.

MyFiziq has now received the full A\$5.2m placement under the updated Subscription Agreement ("Agreement"). Over the tranches, the Company has issued a total of 8,666,667 fully paid shares in MYQ at A\$0.60 cents per share.

**KEY APPOINTMENT:**

**Former Chief Digital Officer of Beachbody LLC William Bradford appointed to Lead Business Development for the USA**

MyFiziq appointed William Bradford to lead Business Development as part of its US expansion. William is highly respected in the U.S. for his achievements in building digital enterprises and teams to deliver them. His knowledge and capabilities in the fitness and private digital space brings MyFiziq into a new chapter in its evolution and the best step the company could have taken to achieve success.

William is a seasoned industry veteran who has held several prominent executive leadership roles in digital media products and technology. Most recently, Bradford was Chief Digital Officer at Beachbody, LLC, where he led the transformation of the company's media business from a transactional DVD sales model to a multi-platform consumer subscription service.

He built the strategy and team that launched the product *Beachbody on Demand*, which is now the core engagement hub for Beachbody's customers with over US\$1 Billion in annual revenue. Previously, William led the digital transformation of Fox Broadcasting from a traditional linear broadcast business to a multi-platform content service with new monetization and customer engagement models.

**TECHNOLOGY AWARD:**

**MyFiziq joint venture partner BCT wins Global DXC Insurtech award**

MyFiziq continues to drive innovation and pleased to announce that it has been recognised for the capabilities its solution is delivering to the Insurance, Wellness and mHealth markets globally. BCT placed 2nd at the DXC Invitational Americas Insurtech awards which took place in Miami on November 11-14. BCT was competing in the "Enriching the Insurance Experience" category.

DXC recognize the need for early detection and prevention of chronic lifestyle diseases, required worldwide to help combat the dramatic growth in type 2 diabetes and related conditions. BCT's technology is a real-time solution that gives the insurer an accurate assessment of the policy holder at the time of the application, allowing more certainty in the dynamic underwriting of policies.

MyFiziq's technology has successfully demonstrated its ability to not only identify, but segment participants into risk categories. MyFiziq is now in collaborative discussions with the team at DXC with an intention to integrate the BCT technology stack into DXC's platform offering.

### **CASHFLOW UPDATE:**

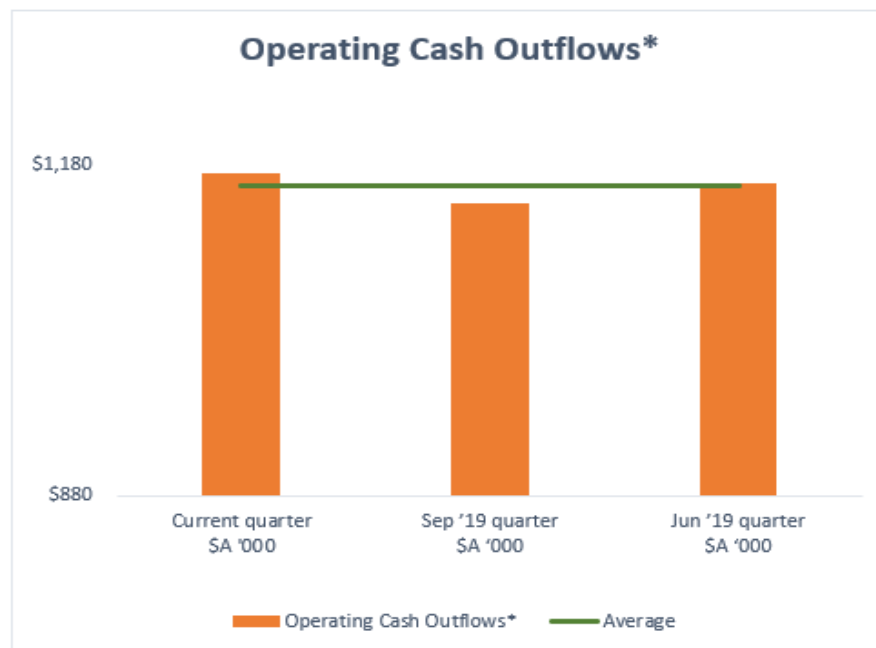
Net cash used in operating activities is \$625k, compared to \$1.1m last quarter. During the quarter under review, the Company received a \$666k reimbursement through the Australian government R&D tax scheme, \$134k more than was received under the same R&D scheme the previous year.

The Company had \$688k cash in bank at the end of the current quarter. As indicated under section 8 of the Appendix 4C schedule, the Company estimates that it will have sufficient cash available to fund operating activities for the next 6 months. As our partners commence their respective go-lives with our technology embedded, the anticipated generation of revenue is expected to proportionately reduce the monthly cash burn.

Additionally, the Company has the following financing facilities available:

- \$1.5m available for drawdown on existing Convertible Note facilities, which have a maturity date of 30 June 2020 (as announced to the ASX platform on 30 December 2019);
- BCT, a company in which MYQ has a 50% interest, is currently completing a capital raising of up to \$3.5m. Upon completion, MyFiziq will receive cash proceeds of approximately \$1.2m by way of repayment of receivables and license fees of \$500k;
- \$250k loan from a related party, established as a bridging finance facility; this loan facility was executed on 23 January 2020, after the current quarter end.

As can be seen from the graph below, spending over the past 3 quarters has been consistent. The operating cash outflow below has been adjusted for once-off revenue and expenditure items –



*\* = Operating Cash Outflows after adjusting for one-off expenditure*



**NEXT QUARTER PLANNED ACTIVITY:**

- **Commercialisation**

The focus over the next quarter will be on product launches through our partners, as well as executing our go-to-market strategy. The product launches we are currently working on are at various stages of completion and while they are pending final launch dates from our partners, they are likely to materialise in the short to medium term. The revenue generated will have a positive impact on cash flows as users subscribe to our partners service offering.

- **Growth**

MyFiziq will continue executing its growth strategy by nurturing relationships with existing partners and generating new leads, particularly in the US, Asia & Europe where we have already establishing a growing presence. With the appointment of William Bradford as the Head of Business Development, the company is well-positioned to further increase its presence in the US. In addition to the US, MyFiziq is engaged heavily across Asia and Europe through its presents at Asia Fit Summit, Rise Hong Kong and FIBO in Cologne.

Through our Joint Venture partner, BCT, MyFiziq will continue to cultivate the existing Insurance vertical, together with the large and growing list of enquiries we are fielding from prospects eager to engage with our technology.

- **Product enhancement**

Our development team have commenced further enhancements to our technology's capabilities – ultimately making our technology consumer friendly, rapid return and most accurate it has ever been. Additionally, solutions around the refinement in our data is processed on-device will lead to greater efficiencies and ultimately enhance the user experience and privacy.

This announcement has been approved for release by the board of directors of MyFiziq Limited.

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## **Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning MyFiziq Limited's planned partner integrations, forecast partner revenue, and other statements that are not historical facts. When used in this document, the words such as "could," "plan", "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although MyFiziq Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

## **About MyFiziq:**

Our mission is to globalize our technology and assist individuals, communities and populations to live better healthier lives by working with governments, healthcare providers and the best health & fitness identities and solutions available worldwide with the data we can provide in the palm of their consumers hands.

Our software as a service solution (SAAS) offering allows flexibility and pricing scale reductions for our partners. MyFiziq partners with highly scaled or scalable new and existing applications and provides them with a deeper insight into the data they wish to retrieve from their users to empower them in their journeys.

Consumers engage daily with multiple needs that require the use or ability to track individual dimensions. Such as dieting,



exercising, assessing their health or simply buying clothing online, the result is a drive toward understanding their personal dimensions or the changes they are undergoing. MyFiziq provides that missing link in other ecosystems.

MyFiziq is a patented technology we have developed with a proprietary image capturing system within a consumer's smartphone, we empower a consumer with the ability to create a representation of their structure in the form of a 3D avatar with accurate circumference measurements. Partners embed our Software Development Kit's (SDK's) into their new or existing applications, and then customize the experience to meet their brand requirements.

MyFiziq has developed this capability by leveraging the power of Computer Vision, Machine Learning and patented algorithms, to process these images on secure, enterprise-level infrastructure, delivering an end-to-end experience that is unrivalled in the industry. Body measurements provide more useful information about physical changes than simply measuring weight. MyFiziq simplifies the collection of these measurements and removes the margin of human error present in traditional methods.

For more information please visit: [www.myfiziq.com](http://www.myfiziq.com)

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

MyFiziq Limited

**ABN**

85 602 111 115

**Quarter ended ("current quarter")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	42	80
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(20)	(23)
(d) leased assets	-	-
(e) staff costs	(781)	(1,546)
(f) administration and corporate costs	(413)	(945)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	666	666
1.8 Other (PAYG timing difference)	(118)	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(625)</b>	<b>(1,770)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(19)	(26)
(d) investments	-	-
(e) intellectual property	(31)	(79)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	55	132
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>5</b>	<b>27</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	2,050
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(61)	(122)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(71)	(71)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>868</b>	<b>1,857</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	440	574
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(625)	(1,770)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	5	27



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	868	1,857
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>688</b>	<b>688</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	688	440
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>688</b>	<b>440</b>

**6. Payments to related parties of the entity and their associates**

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

-

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	2,850	1,350
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	2,850	1,350

7.5 <b>Unused financing facilities available at quarter end</b>	1,500
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company has a convertible loan facility of \$2m with Prosser Enterprises Pty Ltd as Trustee for the Prosser Family Trust, of which \$500k has been drawn down. Interest accrues daily on each advance at a rate of 8% per annum. On the new termination date of 30 June 2020, any advances plus accrued interest that has not yet been repaid will be convertible into shares at an issue price equal to the greater of \$0.30 per share or the 14 trading day volume weighted average price of the Company's shares as traded on ASX prior to the termination date.

The Company has also secured a \$900k convertible note facility with a number professional investors, who are not related parties, which has been fully drawn down. The company repaid \$50k on this facility during the current quarter. Under the terms of the agreement, interest accrues at a rate of 8% and is payable quarterly in arrears with the final repayment due on the new maturity date of 30 June 2020, or such earlier date if the principal is repaid. As approved by shareholders on 27 November 2018, the notes will be converted at an issue price the greater of \$0.30 per share and at a 30% discount to the volume weighted average price for Shares traded on ASX for the period of 14 trading days up to and including the trading day prior to conversion. The investor may elect to redeem the principal in cash. (Refer ASX Announcement 28/9/2018)

**After quarter end:** \$250k loan received from a related party, established as a bridging finance facility; this loan facility was executed on 23 January 2020, after the current quarter end.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,173)*
Net cash used per 1.9 (\$625k)	
Add back one-off transactions:	
Tax incentive (\$666k)	
<u>Timing difference \$118k</u>	
Adjusted Item 1.9 (\$1,173k)*	
8.2 Cash and cash equivalents at quarter end (Item 4.6)	688
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,500
8.4 Total available funding (Item 8.2 + Item 8.3)	2,188
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1.9</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes.

Not included in the computation of Item 8.5 above, is the following additional sources of funding available to the company:

1. BCT, a company in which MYQ has a 50% interest, is currently completing a capital raising of \$3.5m. Upon completion, MyFiziq will receive cash proceeds of approximately \$1.2m by way of repayment of receivables and license fees of \$500k.
2. With a continued drive towards commercialisation over the next quarter, the company's technology is currently being integrated with a number of our partners consumer app's, to be ready to go-live over the next 2 quarters. This will generate revenue and have a positive impact on cash flow as users subscribe.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: No capital raise steps have been taken to fund operations and none proposed.

There company currently has sufficient funding available. Refer 8.6 above.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes.

There company currently has sufficient funding available. Refer 8.6 above.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 January 2020.....

Authorised by: .....By Order of the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.