



28 February 2020

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam

RELEASE OF MYFIZIQ LIMITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

In accordance with the ASX Listing Rules, please find attached the following:

1. Appendix 4D half-year report;
2. Financial report for the half year ended 31 December 2019, including the Directors' Report.

This ASX announcement was approved and authorised for release by the Board of Directors.

A handwritten signature in dark ink, appearing to be "S. Richards".

Yours faithfully
By Order of the Board

Steven Richards
Company Secretary
MyFiziq Limited

MYFIZIQ LIMITED

Appendix 4D

Half-year report

for the half-year ended 31 December 2019

Name of entity: **MYFIZIQ LIMITED**

ACN: **602 111 115**

Current Reporting Period **Half Year ended 31 December 2019**

Previous Reporting period **Half Year ended 31 December 2018**

Results for announcement to the market.

Item 1

Operating Performance	6 months ending			
	31 Dec 2019	31 Dec 2018	Movement	Movement
	\$	\$	\$	%
Revenue from continuing activities	354,447	477,548	(123,101)	-25.8%
Profit/(loss) from continuing activities after income tax	(2,944,924)	(2,080,863)	(864,061)	41.5%
Net profit/(loss) for the half year attributable to members	(2,944,924)	(2,080,863)	(864,061)	41.5%

Item 2

Dividends
It is not proposed to pay dividends.
There are no dividend or distribution reinvestment plans in operation and there has been no dividend or distribution payments during the financial half year ended 31 December 2019.

Item 3 – Brief Explanation

Revenue from continuing activities for the 6 months ending 31 December 2019 includes Subscription Revenue of \$84,525 (2018: \$0) and Other Income of \$269,922 (2018: \$477,548).

The Company is in the process of commercialising its technology and generated its first subscription-based revenue (\$84,525) during the half year under review. Included in Other Income is joint venture revenues of \$261,307 (2018: \$379,376).

The loss after income tax for the 6 months ended 31 December 2019 includes a share-based expenditure (non-cash) of \$1,433,257 (2018: \$960,004). There were no material changes in other cost categories.

Item 4

Net Tangible Assets	6 months ending			
	31 Dec 2019	31 Dec 2018	Movement	Movement
	\$	\$	\$	%
Net tangible assets/(liabilities) per security	(\$0.004)	(\$0.023)	\$0.019	-80.83%

Item 5

Control gained or lost over Entities during the period
Nil

Item 6

Controlled Entities and joint ventures	Ownership interest as at	
	31 December 2019 %	31 December 2018 %
Parent Entity: MYFIZIQ LIMITED		
Joint venture entities: Joint venture entity: Body Composition Technologies Pte Limited Percentage holding in JV entity	50%	50%
Controlled entities: MyFiziq Inc. ¹ Percentage holding in controlled entity	100%	100%

¹ In January 2018, wholly owned subsidiary MyFiziq Inc. was incorporated in the United States of America in preparation for the commercialisation of the technology in the USA. During the reporting period there was no activity in this subsidiary.

Item 7

Accounting Standards
The financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards.

Item 8

Auditor's review report
Our half-year report is based on the financial report of MYFIZIQ LIMITED for the half year ended 31 December 2019, which has been reviewed by PKF Perth. Refer to the 31 December 2019 half-year financial report for the independent auditor's review report provided to the members of MYFIZIQ LIMITED.

Appendix 4D Requirements	Reference
1. Reporting period and the previous corresponding period.	Refer to page 1 of this report.
2. Results for announcement to the market.	Refer to page 1 of this report "Results for announcement to the market" and Items 1, 2 and 3 of this report.
3. Net tangible assets per security.	Refer to Item 4 of this report.
4. Details of entities where control has been gained or lost during the period.	Refer to Item 5 of this report.
5. Details of individual and total dividends or distributions and dividend or distribution payments.	Refer to Item 2 of this report.
6. Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in a dividend or distribution reinvestment plan.	Refer to Item 2 of this report.
7. Details of joint venture and associated entities.	Refer to Item 6 of this report.
8. For foreign entities, accounting standards used in compiling reports.	Not applicable.
9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.	Refer to Item 8 of this report.



MYFIZIQ LIMITED

ACN 602 111 115

FINANCIAL STATEMENTS

**For the Half Year Ended
31 December 2019**

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Directors' Report

The Directors present the financial statements of MyFiziq Limited for the half year ended 31 December 2019.

Directors

The following persons were directors of MyFiziq Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Peter Wall	<i>(Non-Executive Chairman)</i>
Vlado Bosanac	<i>(Executive Director and CEO)</i>
Michael Melby	<i>(Non-Executive Director)</i>
Nicholas Prosser	<i>(Non-Executive Director)</i>

Company Secretary

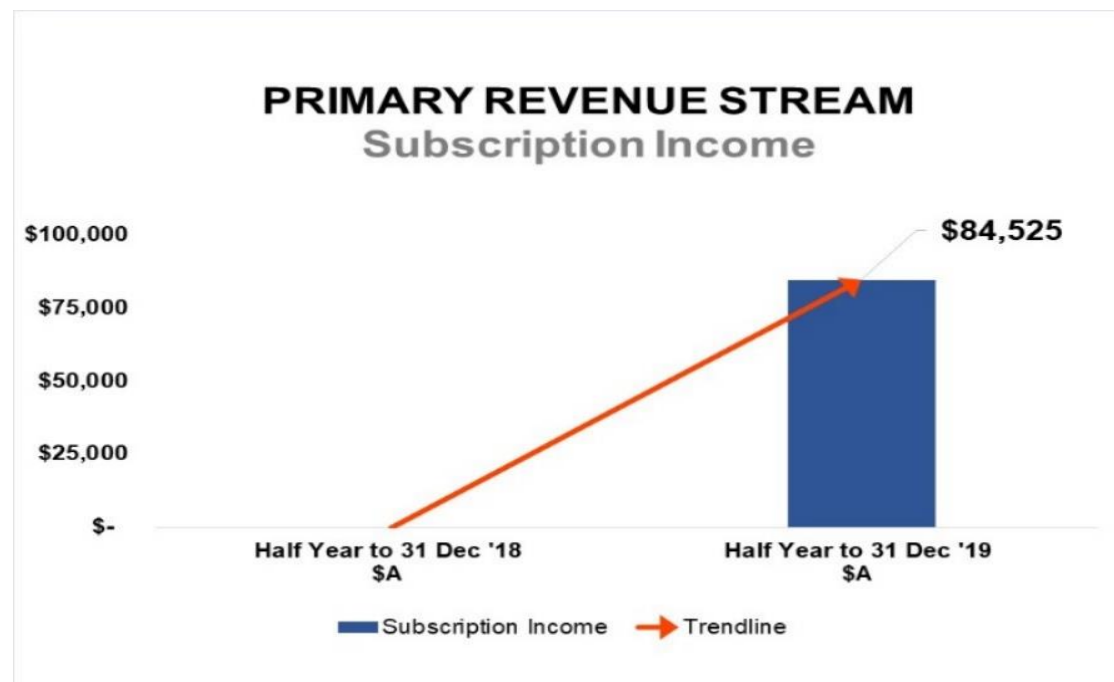
Kevin Hart	<i>(resigned 31st October 2019)</i>
Steven Richards	<i>(appointed 6th September 2019)</i>

Review of Operations

The net loss after income tax for the half year was \$2,944,924 (31 December 2018: \$2,080,863). This net loss includes non-cash share-based payments of \$1,433,257 (31 December 2018: \$960,004) in relation to options and performance rights issued to employees, directors and suppliers.

At the end of the half-year the Company had \$687,506 (30 June 2019: \$573,977) in cash and at call deposits. Capitalised development costs relating to the MyFiziq app at the end of the half-year is \$1,432,507 (30 June 2019: \$1,451,148).

MyFiziq is in the process of commercialising its technology and generated its first subscription-based revenue (2,400 users generating \$84,525 in revenue) during the half year under review.



Additionally, the Company's technology is in the process of being integrated with several of its partners' consumer facing apps, as the Company **prepares for growth in 2020**. Included, is the integration of the MyFiziq technology into the Evolt app and subsequent launch during the first half of 2020. Evolt has committed to targeting its current 500,000 active users with a view to achieving an initial 100,000 subscribers onto the joint offering in the first 12 months.

Directors' Report

Review of Operations (continued)

During the period under review, the Company added to its contracts register by concluding several new agreements with customers. Binding term sheets were signed with Fit Capital HK and WellKom, whilst the Company's joint venture partner, BCT, executed agreements with MyDoc and Tictrac UK. Additionally, the Company novated all previous individual agreements with FitLab LLC into a more comprehensive agreement with MVMNT Inc, which merged with FitLab in 2018.

In October 2019, the Company appointed William Bradford to lead Business Development as part of its US expansion. The focus over the next six months will be on developing new business across our five verticals as well as product launches through our partners which incorporates execution of our go-to-market strategy.

Our product development team have commenced further enhancements to our technology's capabilities – ultimately making our technology consumer friendly, rapid return and the most accurate it has ever been.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the period.

Matters Subsequent to the End of the Financial Period

Other than shown below, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years:

- In January 2020, the Company signed a binding term sheet with Bearn LLC a US-based health, fitness and wellness company.
- In February 2020, the Company concluded the signing of all formal legal agreements with Fit Capital Ltd, which will see the Company's platform integrated into the multi-dimensional training *Stryde Fitness App*.
- In February 2020, the Company lodged an Appendix 3G in relation to the issue of 2,000,000 equity securities issued under the Company's Incentive Performance Rights Plan and 400,000 options issued under the Company's Incentive Option Plan.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 28th day of February 2020.



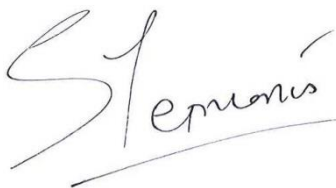
Vlado Bosanac
Executive Director and Chief Executive Officer

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MYFIZIQ LIMITED

In relation to our review of the financial report of MyFiziq Limited for the half year ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
PARTNER

28 FEBRUARY 2020
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WESTERN AUSTRALIA

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MyFiziq Limited
ACN 602 111 115

Condensed Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
Revenue			
Subscription Revenue		84,525	-
Other Income			
Sundry income	3	8,604	98,119
Reimbursements from joint venture		261,307	379,376
Interest income		11	53
Total Revenue		354,447	477,548
Expenses			
Employee expenses	3	(2,421,219)	(2,154,272)
Consulting and advisory		(78,815)	(149,302)
Corporate		(190,812)	(191,219)
Brand development and patent costs		(103,764)	(138,862)
Marketing and publicity		(621,712)	(25,455)
Telecommunications and IT		(67,371)	(57,787)
Occupancy costs		(53,011)	(69,647)
Financing costs		(39,726)	(41,342)
Depreciation & amortisation expenses		(101,827)	(98,185)
Administration and other expenses		(287,332)	(163,982)
Total expenses		(3,965,589)	(3,090,053)
Loss before income tax	3	(3,611,142)	(2,612,505)
Income tax benefit	3	666,218	531,642
Net loss for the period		(2,944,924)	(2,080,863)
Other comprehensive income			-
Total comprehensive loss for the period		(2,944,924)	(2,080,863)
Loss per share		cents	cents
Basic and diluted loss per share		(2.92)	(2.55)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

MyFiziq Limited
ACN 602 111 115

Condensed Statement of Financial Position
As At 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
Current assets			
Cash and cash equivalents		687,506	573,977
Trade and other receivables		37,650	25,427
Prepayments		66,782	-
Inventories		4,761	4,761
Total current assets		796,699	604,165
Non-current assets			
Other financial assets		37,500	37,500
Property, plant and equipment		63,840	56,083
Loans to related entities	4	637,639	482,201
Development asset at cost		1,432,507	1,451,148
Total non-current assets		2,171,486	2,026,932
Total assets		2,968,185	2,631,097
Current liabilities			
Trade and other payables		259,192	345,996
Employee leave liabilities		281,663	239,346
Interest bearing borrowings	5	1,463,200	1,496,959
Total current liabilities		2,004,055	2,082,301
Total liabilities		2,004,055	2,082,301
Net Assets		964,130	548,796
Equity			
Issued capital	6	21,405,634	13,782,565
Reserves		5,593,481	9,929,789
Accumulated losses		(26,034,985)	(23,163,558)
Total Equity		964,130	548,796

The above statement of financial position should be read in conjunction with the accompanying notes.

MyFiziq Limited
ACN 602 111 115

Condensed Statement of Changes in Equity
For the half year ended 31 December 2019

	Issued capital	Accumulated losses	Equity compensation reserve	Convertible note reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2018	7,212,356	(18,806,396)	12,262,363	27,633	695,956
Net loss for the year	-	(2,080,863)	-	-	(2,080,863)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(2,080,863)	-	-	(2,080,863)
Performance Rights exercised	1,668,000	-	(1,668,000)	-	-
Share-based payments					
Directors	340,000	-	-	-	340,000
Employees	-	-	620,004	-	620,004
At 31 December 2018	9,220,356	(20,887,259)	11,214,367	27,633	(424,903)

	Issued capital	Accumulated losses	Equity compensation reserve	Convertible note reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2019	13,782,565	(23,163,558)	9,902,156	27,633	548,796
Net loss for the year	-	(2,944,924)	-	-	(2,944,924)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(2,944,924)	-	-	(2,944,924)
Performance Rights exercised	4,615,875	-	(4,615,875)	-	-
Options exercised	206,494	-	(110,368)	-	96,126
Options expired	-	73,497	(73,497)	-	-
Shares issued	2,000,000	-	-	-	2,000,000
Share issue costs	(123,000)	-	-	-	(123,000)
Performance shares expired	(300)	-	-	-	(300)
Share-based payments					
Directors	540,000	-	-	-	540,000
Employees	-	-	301,289	-	301,289
Suppliers	384,000	-	162,143	-	546,143
At 31 December 2019	21,405,634	(26,034,985)	5,565,848	27,633	964,130

The above statement of changes in equity should be read in conjunction with the accompanying notes.

MyFiziq Limited
ACN 602 111 115

Condensed Statement of Cash Flows
For the half year ended 31 December 2019

	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities		
Receipts from customers	71,110	511,633
Other income	9,464	40,353
Research & Development tax incentive	666,218	531,642
Interest received	11	53
Interest and other costs of finance paid	(2,477)	(8,634)
Payments to suppliers and employees	(2,514,271)	(2,204,134)
Net cash flows from/(used in) operating activities	(1,769,945)	(1,129,087)
Cash flows from investing activities		
Payments for property, plant and equipment	(25,168)	(33,280)
Proceeds from loans to related parties	132,000	-
Payments for application development costs	(79,350)	(17,489)
Net cash flows used in investing activities	27,482	(50,769)
Cash flows from financing activities		
Proceeds from issue of shares	2,050,000	1,350,000
Payments for Share issue costs	(123,000)	-
Repayment of borrowings	(71,008)	-
Net cash flows from financing activities	1,855,992	1,350,000
Net increase in cash assets	113,529	170,144
Cash at the beginning of the financial period	573,977	171,776
Cash at the end of the financial period	687,506	341,920

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 1 Statement of Significant Accounting Policies

a) Statement of compliance

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures that the financial statements comply with IAS 34 Interim Financial Reporting.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as complete an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by MyFiziq Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

b) Basis of preparation

The half-year financial statements have been prepared on a historical cost basis. Cost is based on the fair values of consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars.

For the purpose of preparing the half-year financial statements, the half year has been treated as a discrete reporting period.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the half year ended 31 December 2019, the Company incurred an operating loss of \$2,944,924. Notwithstanding the fact that the Company incurred an operating loss and a net cash outflow from operating activities amounting to \$1,769,945, the Directors are of the opinion that the Company is a going concern for the following reasons:

- The Company is at an inflection point as it is commercialising its technology, having recently earned its first subscription-based revenues during the period under review;
- Estimated future cash flows of the Company are positive and have been externally tested for reasonableness;
- \$1.5m is available for drawdown on existing Convertible Note facilities, which have a maturity date of 30 June 2020;
- BCT, a Company in which MYQ has a 50% interest, has commenced a capital raising of up to \$3.5m. Upon successful completion, MyFiziq will receive cash proceeds of approximately \$1.2m by way of repayment of loan and license fees of \$500k.

The Company's ability to continue as a going concern and meet future working capital requirements is dependent on the above points being realised. Should the Company not be successful in generating the required cash flows, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

c) New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting standards Board (AASB) that are mandatory for the current reporting period. *AASB 16 Leases*, which supersedes *AASB 117 Leases*, will have an impact on the Company.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 1 Statement of Significant Accounting Policies (continued)

c) New or amended Accounting Standards and Interpretations adopted (continued)

However, as the Company had no operating lease agreements in place at 31 December 2019, there was no impact on the financial statements for the current period. The accounting policy adopted by the Company in relation to AASB 16 Leases is shown below.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

d) Accounting policies and methods of computation

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements, except for the policies stated below.

Operating Leases

AASB 16 Leases supersedes AASB 117 Leases. The new standard removes the former distinction between 'operating' and 'finance' leases and requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals) on the Statement of Financial Position. The exceptions are short-term leases and leases of low value assets.

The Company previously leased its office premises which, prior to the application of AASB 16, was treated as an operating lease and payments made were charged to profit or loss on a straight-line basis over the period of the lease.

At 31 December 2019 the Company had no operating leases in place. Where the Company is a lessee for any new operating leases entered into, such as for office premises, the Company recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Company (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Company uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of purchase options, if the Company is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise any extension options the lease may contain. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 1 Statement of Significant Accounting Policies (continued)

d) Accounting policies and methods of computation (continued)

The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Company to restore the underlying asset, or the Company has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Company has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

e) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable and is recognised when performance obligations under customer contracts are satisfied.

1. Revenue from customers

The Company's primary revenue stream is software development kits offered to customers and charged on a per user or per body scan basis.

The Company also has secondary revenue streams including:

- Integration fees
- Licence fees
- Other application development and support fees

i. Identification of distinct elements and separate performance obligations

Primary revenue streams

Revenue is generated from the usage of MyFiziq's software development kits which have been integrated into a customer's platform. Most contracts will be structured on a monthly recurring basis and have a minimum term of 1 year.

- **Per user** - Revenue is charged per user, where per user price reduces based on the volume of users.
- **Per body scan** - The customer is charged when an image is captured.

Secondary revenue streams

These services can be provided at any point in time over the life of the contract and are usually a one off, or a series of one-off events.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 1 Summary of Significant Accounting Policies (continued)

e) Revenue and other income (continued)

ii. Revenue recognition under AASB 15

Revenue Stream	Performance Obligation	Timing of Recognition
Software development kits - per user	Integration of the MyFiziq software development kits into the customer's platform	Over the life of the contract as the customer simultaneously receives and consumes the benefits of accessing the software
Software development kits - per body scan	Integration of the MyFiziq software development kits into the customer's platform, a performance obligation is triggered each time an image is captured by the user	Recognised over time, but because time delivered is minimal, point in time recognition has been applied
Secondary revenue streams	As defined in the contract either at the start of the service, or as requested by the customer over the life of the contract	Recognised over time, but because time delivered is minimal, point in time recognition has been applied

2. Other income

Revenue recognised in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation has been performed, or over time as control of the performance obligation is transferred to the customer.

3. Interest received

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax.

f) Impairment of tangible and intangible assets other than goodwill

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 1 Summary of Significant Accounting Policies (continued)

f) Impairment of tangible and intangible assets other than goodwill (continued)

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

g) Significant accounting judgements and key estimates

The preparation of financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The same judgments, estimates and assumptions were used in preparing the half year financial report as those used in preparing the financial report for the year ended 30 June 2019.

Note 2 Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's sole activity is mobile application and technology development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being technological development.

The reportable segment is represented by the primary statements forming these financial statements.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 3 Revenue and Expenses

	31 December 2019	31 December 2018
	\$	\$
Loss for the period includes the following specific income and expenses:		
Other income:		
Dr Katherine consultancy income	7,449	7,766
Export development grant	-	40,000
Proof of concept income	-	50,000
Other income	1,155	353
	8,604	98,119
Supplier share based payment ¹	546,143	-
Employee expenses:		
Salaries and wages	1,138,623	867,998
Executive director salary	135,000	135,000
Defined contribution superannuation	119,301	96,000
Annual leave expenses	42,317	25,167
Recruitment expenses	1,382	13,875
Share based remuneration expenses ¹	887,114	960,004
Employment taxes and insurances	95,182	47,960
Other employment expenses	2,300	8,268
	2,421,219	2,154,272
Income tax benefit:		
R&D tax concession ²	666,218	531,642

¹ The fair value of equity settled transactions with employees and suppliers is apportioned over the period from grant date to vesting date. See Note 7 for details of transactions vesting within the six months ended 31 December 2019.

² The 2019 half-year research and development tax concession relates to amounts received for the R&D tax incentive claim submitted by the Company for the financial year ended 30 June 2019.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 4 Loans to related entities

The loan is to BCT, a Company in which MYQ has a 50% interest. The loan is unsecured and must be fully and finally repaid, together with all other interest and outstanding moneys, on the earlier to occur of:

- i. the date the Lender and the Borrower mutually agree that the Loan is repayable;
- ii. within 30 days of a capital raising funding¹ being available in the Borrower's bank account; and
- iii. by 30 June 2021.

¹BCT is currently undergoing a capital funding raise, as referenced in Note 1(b).

Note 5 Interest bearing borrowings

	Interest Rate %	Maturity	31 December 2019 \$	30 June 2019 \$
Current				
Convertible Notes-Prosser Facility ¹	8%	30 June 2020	521,079	539,042
Convertible Notes-2018 Facility ²	8%	30 June 2020	942,121	957,917
			1,463,200	1,496,959

¹ Convertible Loan agreement with Prosser Enterprises Pty Ltd as Trustee for the Prosser Family Trust. Company director Mr Nicholas Prosser is a director and shareholder of Prosser Enterprises Pty Ltd. The maximum facility limit is \$2 million and an initial drawdown of \$500,000 has been made. The net proceeds received has been split between the financial liability and an equity component, representing the residual attributable to the option to convert the financial liability into equity. Any advances plus accrued interest that has not been repaid by maturity date 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 original maturity date of 31 December 2019 has been extended to 30 June 2020, subject to shareholder approval.

² Convertible Note facility entered into with a number of professional investors who are not related parties of the Company. A total of \$900,000 has been drawn down. The investors may elect to redeem the outstanding principal amount of the notes in cash on the Maturity Date, rather than convert to shares. If the investors don't elect to redeem the outstanding principal amount in cash, the outstanding principal amount of the notes will be converted into shares at an issue price equal to the greater of \$0.30 per share or a 30% discount to the volume weighted average price of the Company's shares as traded on ASX for the period of 14 trading days up to and including the trading day prior to the conversion. The original maturity date of 31 December 2019 has been extended to 30 June 2020, subject to shareholder approval.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 6 Issued capital

	31 December 2019	30 June 2019	31 December 2019	30 June 2019
Issued capital – Shares	#	#	\$	\$
<i>Share capital</i>				
- Issued ordinary shares	106,435,991	91,621,888	21,405,634	13,782,265
- Issued performance shares	-	30,000,000	-	300
	106,435,991	121,621,888	21,405,634	13,782,565
<i>Share movements during the period – ordinary shares</i>				
At the beginning of the period	91,621,888	79,038,555	13,782,265	7,212,056
Shares issued on exercise of Performance Rights	7,550,000	6,250,000	4,615,875	3,261,750
Shares issued on exercise of Options	730,769	-	206,494	-
Shares issued to related party	2,000,000	1,000,000	540,000	340,000
Share based payments	1,200,000	-	384,000	-
Share issues – capital raising	3,333,334	5,333,333	2,000,000	3,200,000
Less share issue costs	-	-	(123,000)	(231,241)
	106,435,991	91,621,888	21,405,634	13,782,565
<i>Share movements during the period – performance shares</i>				
At the beginning of the period	30,000,000	30,000,000	300	300
Less expired shares ¹	(30,000,000)	-	(300)	-
	-	30,000,000	-	300

¹ Performance Shares (15,000,000 Class 'A' Performance Shares and 15,000,000 Class 'B' Performance Shares) were cancelled due to performance milestones not being met within the stipulated timeframe.

Note 7 Share-Based Payments

(i) Options

The Company has an Incentive Option Plan which was re-adopted following Shareholder approval in November 2019. Options over unissued shares are issued at the discretion of the Board.

a) Options issued, exercised and lapsed during the reporting period

During the reporting period the following options were issued:

Grant Date	Number of options Issued	Exercise price (cents)	Vesting criteria	Expiry date
27 Nov 2019	1,000,000	25	4 Dec 2019	4 Dec 2022
27 Nov 2019	1,500,000	45	4 Jun 2020	4 Dec 2022
27 Nov 2019	2,500,000	60	4 Dec 2020	4 Dec 2022
Total	5,000,000			

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 7 Share-Based Payments (continued)

(i) Options (continued)

a) Options issued, exercised and lapsed during the reporting period (continued)

During the reporting period the following options vested but were not exercised:

Grant Date	Number of options Vested	Exercise price (cents)	Vesting date	Expiry date
21 Dec 2016	500,000	10	26 Oct 2019	31 Dec 2021
3 Sep 2018	400,000	50	31 Dec 2019	31 Dec 2022
14 Dec 2018	250,000	50	31 Dec 2019	31 Dec 2022
51 Feb 2019	400,000	65	31 Dec 2019	31 Dec 2022
27 Nov 2019	1,000,000	25	4 Dec 2019	4 Dec 2022
Total	2,550,000			

During the reporting period the following options were exercised:

Date granted	Number of options exercised	Exercise price (cents)	Vesting date	Expiry date
21 Dec 2016 ¹	1,000,000	20	30 Sept 2017	30 Sept 2020
6 Apr 2018	500,000	10	6 Apr 2018	31 Dec 2020
Total	1,500,000			

¹ During the reporting period 1,000,000 options exercisable at 20 cents each and expiring 30 September 2020, were exercised utilising the cashless exercise provisions of the Option Incentive Scheme. This resulted in the issue of 230,769 ordinary shares.

No options were cancelled during the reporting period.

b) Options on issue at balance date

The number of options outstanding over unissued ordinary shares at 31 December 2019 is 11,350,000 as follows:

Grant Date	Number of options granted	Exercise price (cents)	Vesting date	Expiry date
21 Dec 2016	1,750,000	10	31 Dec 2017	31 Dec 2020
21 Dec 2016	500,000	10	26 Oct 2018	31 Dec 2020
21 Dec 2016	1,250,000	10	31 Dec 2018	31 Dec 2021
21 Dec 2016	500,000	10	26 Oct 2019	30 Dec 2021
31 Jul 18	400,000	50	31 Dec 2019	31 Dec 2019
31 Jul 18	400,000	50	31 Dec 2020	31 Dec 2020
7 Dec 2018	250,000	50	31 Dec 2019	31 Dec 2022
7 Dec 2018	250,000	50	31 Dec 2020	31 Dec 2023
1 Feb 2019	400,000	65	31 Dec 2019	31 Dec 2022
1 Feb 2019	400,000	65	31 Dec 2020	31 Dec 2023
12 Feb 2019	250,000	60	5 Mar 2019	20 Feb 2022
27 Nov 2019	1,000,000	25	4 Dec 2019	4 Dec 2022
27 Nov 2019	1,500,000	45	4 Jun 2020	4 Dec 2022
27 Nov 2019	2,500,000	60	4 Dec 2020	4 Dec 2022
Total	11,350,000			

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 7 Share-Based Payments (continued)

c) Subsequent to balance sheet date

Subsequent to the balance sheet date no options have been exercised or cancelled, while 400,000 options have been issued under the Company's Incentive Option Plan.

d) Basis and assumptions used in the valuation of options

5,000,000 options were issued during the half-year and have been valued and expensed in the financial statements over the periods that they vest.

The options issued during the current reporting period were valued using the Black-Scholes option valuation methodology, as follows:

Grant Date	Number of options granted	Expiry date	Risk free interest rate used	Volatility applied	Value per Option (cents)
27 Nov 2019	1,000,000	31 Dec 2022	0.77%	106%	11.89
27 Nov 2019	1,500,000	31 Dec 2022	0.77%	106%	9.90
27 Nov 2019	2,500,000	31 Dec 2022	0.77%	106%	8.88

Historical volatility at the time of issue has been used as the basis for determining expected share price volatility, as it is assumed that this is an indicator of future share price performance, which may not eventuate. A discount of 30% in respect of a lack of marketability has been applied to the Black-Scholes option valuation to reflect the non-negotiability and non-transferability of the unlisted options granted.

e) Purpose of Equity Compensation Reserve

This reserve is used to record the value of equity benefits provided to employees (including directors) and suppliers for services rendered.

ii) Performance Rights

The Company adopted an Incentive Performance Rights Plan following Shareholder approval in February 2017.

a) Performance rights granted, vested and lapsed during the year

During the reporting period the following performance rights were granted:

Issued Date	No of Rights	Expiry Date	Fair Value per Right at Grant Date	Vesting
6 Sep 2019	50,000	31 Dec 2020	\$0.157	Subject to performance criteria
6 Sep 2019	5,000,000	4 Dec 2023	\$0.00	Subject to performance criteria
6 Sep 2019	1,250,000	28 Feb 2021	\$0.182	Subject to performance criteria
Total	6,300,000			

The performance rights issued during the current reporting period were valued using the Black-Scholes option valuation methodology. Historical volatility at the time of issue has been used as the basis for determining expected share price volatility, as it is assumed that this is an indicator of future share price performance, which may not eventuate. A discount of 30% in respect of a lack of marketability has been applied to the Black-Scholes option valuation to reflect the non-negotiability and non-transferability of the unlisted performance rights granted.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 7 Share-Based Payments (continued)

(ii) Performance Rights (continued)

a) Performance rights granted, vested and lapsed during the year (continued)

During the reporting period the following performance rights vested:

Grant Date	No of Rights	Expiry Date	Fair Value per Right at Grant Date	Vesting
3 Sep 2018	1,000,000	30 Nov 2020	\$0.185	30 Nov 2019
6 Sep 2019	50,000	31 Dec 2020	\$0.157	6 Sep 2019
Total	1,050,000			

During the reporting period the following performance rights were exercised and converted to shares:

Grant Date	No of Rights	Expiry Date	Fair Value per Right at Grant Date	Vesting
29 Nov 2017	6,000,000	30 Nov 2019	\$0.720	Subject to various performance criteria
3 Sep 2018	1,000,000	31 Dec 2019	\$0.185	Subject to various performance criteria
15 Nov 2017	500,000	31 Dec 2020	\$0.205	Subject to various performance criteria
6 Sep 2019	50,000	31 Dec 2020	\$0.157	6 Sep 2019
Total	7,550,000			

During the reporting period no performance rights lapsed or were cancelled.

b) Performance rights on issue at balance date (continued)

The number of performance rights outstanding over unissued ordinary shares at 31 December 2019 is 17,750,000 as follows:

Grant Date	No of Rights	Expiry Date	Fair Value per Right at Grant Date	Vesting
03 Mar 2017	2,000,000	03 Mar 2020	\$0.720 ¹	Vested
03 Mar 2017	2,000,000	03 Mar 2021	\$0.720 ¹	Vested
03 Mar 2017	2,000,000	03 Mar 2022	\$0.720 ¹	Vested
15 Nov 2017	500,000	31 Dec 2020	\$0.205	Vested
3 Sep 2018	3,000,000	3 Sep 2021	\$0.185	Vested
3 Sep 2018	1,000,000	30 Nov 2020	\$0.185	Vested
3 Sep 2018	1,000,000	30 Nov 2020	\$0.185	Vested
6 Sep 2019	5,000,000	04 Dec 2023	\$0.00	Subject to performance criteria
6 Sep 2019	1,250,000	28 Feb 2021	\$0.182	Subject to performance criteria
Total	17,750,000			

c) Subsequent to balance date

Subsequent to the balance date and to the date of signing this report, no performance rights have been granted, vested, exercised or cancelled.

Notes to the Condensed Financial Statements
For the half year ended 31 December 2019

Note 8 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2019.

Note 9 Contingencies

There have been no material changes in contingent assets or liabilities since the signing of the audited 30 June 2019 financial statements.

Note 10 Events Occurring after the Balance Date

Other as shown below, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years:

- In January 2020, the Company signed a binding term sheet with Bearn LLC a US-based health, fitness and wellness company;
- In February 2020, the Company concluded the signing of all formal legal agreements with Fit Capital Ltd, which will see the Company's platform integrated into the multi-dimensional training *Stryde Fitness App*;
- In February 2020, the Company lodged an Appendix 3G in relation to the issue of 2,000,000 equity securities issued under the Company's Incentive Performance Rights Plan and 400,000 options issued under the Company's Incentive Option Plan.

Note 11 Commitments

There have been no material changes in operational or capital commitments since the signing of the audited 30 June 2019 financial statements.

Directors' Declaration

The Directors of MyFiziq Limited ("the Company") declare that:

- (a) the attached half-year financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the financial position as at 31 December 2019 and of the performance for the half year ended on that date of the Company.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Signed at Perth this 28th day of February 2020.



Vlado Bosanac
Executive Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MYFIZIQ LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of MyFiziq Limited (the company) which comprises the condensed statement of financial position as at 31 December 2019, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MyFiziq Limited is not in accordance with the Corporations Act 2001 including:-

- (a) giving a true and fair view of the company's financial position as at 31 December 2019, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which confirmed that the company incurred a net loss after tax of \$2,944,924 during the half year ended 31 December 2019. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the company does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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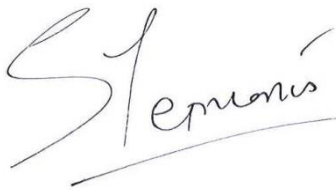
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of MyFiziq Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH



SIMON FERMANIS
PARTNER

28 FEBRUARY 2020
WEST PERTH
WESTERN AUSTRALIA