



## Shareholder Update – COVID 19

**MyFiziq Limited (ASX: MYQ) ("MyFiziq" or the "Company")** notes that, with the current world events and ongoing uncertainty around financial markets falling due to the COVID-19 pandemic, MyFiziq's share price has not been immune to negative impacts.

The board of directors of the Company ("**Board**") is aware of shareholder concerns and is grateful for the support we have had through these past weeks of volatility. Whilst the steep decline in the share price has been disappointing, it has not been disproportionate to other micro caps under the current market pressure and circumstances.

Despite the above, the Company has identified some real opportunities as a result of the current environment and has outlined below some guidance regarding the Company and its commercial activities.

1. **Increased business activity:** MyFiziq has not seen a decrease in business activity. On the contrary, we have seen an acceleration of existing implementations being brought forward as well as a large volume of new business enquiries. We are in a fortunate position that our business model and growth strategy span multiple industries and business verticals.

As we are a digital business, our product can be used in the comfort of an individual's home and our talented team of developers has come up with a new implementation solution which effectively reduces our time to market.

MyFiziq has experienced a surge in new business enquiries for access to the product suite from organizations in the health & fitness, home training, gym software, wellness and insurance space. MyFiziq is now in commercial discussions and product testing with five new potential partners across these verticals.

2. **Digital Fitness Space:** As shareholders would be aware, MyFiziq has already executed binding agreements with multiple partners in the digital fitness space. With gym closures mandatory in most jurisdictions around the world, many of these partners have stepped up their implementation timelines. The US alone has over 70 million people with gym or health facility memberships now looking for a way to stay active and maintain their health whilst unable to attend their usual facility. The digital fitness space has increased immensely due to gym and fitness centre closures, which are prominent through the media and social media platforms.

Online applications, such as **Nike Training Club app**, are now promoting "**Play Inside and Play for the World**". Three of our current partners (Stryde, Bearn and Fitocracy) have approached the Company requesting expedited integrations and releases and a fourth, Evolt, has completed its integration and is expecting to release imminently.

3. **Advancement in Apparel:** We are currently extending the ways our technology is measuring garments and people and will be entering the apparel sector. As there are so many different brands vying for market share, a distinguishing factor is how these brands cut and manufacture their garments, hence why a purchaser chooses Nike over Under Armor or the other way around. We have advanced our technology to not only measure according to online sizing charts but to, more importantly, code the measurement applied by the apparel agency specificity.

The clothing space is an obvious market for the Company. About 5 to 10 percent of in-store purchases are returned, however, that rises to 15 to 40 percent for online purchases (with clothing and shoes bought online typically have the highest rates with 30 to 40 percent returned). In the next several years, as e-commerce grows globally, it is estimated that the amount of returns is going to be over a trillion dollars a year. Many retailers end up throwing away over 25 percent of their



returns and that ends up being over multiple billions of dollars of goods that end up in landfills a year from returns, with this number on the rise<sup>1</sup>. The Company's technology can measure, in a highly accurate way, the dimensions of an individual and this has the potential to significantly reduce clothing returns, associated with ordering the wrong size or fit. Even a small reduction in returns could have a multi-billion-dollar impact on clothing returns annually.

4. **BCT opportunities:** MyFiziq's joint venture partner, BCT, has experienced the same increased activity as the Company. In discussions this week with current and new potential partners in the insurance sector, there has been a dramatic increase in telemedicine, health and life insurance enquiries.

With vast populations now caught within the confines of their own home, people requiring medical attention are reluctant to enter medical centres and hospitals with the fear of contracting the COVID-19 virus. Telemedicine is the best and most proficient way of dealing with people in the safety and privacy of their own home. Equally, insurers are in a not dissimilar quandary as people are looking to take up or increase their cover in both life and health insurance. With the inability to have potential policyholders have a physical check-up or in some cases have a nurse attend the applicant's premise, BCT offers a unique, cost-effective and accurate way for the insurers to understand the applicant's current physical condition. This is a powerful and time-effective solution which gives insurers and doctors a real understanding of a person's physical condition in a real-time remote consultation.

5. **Telemedicine and e-Health:** The current COVID-19 events have heightened the need for quality, reliable telemedicine applications. These applications emphasize and assist the impact of remote and effective consultation, delivering quality, cost-effective access to healthcare. Telemedicine applications also play an increasingly important role in health care under normal circumstances. The technology platform being developed by BCT is able to improve telemedicine applications by capturing real-time details of a patient's physical condition. This is pivotal in understanding chronic disease risk which is responsible for 75% of deaths each year. With the increased need for telemedicine applications as a result of the COVID-19 situation, BCT has had several new enquiries from developers of telemedicine solutions who are dedicated to achieving optimal patient care and outcomes.
6. **Scalable Solution:** Our product design and operating environments have been built to be a cost-effective and highly scalable solution. We stand at the ready to process 4.8 million users an hour without any required changes to our system or environments. With current activity, we expect to be live in 4 – 5 partner applications in the next 45-60 days giving our customers a highly accurate, convenient, cost-effective and easy to use solution in the palm of their hands. This extension of engagement and communication of outcomes will assist greatly under the current global circumstances.

**Vlado Bosanac Group CEO said:**

"The team at MyFiziq is deeply concerned about the COVID-19 situation for the health and well-being of the community. However, the resulting increased demand for MyFiziq's, and BCT's, technology solutions should result in accelerated launch timetables for existing partners and a number of new engagements for both MyFiziq and BCT. This will ultimately lead to earlier revenue generation from our partner engagements than previously expected.

We will work closely with our partners to meet these requests and are aiming to have 4 – 5 of these applications out in the coming months. To accommodate this, the MyFiziq team has engineered a solution to accelerate these requirements. This solution is cloud-based and will see partners have an ability to integrate directly into the MyFiziq SDK's through the Amazon cloud. Once connected, the MyFiziq code base will

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<sup>1</sup> <https://www.cnn.com/2019/01/10/growing-online-sales-means-more-returns-and-trash-for-landfills.html>.



recognize the partner's unique user ID allowing entry. The MyFiziq solution will populate the partner's user interface with the individual colour coding and screen designs specified by the partner. It will look and feel as though the user is still in the partner application. Importantly, this solution will meet all personal data requirements and encryption for absolute privacy to the user. The new MyFiziq solution can be implemented in under 30 days – which is almost twice as fast as previous integrations.

In addition to this, MyFiziq and Evolt are working on the imminent release of the Evolt application. We hope to inform shareholders shortly on this release and its availability to them.”

We look forward to giving shareholders more detail on commercial launches and new partners in the coming weeks.

#### **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 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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