



MyFiziq to take majority stake in Body Composition Technologies Pte Ltd

Highlights

- **MyFiziq to participate in BCT current funding round to move to a majority shareholding in BCT upon conversion.**
- **JV partner, Gold Quay, to fund a further \$1.25m into BCT.**
- **BCT well advance with its technology solution having commenced commercial release.**

MyFiziq Limited (ASX: MYQ) (MyFiziq) is pleased to update shareholders with the following information regarding its joint venture with Body Composition Technologies Pte Ltd (**BCT**).

With MyFiziq's support, BCT has undertaken a capital raising by way of convertible note to inject a total of \$1.92m into the company. Under the terms of the raising, MyFiziq will participate in the amount of \$670,833.33, which will increase MyFiziq's shareholding in BCT, upon conversion, to a majority stake of 54.5% in BCT (on a fully diluted basis).

The balance of the BCT convertible note raising is being taken up in full by Gold Quay Capital Pte LTD.

Overview of Joint Venture – Body Composition Technologies Pte Ltd

In June 2017, MyFiziq signed an incorporated joint venture agreement (**JV Agreement**) with Gold Quay Capital Pte Ltd (**Gold Quay**) in Singapore to form the following new joint venture companies: Body Composition Technologies (BCT) registered in Singapore (Pte Ltd) and Australia (Pty Ltd) as the investment vehicles and structure for the joint venture, both Internationally and in Australia.

Under the terms of the JV Agreement, Gold Quay agreed to fund BCT for a total of \$5m in new equity funding. This funding was to be allocated to the development of the MyFiziq technology for BCT in the insurance and medical sectors under the terms of an exclusive license from MyFiziq. As part of this \$5m of funding, MyFiziq was to be paid \$2m as a license fee for the use of the MyFiziq technology under the exclusive license in 2 payment stages, an initial \$1.5m at the first closing of a \$3.5m equity raising by BCT and a further \$500,000 balance upon the completion of a subsequent \$1.5m equity raising by BCT.

In addition, MyFiziq was granted an anti-dilution shareholding in BCT of 50% ownership until an amount of greater than \$5m was raised in direct equity into BCT (**Anti-Dilution Right**).

A total of circa \$4.3m in equity has been raised to date into BCT.



Variation to JV Agreement

MyFiziq and Gold Quay have agreed to vary the JV Agreement to provide for the following:

- (a) MyFiziq will be participating in a new fundraising by BCT, by way of convertible notes, to raise a total of \$1.92m for BCT. Of this amount, MyFiziq will be subscribing for new convertible notes in BCT to the value of \$670,833.33;
- (b) the above participation by MyFiziq will increase its holding, on conversion of the convertible notes, to 54.5% of BCT (on a fully diluted basis);
- (c) Gold Quay will be participating in the convertible note raising by subscribing for the balance of the funding round for \$1.250m; and
- (d) the parties have agreed to increase the Anti-Dilution Right threshold from \$5 million to \$6 million.

Additional terms under the agreement are as follows.

Summary of Material Terms of BCT Convertible Notes:

Item	Summary/Details
Parties	MyFiziq Limited Body Composition Technologies Pte Ltd
Convertible Note	\$1.00 face value
Term	2 years
Interest Rate	2.5% per annum
Conversion Right	At any time during the 2 years
Security	Unsecured
Amount	\$670,833.33
Governing Law	Singapore

Update on BCT's business and operations

BCT is continuing to work with MyFiziq to further develop and commercialize the application for the medical and insurance sectors, allowing an up to date record of the patient's body shape and body composition to be directly available to the participant and to their medical practitioner's or insurer's records.



BCT has deployed its first commercial partner in Hong Kong with The CareVoice as previously disclosed to the ASX by MyFiziq. This release is the first BCT platform using the MyFiziq body shape and circumference system and will soon be enhanced with our new total body fat capabilities. The primary goal is for this technology to replace out of date Body Mass Index (BMI) as a measure of an individual's body composition for the medical, health and life insurance sectors.

BCT has advanced its capabilities significantly over the past 3 years, with the addition of risk indication calculations and chronic disease identification, total body fat and the adoption of World Health Organisation and International Diabetes Federation parameters. These measures have been adapted and embedded into the process of evaluation within the platform.

Access to BCT's technology and these early indicators of risk will enable insurers and healthcare providers a more accurate understanding of how their policy holders are trending with their body weight and composition, which directly correlates to their management and risk of developing chronic health conditions. BCT has continued advancing commercial activities with over 150 Healthcare and insurance providers engaged in commercial discussions, application evaluation and testing.

Additional payments due to MyFiziq

MyFiziq remains in a strong cash position. With further revenue now due from the BCT joint venture being a license fee payment of \$200,000 and a further \$250,000 in development services performed by MyFiziq. These funds are expected to be received from BCT no later than Friday 24th July 2020.

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

"With board support, it was agreed that taking a majority stake in BCT was strategically an advantage and well positioned for both companies whilst firming up BCT's balance sheet. Additionally, with our current NASDAQ initiative, I believe this will be well received by US investors and potentially a catalyst for an increase in our NASDAQ valuation. The terms we have negotiated are favourable as we are investing at the same valuation the original Gold Quay investors invested some 3 years ago.

Furthermore, the increase to \$6,000,000 on the anti-dilution position for MYQ is a very positive outcome, further protecting our interest in BCT and its growth. MyFiziq has also retained the right to participate in future capital raisings to maintain our stake in BCT."

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

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About MyFiziq:

MyFiziq has developed and patented a proprietary dimensioning technology that enables its users to check, track, and assess their dimension using only a smartphone privately and accurately.

Our goal is to assist our partners by empowering their consumers with this capability. This in return gives our partners the ability to assess, assist, and communicate outcomes with their consumers when navigating day to day life. Whether this is a personal journey to better health, understanding the risk associated with

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their physical condition, tracking the changes they are experiencing through training, dieting, or under medical regimes. or simply wanting to be correctly sized for a garment when shopping online. The MyFiziq technology delivers this seamlessly, privately, and cost-effectively in under one minute.

Our partner benefits from our (SAAS) Software as a service pricing solution, that reduces with scale. Integration is made easy with the MyFiziq modular system, based on multiple (SDK's) software development kits, allowing a partner to select the functions, measurements, and displays to suit their individual needs.

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 unrivaled in the industry. MyFiziq simplifies the collection of measurements and removes the human error present in traditional methods.

For more information please visit: www.myfiziq.com

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