ASX Release
30 October 2020

ASX Code: MYQ

ABN 85 602 111 115

Corporate Structure
Issued Capital: ~119M
Options Issued: ~16.36M
Perform Rights: ~15.75M
Share price: $1.035 (29 Oct '20)

CORPORATE DIRECTORY

Non-Executive Directors
Peter Wall (Chairman)
Mike Melby
Nick Prosser
Dato Low Koon Poh

Chief Executive Officer
Vlado Bosanac

Company Secretary & Chief Financial Officer
Steven Richards

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myfiziq.com

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MyFiziq in a strong cash flow position as cash receipts surge 1634%

MyFiziq Limited (ASX: MYQ) (MyFiziq or **Company)** is pleased to release its Appendix 4C and to provide its shareholders with an update on its activities for the quarter ending 30 September 2020.

HIGHLIGHTS

- Cash received from customers increases to $659k, which represents a 1634% improvement on last year.
- Cash expenditure reduced from $1,182k last year to $999k in the current quarter, which represents a $183k decrease in spend (15% improvement).
- Net cash used in operating activities is $310k, compared to $1,145k last year, which represents a $73% improvement in operational performance.
- Both the Evolt Active and Bearn applications successfully launched, with a further three (3) product launches planned for the second quarter.
- The Company received A$1.29 million from Asia Cornerstone Asset Management by way of convertible note during the quarter and completed a $5 million placement on 19 October 2020.
- MyFiziq also made an investment in the amount of $671k in its joint venture partner, BCT, which will ultimately lead to the Company taking a majority stake in the business and consolidate its revenue and other financials in future.[1]
- After quarter-end, the Company signed a material agreement with Nexus-Vita, with a minimum guaranteed revenue of USD$3,588,000 per annum from the date of launch (as announced to the ASX on 6 October 2020),
- Furthermore, MyFiziq received a $784k R&D tax incentive form the ATO, the Company's largest claim to date.

[1] = as BCT have not yet started generating revenue, there is no immediate financial impact.

Vlado Bosanac, Chief Executive Officer of MyFiziq said:

"The Company has had a very strong end to the 2019/2020 financial year with strong performance in the closing quarter. The increase in cash received from operating activities, coupled with the completion of the $5,000,000 capital placement with Evolution Capital Partners has put the Company in a strong cash position. I am equally pleased with the performance of the share price and the rewards this brings to our shareholders.

Furthermore, the increase in transaction activity that the Company has experienced over the past few months has culminated in the signing of a number of significant partnerships, namely that of Biomorphik, Nexus-Vita Pte Ltd ("Nexus-Vita") and JayEx Healthcare. The Nexus-Vita agreement provides for USD$3,588,000 in annual revenue guaranteed, which comfortably covers our current cash burn from operating activities.

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Both the Evolt Active and Bearn applications have now been successfully launched and the stage is now set for our partners to roll out their respective marketing campaigns, which we anticipate will happen over the coming quarter.

On 9 October 2020, MyFiziq announced the appointment of Ladenburg Thalmann & Co. Inc. as lead underwriter to the potential NASDAQ listing of the Company, as interest in our technology continues to surge on a globally, particularly in the US.

IMPACT OF COVID-19

As mentioned in the 'End of Financial Year Business Update' (announced on the ASX platform on 29 June 2020), MyFiziq has remained on task and accelerated integrations notwithstanding the global pandemic which is affecting so many organizations and financial markets. The positive cash flow result produced for this current quarter provides evidence that Company has been able to withstand the financial pressures of COVID-19, whilst at the same time gearing itself for further growth.

UPDATE ON PRODUCT LAUNCHES

The Bearn application was launched on the Apple App store and on Google Play Store on 24 August 2020 following a phased approach to its pre-registered users (refer to the 'Update to the Bearn Application' announcement on 25 August 2020). The benefit of such a phased approach is that it allows our partner to attend to any issues prior to the larger marketing push. It is expected that Bearn will implement their marketing plan by the end of the second quarter. We can then track the customer engagement metrics in a more meaningful manner.

Similarly, the Evolt Active Application launched during the previous quarter. At this point, we anticipate that Evolt will launch its marketing campaign by the end of the second quarter.

Next quarter Planned Activity:

Our developers are currently engaged in the implementation of the following apps, which are expected to be launched by the end of the 2020 calendar year:

- Biomorphik
- McGregor FAST
- Boditrax UK

The following applications are scheduled for launch next year (third quarter): Nexus-Vita, JayEx Healthcare, Wellteq, Mayweather and Fitocracy.

CASHFLOW UPDATE

At the date of this report, the Company is in a strong cash position with cash receipts from customers for the quarter up 1634% from last year. Operating cash expenditure is slowly returning to pre-COVID levels, however expenses for the quarter still reflects a 15% improvement on last year. This is a pleasing result, demonstrating the Company has contained spending whilst in a growth phase. Additionally, the Company completed a $5,000,000 placement with Evolution Capital Partners in October to further strengthen its financial position. More details on the results for the quarter are as follows:

Cash flow from operations:

Net cash used in operating activities is $310k for the quarter, which is a 73% improvement on last year and a 54% improvement on the average of the previous four (4) quarters. As Table 1 below suggests, the Company received $659k from customers and partners during the current quarter, which represents a 1634% improvement on last year and is reflective of the growth the Company is experiencing at present. This is a pleasing result for the Company given the challenges faced by many of our suppliers in the current economy.

Regarding expenditure, the average operating cash expenditure for the prior four (4) quarters, is $1,039k (which is the average of $1,182k and $1,332k, $1,054k and $586k), whilst the operating cash expenditure for the current

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quarter is $999k, which represents a 15% reduction in expenses for the quarter compared to last year, and a 4% reduction in expenses compared to the average of the previous four (4) quarters.

Line Item per Published Appendix 4C	Sept'19 QTR $'000*	Average of the Previous 4 QTRs $'000*	Sept'20 QTR $ '000*	Improvement on Sept'19 QTR %	Improvement on the Average of the Previous 4 QTRs %
1.1 Cash receipts from customers	38	192	659	**1634% improvement**	**244% improvement**
1.2 Operating cash expenditure	(1,182)	(1,039)	(999)	**15% improvement**	**4% improvement**
1.9 Net cash from (used in) operating activities	**(1,145)**	**(675)**	**(310)**	**73% improvement**	**54% improvement**

Table 1. Cash flow summary by quarter

As Figure 1 illustrates, the Company is experiencing an upward trend from cash received through operating activities, with spending levels yet to reach pre-COVID levels. Overall, this is a great result considering the Company is in a growth phase, whilst increasing staff numbers along with the expenditure on the US NASDAQ initiative.

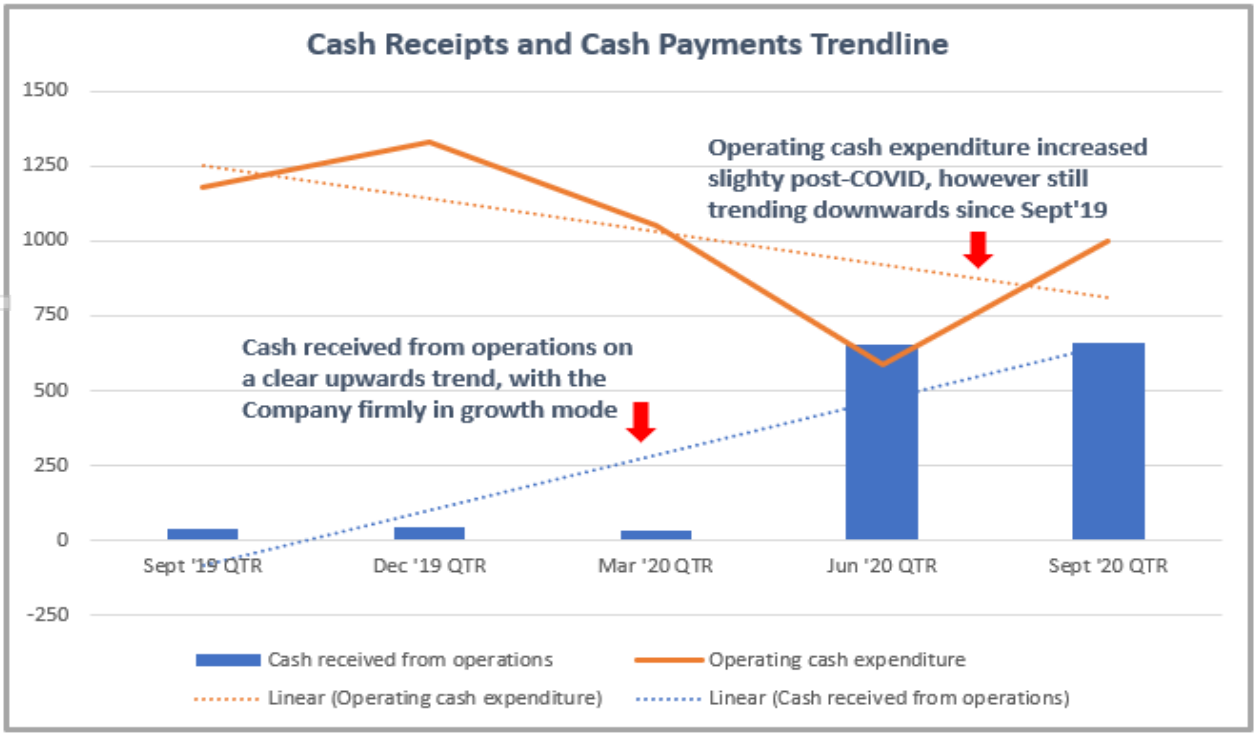


Figure 1. Cash receipts and cash payments trendline

* - all currency in AUD, unless stated otherwise

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Cash flow from investing activities:

During the quarter, the Company's joint venture partner Body Composition Technologies Pte Ltd ("BCT") undertook a $1.92m capital raising by way of convertible note. MyFiziq participated in the raising, by making an investment in the amount of $671k which will allow the Company to take a majority stake in BCT.

Although BCT has not yet started generating revenue, taking a majority stake provides the Company with a strategic advantage in that it will result in the consolidation of additional revenue in future (not guaranteed). Additionally, with the Company's current NASDAQ initiative, having a controlling interest in BCT is likely to be viewed in favourable light by US investors and potentially a catalyst for an increase in the Company's NASDAQ valuation.

Cash flow from financing activities:

In addition to the significant improvement made to the operating results, during the quarter the Company also received A$1.29 million from Asia Cornerstone Asset Management ("ACAM") for the second and third tranche of the convertible note agreement ("Agreement") which was announced on 1 June 2020. The final tranche of USD$375,000 was received after quarter-end under a deed of variation with ACAM allowing iConcept Global Growth Fund (as announced on 16 October 2020) to participate in the companies US Funding. The full USD$1.5 million in funds has now been received under the terms of the Agreement.

Use of funds:

During the current quarter, a total of $1.95 million in cash inflows had been received from the operating and financing activities mentioned above. The $5,000,000 placement that was settled after quarter-end (refer to the ASX announcement on 14 October 2020), makes a material improvement to the Company's balance sheet at the date of this report.

A strong balance sheet with sufficient cash reserves provides the Company with the ideal platform to implement and accelerate its growth objectives. This includes being able to expand the Company's organisational capabilities, as well as being able to assist partners in expediting their go-to-market timelines.

Further improvements post-September 2020:

After the quarter-end, the Company received $192k in revenue for works carried out on partner builds and integrations. In addition, further to the ASX announcement on 16 October 2020, the Company received $784,412 for its 2020 research and development tax incentive claim ("R&D"). The R&D funds received this year is the largest refund received to date and testimony to the Company's commitment to innovation and product improvement.

In October 2020, the Company signed a material agreement with Nexus-Vita Pte Ltd ("Nexus-Vita"), a Singapore-based health monitoring and management technology company. Under the terms of the agreement, Nexus-Vita will pay MyFiziq a minimum guaranteed revenue of USD$3,588,000 in the first year of launch, which is likely to have a significant positive impact on cash flow in the near future (refer to the ASX announcement on 6 October 2020).

On 9 October 2020, the Company announced that it had engaged Ladenburg Thalmann & Co. Inc. as lead underwriter to its proposed NASDAQ IPO.

Steven Richards, Chief Financial Officer of MyFiziq said:

"The MyFiziq business model is taking shape and is widely accepted by our signed partners. Importantly, the Company is in an even stronger financial position now to empower its partners with assistance in their marketing efforts to their pre-existing customers.

With $6.5 million cash at bank, growth in cash receipts of 1634% for the quarter and potential revenue to look forward to from all the go-lives planned over the next six months, the business is well-positioned to focus on growing revenue and enhancing the value delivered to shareholders.

I have spent significant time developing the Company's forecasts based on our current signed partners ability to expose the technology to hundreds of millions of potential users. Whilst we are unable to influence the uptake, I am pleased to say the model is based on very low single digit penetration and reflects a very positive outcome for MyFiziq. As CFO, I look forward to sharing this with our shareholders as soon as we get better clarity on uptake and churn."

RELATED PARTY TRANSACTIONS

During the quarter, the Company made the following payments under Item 1 of the attached Appendix4C:

Directors fees, under a contract for services:	($26k)
Legal fees paid to Steinepreis Paganin:	($11k)
Total related party payments under Item 1:	($37k)

The related party payments have been made under Item 2 of the attached Appendix 4C:

Investment to attain a majority stake in a joint venture partner (BCT):	($671k)
Less: cash received a joint venture partner (BCT) to settle a loan in full:	$69k
Total related party payments under Item 2:	($602k)

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:

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 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.

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ASX Release
30 October 2020

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

For more information please visit: www.myfiziq.com

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Appendix 4C

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

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Name of entity	
MyFiziq Limited	
ABN	**Quarter ended ("current quarter")**
85 602 111 115	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	659	659
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(7)	(7)
	(d) leased assets	-	-
	(e) staff costs	(381)	(381)
	(f) administration and corporate costs	(611)	(611)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(25)	(25)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	55	55
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(310)**	**(310)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities (Investment in joint venture partner, Body Composition Technologies Pte Ltd)	(671)	(671)
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(1)
	(d) investments	-	-
	(e) intellectual property	(13)	(13)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets	-	-
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	69	69
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(616)**	**(616)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	1,291	1,291
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(79)	(79)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(265)	(265)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**947**	**947**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	627	627
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(310)	(310)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(616)	(616)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	947	947
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**648**	**648**

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	648	627
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**648**	**627**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(37)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(602)

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.

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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	600	600
7.2	Credit standby arrangements	-	-
7.3	Other - Convertible note: Asia Cornerstone Asset Management	2,110	1,583
7.4	**Total financing facilities**	2,710	2,183
7.5	**Unused financing facilities available at quarter end**		527

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.

7.1 LOAN FACILITIES

Facility amount: $600,000

Lender: R&D Capital Partners Pty Ltd, for an advance of up to 80% of the Company's anticipated 2020 R&D tax rebate.

Term: No principal payments are to be made until the repayment date, being the earlier of:

- the Borrower receiving its 2020 tax refund from the ATO.
- or 31 October 2020.

Interest rate: 1.5% per month

Establishment fee: $4,500

Primary security interest: Secured by a lien on the Company's 2020 R&D tax refund.

7.3 OTHER – CONVERTIBLE NOTE: ASIA CORNERSTONE ASSET MANAGEMENT

Funding amount: USD$1.5 million or AUD$2.17 million, in four (4) separate tranches* (outline below)

Interest rate: 10% per annum

Other terms:

- The funding has a mandatory conversion upon a successful NASDAQ listing.
- On conversion, ACAM will be issued shares in the NASDAQ listed company at the greater of US$1.00 and a 25% discount to the price at which the Company issues shares in conjunction with the listing.
- In the event MyFiziq is not successful in attaining a listing on the NASDAQ on or prior to 30 June 2021, MyFiziq will have an additional 6 months to repay the capital.
- The note is not secured.

***Tranches**

- Tranche 1 USD$225,000 – Received June 2020.
- Tranche 2 USD$450,000 – Received July 2020.
- Tranche 3 USD$450,000 – Received July 2020.
- Tranche 4 USD$375,000 – Received October 2020.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(310)
8.2	Cash and cash equivalents at quarter end (item 4.6)	648
8.3	Unused finance facilities available at quarter end (item 7.5)	527
8.4	Total available funding (item 8.2 + item 8.3)	1,175
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.79

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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: N/a

8.6.2 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: N/a

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

Answer: N/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: ……30 October 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.

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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.

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