



ASX Code: MYQ

ABN 85 602 111 115

Corporate Structure

Issued Capital: ~128M

Options Issued: ~13.06M

Perform Rights: ~22.15M

Share price: \$1.13 (29 Jan '21)

CORPORATE DIRECTORY

Non-Executive Directors

Mike Melby

Nick Prosser

Dato Low Koon Poh

Executive Chairman and Chief Executive Officer

Vlado Bosanac

Company Secretary
& Chief Financial Officer
Steven Richards

CONTACT DETAILS

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A productive quarter for MyFiziq as cash receipts continue to surge.

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 31 December 2020.

HIGHLIGHTS

- Cash received from customers increases to \$456k, which represents a 986% improvement on last year.
- \$6.692 million received in cash flows from financing activities, \$456k received from customers and \$797k received by way of government grants and taxes. In total, \$7.945 million received during the current quarter.
- Cash expenditure increased from \$1,332k last year to \$2,071k in the current quarter. However, after adjusting for once-off items, cash expenditure reduces to \$1,372k, which represents a 3% increase in spend on last year on a like-for-like basis.
- Net cash used for the quarter, after adjusting for once-off items, net cash used in operating activities reduces to \$148k, which represents a 76% improvement on last year on a like-for-like basis.
- The Biomorphik application successfully launched on 5 January 2021, with a number of other product launches expected from our partners in 2021.
- The Company agreed terms with Triage Technologies Inc. to implement their AI “health assistant” technology within MyFiziq’s *CompleteScan* SaaS offering, with the Company now developing a revolutionary multi-scan solution.
- MyFiziq’s multi-scan solution comprises BodyScan, FaceScan and DermaScan to be implemented shortly, all accessible and contained on a single platform.

Vlado Bosanac, Chief Executive Officer of MyFiziq said:

“The Company has had a very productive start to the 2020/2021 financial year, with a number of important transactions entered into throughout the second quarter. The \$456k increase in cash received from customers, coupled with the completion of the \$5 million capital placement with Evolution Capital Partners, has put the Company in a strong cash position.

The increase in the Company’s cash reserves has paved the way for the execution of two very important and strategic agreements, namely the strategic investment in Triage Technologies Inc, and the funding arrangement entered with Bearn, LLC, details to follow.

After quarter-end, the Company signed a \$500k joint marketing and expansion funding agreement with Bearn LLC to expand the volume capability on their platform and execute its marketing strategy. Under the agreement, Bearn is targeting 1,000,000 monthly active users within a 12-month period.

As many of our shareholders may know, over the past few months I have been developing a multiplatform strategy for MyFiziq. The Triage technology brings a complementary offering to our *CompleteScan* platform.

On the Corporate front, we remain on track with our NASDAQ initiatives, firmly supported by strong share price performance. In addition, three of our partners are now 'live' and commencing on their own marketing and delivery of our technology. We are certainly well-poised for a period of potential growth."

IMPACT OF COVID-19

The positive cash inflows produced this quarter provides evidence that Company has been able to withstand the financial pressures of COVID-19, whilst at the same time growing the business and demonstrating further value to the shareholder with share price accretion. Some of our US-based partners have had to overcome challenges associated with the ongoing pandemic, which understandably has caused temporary delays in the launch of their respective apps. As with Bearn, we will support the development if needed and assist them in taking our technology to the masses when appropriate.

UPDATE ON PRODUCT LAUNCHES

The Biomorphik application was launched on the Apple App and Google Play stores on 5 January 2021. The initial app release is for both Android and iOS users in Australia, with South East Asia to follow by the end of Q1, 2021.

In line with the initial release, Biomorphik has commenced with a comprehensive B2C marketing strategy, to draw users to the new platform with the first stage allowing people to monitor their bodies closely and pre-empt issues before they become prohibitive to the user's health.

On the product development side, the Company announced to ASX on 3 December 2020 that it had signed an agreement with Triage Technologies ("Triage"). Triage has developed the world's most advanced dermatological AI system, which can accurately identify skin conditions from a photo in a matter of seconds. The Triage technology is complementary to the Company's current *CompleteScan* SAAS offering, with the Company now working towards the development of a new multi-scan solution, comprising of BodyScan, FaceScan and DermaScan:

SOLUTION

CompleteScan.


A multi-scan solution comprising of BodyScan, FaceScan, and DermaScan – unlocking a multitude of biometric markers and risks.

CompleteScan by
MYFIZIQ

+ Fitness + mHealth + Life/Health Insurance


Your Body, Unlocked

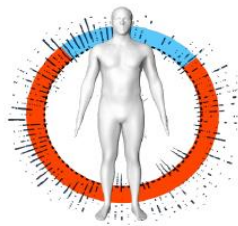
- ★ **Combined Data:** With multiple scans, data can be collected and be used to unlock new data layers
- ★ **Full spectrum care:** Covering cardiovascular, dermatology and chronic disease identification and prevention.
- ★ **Flexible:** Each scan can be implemented separately for powerful lead generation, and new funnels of data collection
- ★ **Extend:** Connect results to 3rd parties



SCAN ME

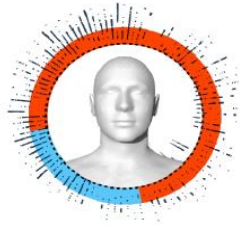
PLATFORMS





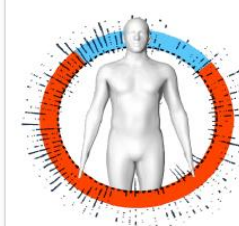
BodyScan

Body circumference, body composition, health indicators, health risks.



FaceScan

Unlock vital signs, health indicators, health risks.



DermaScan

Skin disease detection for over 500 skin conditions.

The Evolt Active App (“Evolt”), which launched last year, is performing in accordance with early-stage expectations. We are expecting Evolt to commence with its marketing activities over the upcoming quarter.

Next Quarter Planned Activity:

The following apps are expected to be launched in the next quarter:

- Truconnect (The Original Fit Factory Ltd)
- Jayex Healthcare
- McGregor FAST
- Nexus-Vita

In terms of our current “live” partners, in January 2021, the Company entered into a USD\$500k joint marketing and expansion funding agreement with Bearn LLC (“Bearn”). Under the terms of the agreement, Bearn will use the funds for marketing and to expand their current platform so that it can facilitate an increase in anticipated volume. Bearn will be targeting 1,000,000 monthly users, in accordance with the announcement to ASX on 22 January 2021.

CASHFLOW UPDATE

The Company ended the quarter in a strong cash position with cash receipts from customers for the quarter up significantly from last year. Operating cash expenditure has now returned to pre-COVID levels, leaving the Company’s net cash used (cash burn) for the quarter under \$850k and well under control. Details on the operational results for the quarter are as follows:

Cash flow from operations:

Line Item per Published Appendix 4C	Dec '19 QTR \$'000*	Average of the Previous 4 QTRs \$'000*	Dec '20 QTR \$ '000*	Change on Dec '19 QTR %	Change on the Average of the Previous 4 QTRs %	ADJUSTED ¹ (Pro forma) Dec '20 QTR \$ '000*	ADJUSTED ¹ Change on Dec '19 QTR %
1.1 Cash receipts from customers	42	347	456	986% improvement	32% improvement	456	986% improvement
1.2 Operating cash expenditure	(1,332)	(993)	(2,071)	55% increase in spend	109% increase in spend	(1,372) ^B	3% increase in spend
1.9 Net cash from (used in) operating activities	(625)	(466)	(847) ^A	36% increase in net operating spend	82% increase in net operating spend	(148)	76% improvement

Table 1. Cash flow summary by quarter

* - currency in AUD, unless stated otherwise.

Net cash used in operating activities was \$847k for the quarter, compared to \$625k achieved last year and an average of \$466k achieved over the previous four (4) quarters. As Table 1 above suggests, the Company received \$456k from customers and partners during the current quarter, which represents a 986% improvement on last year.

The Company also received \$797k in government grants and tax incentives, which includes an R&D incentive of \$784k, the largest R&D incentive received to date. Regarding expenditure, the average operating cash expenditure for the prior four (4) quarters, is \$993k (which is the average of \$1,332k and \$1,054k, \$586k and \$999k), which represents a 109% increase in expenses compared to the average of the previous four (4) quarters.

The operating cash expenditure for the current quarter is \$2,071k, which represents a 55% increase in expenses for the quarter compared to last year. The main drivers behind the increase are additional payments made in relation to the NASDAQ IPO, extraordinary legal and patent expenses related to protection of the Company's intellectual property and additional payments made to the ATO following previous COVID relief, as follows:

¹ Adjusted Dec '20 QTR	Dec '20 QTR \$ '000
Operating cash expenditure	2,071
Less: Once-off items	
NASDAQ IPO prepaid expenditure	198
Patent/ legal fees	130
Taxes	<u>371</u>
	699 ^C
Adjusted operating cash expenditure	<u>1,372^B</u> [3% increase on Dec '19]
Adjusted net cash used in operating activities	<u>(148)</u> [\$847k ^A – \$699k ^C]

As per the calculation above, when we adjust for once-off and extraordinary items, operating cash expenditure reduces \$1,372k representing only a 3% increase in spend compared to last year:

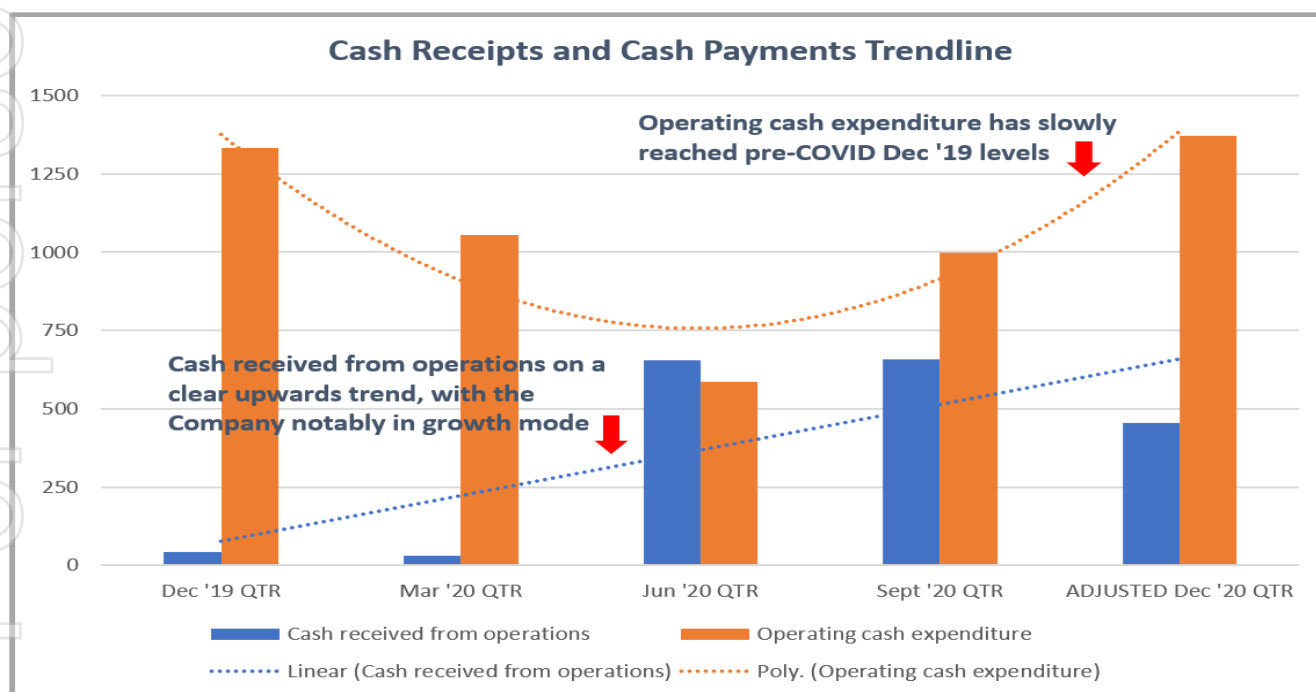


Figure 1. Cash receipts and cash payments trendline

¹The adjusted Dec '20 QTR figures produced in this calculation have been produced for illustrative and commentary purposes only.

As Figure 1 illustrates, the Company is experiencing an upward trend in cash receipts from customers, and on the expense side, spending levels having now reached pre-COVID levels. This is a great result overall considering the Company is currently experiencing a period of dynamic growth.

Cash flow from investing activities:

During the quarter, the Company signed a binding term sheet (“Triage Agreement”) with Canadian based Triage Technologies Inc. (“Triage”), as announced on the ASX platform on 3 December 2020. Triage has developed the world’s most advanced dermatological AI system which can accurately identify skin conditions from a photo in a matter of seconds. The Agreement will see the MyFiziq take a strategic equity stake in Triage and licence use of the Triage AI health assistant technology for integration into the Company’s *CompleteScan* SaaS offering.

Under the terms of the Triage Agreement, MyFiziq will invest a total of up to USD\$6 million into Triage, being USD\$3 million in cash and USD\$3 million in equity (MyFiziq ordinary shares). The USD\$3 million cash investment will be made in equal instalments over a fourteen (14) month period, with the first USD\$500k (AUD\$672k) payment made in current quarter.

Cash flow from financing activities:

As mentioned previously, during the quarter, the Company completed a \$5 million capital raise with sophisticated and institutional investors to significantly improve its cash flow position (as announced to ASX on 14 October 2020).

Additionally, the Company received A\$531k (USD\$375k) from iConcept Global Growth Fund (as nominee of Asia Cornerstone Asset Management) for the final tranche of the convertible note agreement which was announced to ASX on 1 June 2020 (and subsequently on 16 October 2020). The Company also received \$1.161 million in relation to options being exercised, or to be exercised, which means that \$6.692 million was received by the Company overall from financing activities.

Use of funds:

As highlighted above, a total of \$6.692 million in cash inflows had been received from financing activities during the quarter. With the additional inflow of funds received from ‘Cash flow from operations’ as highlighted above, the Company received \$7.945 million in total, which has made a material improvement to the Company’s balance sheet at the date of this report.

A stronger balance sheet, with sufficient cash reserves, has put the Company in a position to settle \$631k in borrowings (which includes the \$600k advance secured by the Company’s R&D activities) and it made the \$672k investment in Triage referred to earlier possible. It also provides the ideal platform for the Company to implement and accelerate its growth objectives, which includes being able to expand the Company’s organisational capabilities, as well as being able to assist partners in expediting their go-to-market strategies. The USD\$500k Bearn Agreement referred to earlier is a good example of this, as it is anticipated that funds will flow back to the business by way of revenue.

Steven Richards, Chief Financial Officer of MyFiziq said:

“Relative to my expectations, I am very pleased with the financial health of the business given that we closed the quarter with \$4.8 million cash at bank, experienced growth in cash receipts of 986% and we now have the potential to generate revenue from a new wave of partners courtesy of our multiplatform strategy.

Our ability to generate cash inflows from a variety of sources is quite significant, as it not only enables the execution of many of our strategic initiatives, but also allows the Company to scale in a sustained and controlled manner.”



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: (\$56k)
Total related party payments under Item 1: (\$82k)

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 partners benefit 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.

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

For more information please visit: www.myfiziq.com

For more information contact:

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Appendix 4C

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

Name of entity

MyFiziq Limited

ABN

85 602 111 115

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	456	1,115
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(22)	(29)
(d) leased assets	-	-
(e) staff costs	(1,220)	(1,601)
(f) administration and corporate costs	(829)	(1,440)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(29)	(54)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	797	852
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(847)	(1,157)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities (investment in Triage Technologies Inc.)	(672)	(1,343)
(b) businesses	-	-
(c) property, plant and equipment	(4)	(5)
(d) investments	-	-
(e) intellectual property	(29)	(42)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(705)	(1,321)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
3.2	Proceeds from issue of convertible debt securities	531	1,822
3.3	Proceeds from exercise of options	986	986
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(341)	(420)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(631)	(896)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Call Option Control Account)	175	175
3.10	Net cash from / (used in) financing activities	5,720	6,667

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	648	627
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(847)	(1,157)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(705)	(1,321)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,720	6,667
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,816	4,816

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	4,816	648
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)	4,816	648

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	(82)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other - Convertible note: Asia Cornerstone Asset Management	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(847)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,816
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,816
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.69
<i>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.</i>	
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	
<i>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.</i>	

Compliance statement

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

Date:29 January 2021.....

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

Notes

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