MYFIZIQ LIMITED
ABN 85 602 111 115

PRELIMINARY FINAL REPORT

For the Financial Year Ended 30 June 2019
(Incorporating information pursuant to ASX listing rule 4.3A)

1. Details of the reporting period

Name of entity:	**MYFIZIQ LIMITED**
ABN:	**85 602 111 115**
Current Reporting Period	**30 June 2019**
Previous Reporting period	**30 June 2018**

2. Results for announcement to the market

Financial Results	Result $	Increase / (Decrease) $	Increase / (Decrease) %
Revenues from continuing activities [1]	898,556	(1,182,863)	(56.8%)
Loss from continuing activities after tax attributable to members [2]	(4,357,162)	(9,562,306)	(68.7%)
Net loss for the period attributable to members	(4,357,162)	(9,562,306)	(68.7%)

[1] Previous year includes $1.5m licence fee revenue whereas no licence fee revenue was received in the current financial year. This was offset by higher joint venture income received in the current year.

[2] Current year includes approx $10.7m reduction in share-based payments from the previous year.

3. Dividends

Dividends	Amount per security	Franked amount per security
Final dividend proposed	Nil	n/a
Interim dividend	Nil	n/a
Record date for determining entitlement to the dividend (if any)	n/a	n/a

4. Net tangible asset backing

	2019	2018
NTA Backing		
Net tangible asset backing per ordinary share on issue (cents)	(1.0c)	(1.1c)

5. Control gained over entities

No control gained over entities in the current period.

6. Loss of control over entities

No loss of control over entities in the current period.

7. Details of associates and joint venture entities

Joint venture entities:

The Company has a 50% holding in the Joint Venture entity Body Composition Technologies Pte Limited, a company incorporated in Singapore. Refer to Note 19 of the Preliminary Financial Report.

8. Foreign entities

Not applicable

9. Financial Statements and Audit

The financial statements included in the preliminary final report are unaudited and based on accounts which are in the process of being audited by PKF Mack.

10. Audit opinion

The attached financial report for the year ended 30 June 2019 forms part of this Appendix 4E. is anticipated that the independent audit report will be subject to an emphasis of matter, which relates to the entity's ability to continue trading as a going concern. We anticipate that the auditor's opinion will not be modified and we draw your attention to Note 1(a) in the Preliminary Final Report.

Location Table For Information Required By Appendix 4E

Appendix 4E paragraph	**Where information located**
1	Results Summary – 1.1 Details of reporting period
2	Results Summary – 2.1 Results for announcement to the market
3	Financial Statements – Statement of Profit or Loss and Other Comprehensive Income
4	Financial Statements – Statement of Financial Position
5	Financial Statements – Statement of Cash Flows
6	Financial Statements – Statement of Changes in Equity
7	Results Summary – not applicable
8	Results Summary – not applicable
9	Results Summary – Net Tangible Assets per Security
10	Results Summary – 5 Control gained over entities and 6 Loss of control over entities
11	Results Summary – 7 Details in associates and joint ventures
12	Results Summary / Financial Statements
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14	Financial Statements – Directors Commentary and Notes
15	Results Summary – 9 Financial Statements and Audit
16	Results Summary – 10 Audit Opinion
17	Not applicable

Directors' Commentary

Abbreviated Review of Operations

Operating results and financial position

The net loss after income tax for the financial year was $4,357,162 (2018: $13,919,468), which includes $1,206,802 (2018: $11,982,395) in respect of share-based payments to suppliers, directors and employees under the Company's incentive plans.

Cash assets at the end of the financial year were $573,977 (2018: $171,776) with the Company having $1.65m of undrawn committed borrowing facilities at balance date.

Summary of Activities

Highlights:

- New binding term sheets signed with Evolt360 Technologies, and Boditrax UK
- 3rd binding term sheet signed with MVMNT to integrate MyFiziq into MVMNT's partner's mobile application – Conor McGregor FAST
- First re-occurring revenue generating application with Toll Logistics launched
- First Proof of Concept initiated and extended with Prudential Singapore
- Collaboration agreement signed with WeSure
- In-Device processing, a significant technical milestone
- $3.2 million received from ACAM
- Patents granted in China, Japan, South Korea, and Singapore
- Apparel, a new vertical for MyFiziq
- Accuracy of MyFiziq Technology externally validated
- Body Composition Technologies Pte Ltd ("BCT") data collections expansion to Indonesia, Taipei and Thailand
- Yearly cash flow
- Next year planned activity.

Company Overview
Vlado Bosanac, Chief Executive Officer:

This year's focus has been on commencing commercialisation and reading the company for growth. Throughout the year we have achieved our objective to create a commercial ready, world-leading, best of breed technology and product offering, we have commenced integrating with announced partners technology platforms, and marketing to potential new customers across health and fitness, wellness, and apparel verticals.

As a result, we have delivered and announced progress across our business including: 3 new binding term sheets, commencement of our first commercial go-live, received external accuracy validation of our measurements, significant technical innovations, additionally we secured A$5.2 million in funding at 110% of the share price, new patents, and developed new verticals.

As part of our 2019-20 commercialisation strategy, we plan to further increase our global marketing and continue rolling out new innovations to drive new contracts, as well as work closely with announced partners to deliver integrated go-lives[1].

Year Highlights

Binding term sheet with Evolt360 Technologies

MyFiziq signed a binding term sheet with Evolt360 IOH Pty Ltd (Evolt). Evolt's current 500,000 + active user base will be able to track changes in their body dimension more regularly, and in the privacy of their own home, by using the MyFiziq technology between on-site scans. In addition to the tracking capabilities, Evolt will be embedding its biometric data into the machine learning data with MyFiziq within the application.

Abbreviated Review of Operations (continued)

Summary of Activities (continued)

Under the binding term sheet, Evolt will target its current 500,000 active users to achieve an initial 100,000 subscribers onto the joint offering in the first 12 months2. MyFiziq will receive $2.99 per month per user based on a 12-month subscription.

Binding Term Sheet signed with Boditrax UK

MyFiziq signed a binding term sheet with Boditrax Technologies Ltd (Boditrax) to integrate its technology within the Boditrax platform and their new consumer facing mobile application (App). The intention is to integrate MyFiziq's revolutionary technology into the Boditrax application and Boditrax is targeting a first collaboration/release in Q4 20191. The product's launch will be accompanied by a campaign informing the current 6,000,000+ Boditrax users to drive an initial target of 600,000 subscribers/downloads within the first 12 months[2].

The upgraded platform will enable users to track changes in their body dimension in the privacy of their own home by using the MyFiziq technology, in addition to on-site Boditrax scans and other integrations, to deliver a truly comprehensive portfolio of personal health information. MyFiziq will receive an initial US$2.50 per user, per month from Boditrax, based on a 12-month subscription.

Boditrax is focused on expanding its current client base (already the world's largest and fastest growing body composition database) to 10,000,000 active users over the next 12 months. Boditrax's current roll outs and trials with operators and organisations have the scale to deliver this increase in users / population and the quantum of this data will provide fascinating insights into the changing human population. MyFiziq will be an integral part of the Boditrax new App offering and future expansion plans by providing additional capabilities that represent a key point of difference giving the product a strong competitive advantage, within a direct to consumer application.

NB; Furthermore, MyFiziq is pleased to inform shareholders that Boditrax has increased its user base by an additional 1,000,000 users since the signing of the binding term sheet with MyFiziq, which puts Boditrax well on its way to achieving its targeted 10,000,000 users within 12 months.

Third binding term sheet signed with MVMNT to integrate MyFiziq into MVMNT's partner's mobile application – Conor McGregor FAST

In October 2018, MyFiziq announced its third strategic partnership in North America with digital fitness solutions company, FitLab, LLC (d/b/a MVMNT), which will see MyFiziq integrated into the cutting-edge mobile application (app) of its partner, McGregor FAST. MVMNT will integrate the MyFiziq technology into the McGregor FAST app, which will then be promoted to McGregor's social media base (currently 41.5 million followers in aggregate) and the broader UFC fan community, who will be able to track changes in their body using the MyFiziq technology as they follow McGregor's training plans.

First commercial Application with Toll Logistics launched

MyFiziq announced to the ASX on the 21st of May 2019, the Toll Logistics Application has been released to the first 2,400 of 12,000 Toll employees, following the completion of a full integration of MyFiziq's advanced measurement technology into the WellteQ consumer facing application. The application is targeting the $47 billion global corporate wellness market and allows an employer to engage with, monitor and improve the health of its employees through gamification and digital health tracking.

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[1] *Partner go-live dates are entirely dependent on the client and may be subject to change at their discretion.*

[2] *This is a target and not a forecast. The term sheet does not contain any guarantees around minimum subscribers.*

Abbreviated Review of Operations (continued)

Summary of Activities (continued)

As payment for its technology, MYQ will receive $12,000 per month over the next 12 months. During this time, the application will be offered to the remainder of Toll's 12,000 employees.

The launch of the Toll Logistics Application represents a landmark achievement for MyFiziq as its first commercial application launch set to generate recurring user revenues for the Company. The Company continues to work closely with WellteQ to explore further commercial opportunities as it executes its corporate wellness commercialisation strategy of delivering bespoke wellness applications to leading Australian and Global companies.

First Proof of Concept initiated and extended with Prudential Singapore

During the period under review, MyFiziq announced the launch of a wellness platform Proof of Concept (PoC) to the employees of Prudential branded PRUedge. MYQ integrated its smartphone-based body measurements application within the WellteQ platform. The white-labelled app has been custom designed and includes bespoke user benefits including anthropometric measurement tracking, tailored health prompts, personalized goal setting and targets, and a user recognition and reinforcement platform.

Further to this release, MyFiziq gave additional guidance that the PoC was extended to March 2019.

Collaboration agreement signed with WeSure

During the year, MYQ and BCT entered into a Framework Agreement with WeSure Limited ("WeSure") under which each of the companies has agreed to assess the implementation and best user engagement protocols to potentially allow the WeSure and newly developed WeFit application subscribers access to the technology, initially for fitness, wellness and insurance related activities including engagement, origination, health monitoring, and underwriting. The agreement envisages 3 phases of collaboration: testing, validation for China, and commercialization.

MyFiziq continues to devote resources into investigating preferred integration options with the WeChat technical team. WeChat's internal mini app substructure presents complex technical considerations around capture protocols and in-app processing which both parties are discussing potential solutions for. MyFiziq remain focused on a solution for this opportunity and will continue working with the WeSure team to achieve a result.

In-Device processing, a significant technical milestone

In-device processing enables MyFiziq to move its patented segmentation model from Amazon's Web Services platform to Apple's iOS device platform. The software update allows users to run core functionality directly in their device and addresses a number of global requirements around transfer and storage of personal data.

Currently, the MyFiziq measurement process sends encrypted images to the cloud for processing. The new Image Capture Process SDK will instead use an in-device embedded machine learning model to create non-personally identifiable segmented images for processing. This change allows anonymity to be protected as photos taken never need to leave a user's device. The new functionality will allow partners to further demonstrate accountability and compliance with data regulations across various regions.

In addition to data privacy benefits, in device image segmentation also enables other technical and cost saving advantages. The output of the segmentation process is substantially reduced and compresses the current upload/return time by 95%. This, in-turn allows for multiple attempts to be packaged in a single classification object. At approximately 15 seconds per attempt, the end-to-end process is also four times faster than the previous average compute of 60 seconds. Combined, this effectively increases MyFiziq's throughput capacity 32-fold and results in massive cost reductions for both compute and storage.

Abbreviated Review of Operations (continued)

Summary of Activities (continued)

The new model utilises Apple's Metal framework (CoreML) and is part of MyFiziq's ongoing goal to reduce cloud compute time and cost whilst maintaining accuracy and repeatability. The update will allow MyFiziq to process up to 4,800,000 avatar requests an hour without any change to the current Amazon Web Services platform infrastructure MyFiziq has built. An Android version via a TensorFlow model is also currently under development and nearing completion.

MyFiziq has demonstrated this new update at multiple conferences including FIBO in Cologne which is the worlds largest fitness conference, and RISE in Hong Kong which is the largest Tech conference in Asia. The speed and privacy were very well received and has placed our technology well in front of the competitor companies we saw at FIBO and RISE.

$3.2 million received in ACAM payments

During the year, MyFiziq received $3,200,000 under the placement with Asia Cornerstone Asset Management ("ACAM"). As outlined to shareholders on the 4th June 2019, under the updated Subscription Agreement, MYQ will receive A$5,200,000 in total by December 2019. Over the tranches, the Company will issue a total of 8,666,667 fully paid shares in MYQ at A$0.60 cents per share.

Patents granted in China, Japan, South Korea, and Singapore

During the year, MyFiziq was granted patents in China, Japan, South Korea, and Singapore. This adds to the existing regions where MyFiziq holds patents being the USA, and Australia. Whilst granted after the period under review, MyFiziq was also issued with its Canadian patent in August 2019. MyFiziq has patents pending in the following regions and will continue work to finalise these patents: Europe, India, and New Zealand.

Apparel, a new vertical for MyFiziq

In September 2018, MyFiziq announced its strategy to enter the online apparel industry. The company is now working on using data captured from images through the smartphone to accurately dimension consumers' form and autofit them to the right garment size when shopping online, irrespective of the garment type, material, style, or fit and eliminating the need for wrong size returns and the dissatisfaction consumers have when receiving the incorrect size garment.

The MyFiziq offering will have the ability to integrate into any online retailer with a simple software development kit, enabling brands to design custom solutions and allowing customers more simplicity and flexibility in choosing the correct size online.

Accuracy of MyFiziq Technology externally validated

During the year, MyFiziq announced that its accuracy had been validated by Professor Timothy Ackland, Professor of Applied Anatomy and Biomechanics, of The University of Western Australia. The MYQ Application achieved an average accuracy of 97.5% across the four circumference measurements when compared to the criterion measures recorded by anthropometrists using a girth tape in a study of over 800 participants.

Separately to the circumference measurements application, MyFiziq, in conjunction with Body Composition Technologies Pte Ltd ("BCT"), has developed an additional application which measures a person's total body fat volume/percentage. This body fat application was also rigorously tested across the subjects achieving an average accuracy of 89% for the percentage body fat score when compared to the criterion measure determined by iDXA.

Abbreviated Review of Operations (continued)

Summary of Activities (continued)

Body Composition Technologies Pte Ltd ("BCT") data collections expansion to Indonesia, Taipei, and Thailand

The BCT/MyFiziq joint venture has also made significant progress with the refinement of its body composition application during the period, as a result, BCT has entered into data collection agreements with universities and health care organisations in Australia, Indonesia, Taipei and Thailand, and is now in the final stage of agreements with universities in Singapore. These agreements are for the collection of imaging data from thousands of participants across several major ethnicities. This will give BCT access to the specific data needed to optimise its technology in readiness for commercial release. Importantly, the same institutions will also independently validate the technology and its outputs. In addition, BCT is negotiating agreements to expand data collection sites into India, China, and North America.

Next year planned activity

With our focus on commercialisation, over the next year, MyFiziq will continue integration and delivery requirements with MVMNT, Boditrax and Evolt, as well as actively market and pursue additional opportunities through our verticals and in conjunction with our Joint Venture company BCT and wellness partner WellteQ. As term sheets are signed or integration go-live dates are confirmed, we will provide an update to shareholders via the ASX.

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.

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2019

	Note	**Year Ended 30 June 2019 $**	Year Ended 30 June 2018 $
Revenue			
Licence & subscription income		**4,645**	1,500,000
Development income		**-**	104,400
Reimbursements from joint venture		**743,614**	349,726
Other income	3	**150,206**	124,910
Interest income		**91**	2,383
Total revenue		**898,556**	2,081,419
Expenses			
Employee expenses	3	**(3,823,885)**	(14,475,657)
Consulting and advisory		**(299,472)**	(463,398)
Corporate		**(296,899)**	(252,528)
Brand development and patent costs		**(263,810)**	(258,204)
Marketing and publicity		**(67,934)**	(89,110)
Travel and accommodation		**(233,943)**	(363,006)
Telecommunications & IT		**(120,694)**	(105,885)
Occupancy costs		**(133,882)**	(120,150)
Research costs expensed		**-**	(31,201)
Financing costs		**(136,603)**	(9,849)
Share of loss of a joint venture		**-**	(680)
Amortisation and depreciation expense		**(199,570)**	(186,279)
Administration and other expenses		**(210,668)**	(166,671)
Total expenses		**(5,787,360)**	(16,522,618)
Loss before income tax		**(4,888,804)**	(14,441,199)
Income tax benefit	3	**531,642**	521,731
Net loss for the year		**(4,357,162)**	(13,919,468)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(4,357,162)**	(13,919,468)
Loss per share		**Cents**	cents
Basic and diluted loss per share	4	**(5.16)**	(17.61)

The notes to the financial statements form part of this Statement of Profit or Loss and Other Comprehensive Income.

Statement of Financial Position
As at 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
Current assets			
Cash and cash equivalents	6	**573,977**	171,776
Trade and other receivables	7	**25,427**	134,895
Prepayments	8	**-**	61,966
Inventories	9	**4,761**	4,788
Total current assets		**604,165**	373,425
Non-current assets			
Other financial assets	10	**37,500**	37,500
Property, plant and equipment	11	**56,083**	39,934
Loans to related entities	19	**482,201**	-
Development asset at cost	12	**1,451,148**	1,560,388
Total non-current assets		**2,026,932**	1,637,822
Total assets		**2,631,097**	2,011,247
Current liabilities			
Trade and other payables	13	**345,996**	667,034
Employee leave liabilities	14	**239,346**	167,342
Interest bearing borrowings	15	**1,496,959**	-
Total current liabilities		**2,082,301**	834,376
Non-current liabilities			
Interest bearing borrowings	15	**-**	480,915
Total non-current liabilities		**-**	480,915
Total liabilities		**2,082,301**	1,315,291
Net Assets		**548,796**	695,956
Equity			
Issued capital	16	**13,782,565**	7,212,356
Reserves		**9,929,789**	12,289,996
Accumulated losses		**(23,163,558)**	(18,806,396)
Total Equity		**548,796**	695,956

The notes to the financial statements form part of this Statement of Financial Position.

Statement of Changes in Equity

For the financial year ended 30 June 2019

	Issued capital $	Accumulated losses $	Equity compensation reserve $	Convertible note reserve $	Total $
At 1 July 2017	7,212,356	(4,886,928)	157,156	-	2,482,584
Net loss for the year	-	(13,919,468)	-	-	(13,919,468)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(13,919,468)	-	-	(13,919,468)
Issue of convertible notes	-	-	-	27,633	27,633
Share-based payments					
Suppliers	-	-	122,812	-	122,812
Employees	-	-	11,982,395	-	11,982,395
At 30 June 2018	7,212,356	(18,806,396)	12,262,363	27,633	695,956

	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	**-**	**(4,357,162)**	**-**	**-**	**(4,357,162)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**(4,357,162)**	**-**	**-**	**(4,357,162)**
Capital raising	**3,200,000**	**-**	**-**	**-**	**3,200,000**
Costs of capital raising	**(231,541)**	**-**	**-**	**-**	**(231,541)**
Exercise of Performance Rights	**3,261,750**	**-**	**(3,261,750)**	**-**	**-**
Share-based payments					
Suppliers	**-**	**-**	**34,741**	**-**	**34,741**
Directors	**340,000**	**-**	**-**	**-**	**340,000**
Employees	**-**	**-**	**866,802**	**-**	**866,802**
At 30 June 2019	**13,782,565**	**(23,163,558)**	**9,902,156**	**27,633**	**548,796**

The notes to the financial statements form part of this Statement of Changes in Equity.

Statement of Cash Flows
For the financial year ended 30 June 2019

	Note	Year Ended 30 June 2019 $	Year Ended 30 June 2018 $
Cash flows from operating activities			
Receipts from customers		**579,876**	1,864,256
Other income		**51,553**	32,486
Research & Development tax incentive and government grants		**598,699**	593,890
Interest received		**-**	2,847
Interest paid		**(20,559)**	(1,301)
Payments to suppliers and employees		**(4,468,370)**	(3,778,389)
Net cash flows used in operating activities		**(3,258,801)**	(1,286,211)
Cash flows from investing activities			
Payments for property, plant and equipment		**(43,565)**	(30,604)
Payments for application development costs		**(48,633)**	(170,518)
Loans to related party		**(150,000)**	-
Payments for investments		**-**	(680)
Net cash flows used in investing activities		**(242,198)**	(201,802)
Cash flows from financing activities			
Proceeds from borrowings		**1,350,000**	500,000
Repayment of borrowings		**(450,000)**	-
Proceeds from the issue of shares		**3,200,000**	-
Payments for share issue costs		**(196,800)**	-
Net cash flows from financing activities		**3,903,200**	500,000
Net decrease in cash assets		**402,201**	(988,013)
Cash at the beginning of the financial year		**171,776**	1,159,789
Cash at the end of the financial year	**6**	**573,977**	171,776

The notes to the financial statements form part of this Statement of Cash Flows.

Note 1 Summary of Significant Accounting Policies

(a) Basis of preparation of financial report

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001 and comply with other requirements of the law.

The company is a for profit entity. A wholly owned subsidiary, MyFiziq Inc. was incorporated in January 2018 in the United States of America in preparation for the commercialisation of the technology in the USA. The subsidiary was inactive during the period, and as a result, consolidated financial statements have not been prepared.

The accounting policies below have been consistently applied to all of the periods presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for available for sale investments and derivative financial instruments which have been measured at fair value. Cost is based on the fair values of consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

Going Concern
These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the year ended 30 June 2019, the Company incurred an operating loss of $4,357,162. Notwithstanding the fact that the Company incurred an operating loss and a net cash outflow from operating activities amounting to $3,258,801, the Directors are of the opinion that the Company is a going concern for the following reasons:

- The Company has available for working capital $1.65m in undrawn committed convertible note facilities at 30 June 2019.
- At Balance Date, the Company has a further $2m available under the Subscription Agreement with Asia Cornerstone Asset Management Pte Limited.
- A significant Research & Development tax incentive payment is expected to be received for the 2019 financial year (2018: $531,642).
- Under the joint venture with Gold Quay Capital Pte Ltd, the Company is expecting a further $500k in licence fees on the completion of Gold Quay’s capital raising.

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.

Statement of Compliance
The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

Material accounting policies adopted in the presentation of these financial statements are presented below:

(b) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Note 1 Summary of Significant Accounting Policies (continued)

(b) Income tax (continued)

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from or payable to the ATO are classified as operating cash flows.

Note 1 Summary of Significant Accounting Policies (continued)

(d) 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. 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.

(e) Impairment of financial assets

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. 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).

Note 1 Summary of Significant Accounting Policies (continued)

(f) Intangible assets

An intangible asset arising from externally acquired intellectual property and development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The amortisation method and useful life of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

The following useful life is used in the calculation of amortisation:

Development asset at cost	10 years

(g) 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.

Note 1 Summary of Significant Accounting Policies (continued)

(g) 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.

(h) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Note 1 Summary of Significant Accounting Policies (continued)

(k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Class of Asset	Useful Life
Office Equipment	3 – 5 years
Furniture & Fixtures	5 – 7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(l) Investments in equity-accounted investees

The Company's interest in equity-accounted investees comprise an interest in a joint venture. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in the joint venture are accounted for using the equity method. The interest is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss of equity-accounted investees, until the date on which joint control ceases.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Performance shares are classified as equity and are convertible into fully paid ordinary shares of the Company on successful achievement of certain predetermined key performance indicators. Refer to note 18 for details of key performance indicators applying to performance shares currently on issue.

(o) Share-based Payments

Equity Settled Transactions:

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of Options is determined by using an appropriate valuation model. Share rights are valued at the underlying market value of the ordinary shares over which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the underlying Shares (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

Note 1 Summary of Significant Accounting Policies (continued)

(o) Share-based Payments (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:
(i) the extent to which the vesting period has expired; and
(ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, the cumulative expense recognised in respect of that award is transferred from its respective reserve to accumulated losses. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled award and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(p) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, 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.

Estimation of useful life of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovation or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Management is required to make judgements, estimates and assumptions for the Net Present Value model which supports the carrying value of the software, its useful life and its amortisation rate.

Share-based Payments

The Company measures the cost of cash-settled share-based payments at fair value using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted, as well as estimates made by management.

Note 1 Summary of Significant Accounting Policies (continued)

(q) Adoption of new and revised accounting standards

Standards and Interpretations applicable to 30 June 2019
In the financial year ended 30 June 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018. The following standards were adopted by the Company but did not have a material impact.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. It replaces existing revenue recognition guidance, AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions. AASB 15 is effective from annual reporting periods beginning on or after 1 January 2018.

The core principle of AASB 15 is that it requires identification of discrete performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks and rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

AASB 9 Financial Instruments

This standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 Financial Instruments introduces new classification and measurement models for financial assets.

Except for certain trade receivables, a financial asset is initially measured at fair value plus transactions costs, unless it is carried at fair value through profit or loss (FVTPL), in which case transaction costs are immediately expensed.

Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.

Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.

There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability’s credit risk would create or enlarge an accounting mismatch in profit or loss.

The impact on the Company will predominantly be based on the Company’s financial liabilities which includes the Convertible Note facilities.

Standards and Interpretations in issue not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for the financial year ended 30 June 2019. Those which may have an impact on the Company are set out below. The Company does not plan to adopt these standards early.

Note 1 Summary of Significant Accounting Policies (continued)

(q) Adoption of new and revised accounting standards (continued)

AASB 16 Leases

AASB 16 replaces the current AASB 17 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases - for the lessee - effectively treating all leases as finance leases. Most leases (including the lease of business premises which the Company occupies) will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense.

The impact on the Company will predominantly be based on the Company's lease obligations on its office premises.

Note 2 Segment Information

Currently, 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.

Note 3 Revenue and Expenses

	2019 $	2018 $
Loss for the period includes the following specific income and expenses:		
Income:		
Rental income	-	25,250
Consultancy income	31,595	27,501
Grant income	67,057	72,159
Proof of concept income	50,000	-
Other income	1,554	-
	150,206	124,910
Supplier share-based payment [1,2]	-	122,812
Employee expenses:		
Salaries and wages	2,116,740	1,818,357
Defined contribution superannuation	200,754	173,278
Share-based payments expense [2]	1,206,802	11,982,395
Payroll tax and insurances	177,934	372,391
Other employment expenses	121,655	129,236
	3,823,885	14,475,657

	2019 $	2018 $
Note 3 Revenue and Expenses (continued)		
Income tax benefit:		
R&D tax concession [3]	**531,642**	521,731

[1] Options issued to suppliers under consultancy agreements.

[2] The fair value of equity settled transactions with employees, directors and suppliers is apportioned over the period from grant date to vesting date.

[3] The R&D tax concession recognised in a financial year relates to the R&D tax incentive claim submitted by the Company for the previous financial year.

Note 4 Loss per Share

	2019	2018
a) Basic loss per share		
Loss attributable to ordinary equity holders of the Company (cents)	**(5.16)**	(17.61)
b) Diluted loss per share		
Loss attributable to ordinary equity holders of the Company (cents)	**(5.16)**	(17.61)
c) Loss used in calculation of basic and diluted loss per share		
	$	$
Loss after tax from continuing operations	**(4,357,162)**	(13,919,468)
d) Weighted average number of shares used as the denominator		
	No.	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**84,454,765**	79,038,555

Note 5 Dividends

No dividends were paid or proposed during the financial years ended 30 June 2019 and 30 June 2018.

The Company has no franking credits available as at 30 June 2019 and 2018.

	2019 $	2018 $
Note 6 Cash and Cash Equivalents		
Cash at bank[1]	**573,977**	171,776

[1] Cash at bank earns interest at floating rates based on daily deposit rates.

At 30 June 2019 the Company had $1.65m in undrawn committed borrowing facilities (2018: $1.5m).

	2019 $	2018 $
Note 7 Trade and Other Receivables		
Current assets		
Trade receivables	**5,109**	116,854
GST receivable	**20,318**	18,041
	25,427	134,895

	2019 $	2018 $
Note 8 Prepayments		
Current assets		
Prepaid lease costs	**-**	8,807
Prepaid insurance costs	**-**	53,159
	-	61,966

	2019 $	2018 $
Note 9 Inventories		
Current assets		
Finished goods - at cost	**4,761**	4,788

	2019 $	2018 $
Note 10 Other Financial Assets		
Non-current assets		
Security Bonds and Deposits:		
Balance at the start of the financial year	**37,500**	37,500
Security deposits (refunded)/paid during the financial year	**-**	-
Balance at the end of the financial year	**37,500**	37,500

A security deposit of $37,500 is in place in respect of the lease on the Company's offices. Refer note 17.

	2019 $	2018 $
Note 11 Property, Plant and Equipment		
Carrying values		
Office Equipment:		
Cost	**114,096**	70,113
Depreciation	**(61,648)**	(36,519)
	52,448	33,594
Fixtures and fittings:		
Cost	**13,524**	13,524
Depreciation	**(9,889)**	(7,184)
	3,635	6,340
	56,083	39,934
Reconciliation of movements		
Office Equipment:		
Opening net book value	**33,594**	24,977
Additions	**43,983**	28,692
Depreciation	**(25,129)**	(20,075)
Closing net book value	**52,448**	33,594
Fixtures and fittings:		
Opening net book value	**6,340**	9,044
Additions	**-**	-
Depreciation	**(2,705)**	(2,704)
Closing net book value	**3,635**	6,340
	56,083	39,934

No assets included in property, plant and equipment have been pledged as security in respect of liabilities.

Note 12 Intangible assets – Application Development Costs

	2019 $	2018 $
Balance at the start of the financial year	**1,560,388**	1,552,629
Application development costs incurred during the year	**62,496**	171,258
Amortisation	**(171,736)**	(163,499)
Balance at the end of the financial year	**1,451,148**	1,560,388

The recoupment of costs carried forward in relation to intangible assets is dependent upon the successful development or commercial exploitation or sale of the application technology.

	2019 $	2018 $
Note 13 Trade and other payables		
Current liabilities		
Trade payables	**101,057**	129,813
Accrued expenses	**51,491**	43,584
Employment related payables	**193,448**	493,637
	345,996	667,034

Trade payables are non-interest bearing and normally settled on 30 day terms.

Employment related payables for the previous financial year includes $373,391 in annual payroll tax payable.

Note 14 Employee leave liabilities

	2019 $	2018 $
Current liabilities		
Annual leave liability	**239,346**	167,342

Note 15 Interest bearing borrowings

	Interest Rate %	Maturity	2019 $	2018 $
Current				
Convertible Notes-Prosser Facility [1]	8%	31 December 2019	**539,042**	-
Convertible Notes-2018 Facility [2]	8%	31 December 2019	**957,917**	-
			1,496,959	-
Non-current				
Convertible Notes-Prosser Facility [1]	8%	31 December 2019		480,915

[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.

[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.

Note 16 Issued Capital and Reserves

a) Ordinary shares
The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company. There are no externally exposed capital requirements.

	2019 No.	2018 No.	**2019 $**	2018 $
b) Share capital				
Issued capital-ordinary shares	**91,621,888**	79,038,555	**13,782,265**	7,212,056
Issued capital-performance shares	**30,000,000**	30,000,000	**300**	300
Issued share capital	**121,621,888**	109,038,555	**13,782,565**	7,212,356
c) Share movements during the year – ordinary shares				
At the start of the financial year	**79,038,555**	79,038,555	**7,212,056**	7,212,056
Shares issued on exercise of Performance Rights	**6,250,000**	-	**3,261,750**	-
Shares issued to related party	**1,000,000**	-	**340,000**	-
Share issues - capital raising	**5,333,333**	-	**3,200,000**	-
Less share issue costs	**-**	-	**231,241**	-
	91,621,888	79,038,555	**13,782,565**	7,212,056
d) Share movements during the year – performance shares				
At the start of the financial year	**30,000,000**	30,000,000	**300**	300
	30,000,000	30,000,000	**300**	300

Performance Shares are convertible into fully paid ordinary shares in the Company, within five years of the date of issue (2 October 2014), pursuant to satisfaction of the following performance milestones:

Class A Performance Share Milestone will be taken to have been satisfied upon the Company's gross revenue exceeding $1,250,000 per quarter for four consecutive quarters, where a quarter is defined as a period of three consecutive calendar months.

Class B Performance Share Milestone will be taken to have been satisfied upon the Company achieving Earnings Before Interest Tax Depreciation and Amortisation of not less than $1,250,000 per quarter for four consecutive quarters, where a quarter is defined as a period of three consecutive calendar months.

Note 17 Commitments

	2019 **$**	2018 $
a) *Operating lease commitments:*		
Due within 1 year	-	84,365
Due after 1 year but not more than 5 years	-	-
Due after more than 5 years	-	-
	-	84,365

The Company's lease for its principal place of business at Unit 5, 71-73 South Perth Esplanade in Western Australia (**Lease**) expired on 30.6.2019. Until such time as new rental terms are negotiated, The office premises are leased on a month by month basis. The Lease was secured by a cash bond in favour of the Landlord for the amount of $37,500 and this amount is being held and will be applied as bond for the new lease.

b) *Finance lease commitments:*

The Company has no finance lease commitments contracted for as at 30 June 2019 (30 June 2018: Nil).

c) *Capital commitments*

The Company has no capital commitments contracted for as at 30 June 2019 (30 June 2018: Nil).

Note 18 Interest in Subsidiaries

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 financial year there was no activity in this subsidiary.

The ultimate holding company is MyFiziq Limited.

Note 19 Interest in a Joint Venture

The Company has a 50% interest in Body Composition Technologies Pte. Limited (BCT), a company incorporated in Singapore for the purpose of developing the My Fiziq platform for commercialisation within the medical or insurance sector. The Company was issued 680 shares in BCT at a value of A$1.00 per share.

The Company's interest in BCT is accounted for using the equity method. Under the equity method, the Company's investment in a joint venture is initially recorded at cost, and subsequently the carrying value of the investment is increased or decreased to recognise the Company's share of the joint venture profit or loss. As the investment in the joint venture has been written down to nil, no share of the joint venture's loss has been brought to account in the Company's loss from ordinary activities for the current financial year.

During 2019, the Company provided services to Body Composition Technologies Pty Ltd ("BCT Australia" - an Australian incorporated wholly owned subsidiary of BCT) for which the Company earned revenue of $743,614 (2018: $349,726). In addition, the Company received licence income from BCT Australia of $1,500,000 in the previous financial year.

Note 19 Interest in a Joint Venture (continued)

During the financial year, the Company entered into a loan agreement with BCT Australia. The loan is interest free and payable by 30 June 2021; or within 30 days of BCT receiving cash from capital raise activities currently under way, whichever occurs sooner. At 30 June 2019, the balance of the loan was $482,201.

The following tables illustrate the summarised financial information of the Company's investment in BCT.

	30 June 2019 $	30 June 2018 $
Carrying value of the BCT investment		
Investment brought to account at cost	**680**	680
Share of the joint venture's loss [(i)]	**(680)**	(680)
Closing carrying value of the investment	**-**	-

(i) Of the Company's share of the loss of BCT, only $680 has been brought to account as the initial investment in BCT was only $680.