



**BUSINESS UPDATE AND MARCH QUARTER CASH FLOW**

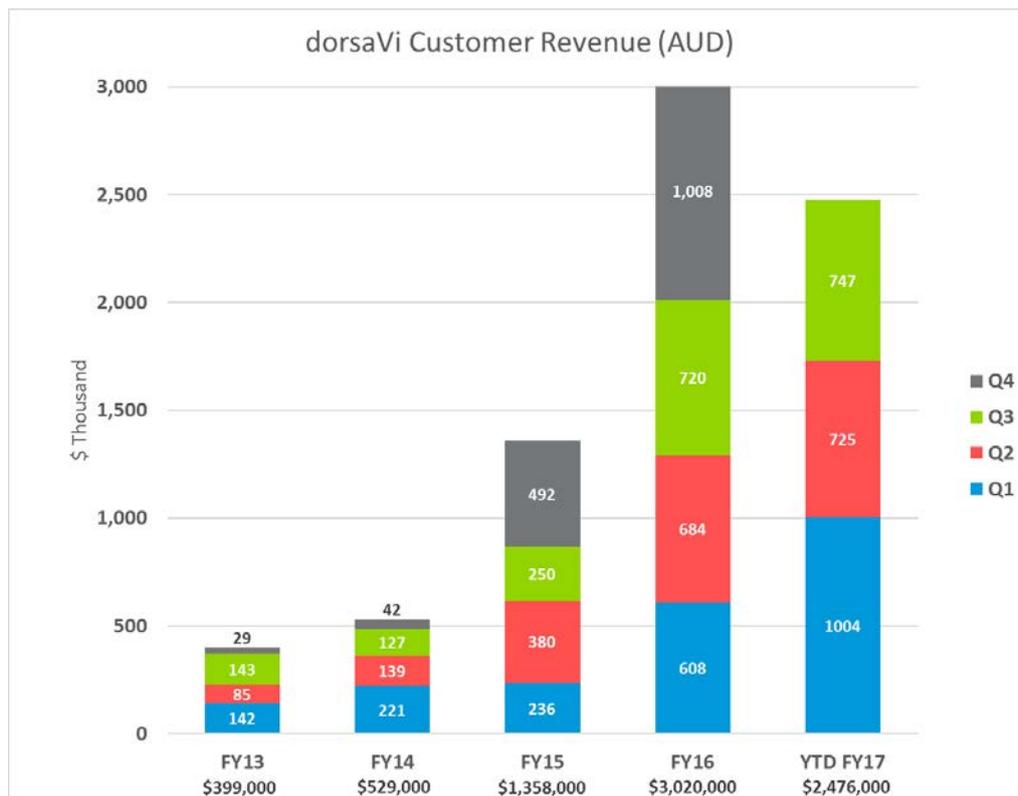
*Summary*

- Customer revenue FY17 year to date of \$2.48m (up 23% from FY16-to-date \$2.01m)
- Customer revenue for Q3 of \$747k (up 4% from \$720k in Q3 FY16)
- Receipts from customers \$2.87m FY17-to-date (up 46% from \$1.96m FY16-to-date)
- Receipts from customers for Q3 of \$881k (up 34% from \$657k in Q3 FY16)
- Net operating cash outflows of \$2.57m FY17-to-date (down 31% from \$4.73m FY16-to-date after allowing for development cost capitalised in Q2 FY17)
- Net operating cash outflows Q3 FY17 of \$1.53m (up 25% from \$1.22m in Q3 FY16)
- Finalisation of December 2016 capital raising with \$3m received in January 2017
- Cash on hand of \$10.33m (compared to \$8.90m at 31 December 2016)
- Investor conference call scheduled for 11.30am, Friday 29<sup>th</sup> April Australian Eastern Standard Time

**Melbourne, Australia. 27th April 2017.** dorsaVi Limited (ASX DVL) has today released a business update and 4C Cashflow Report for the period ended 31 March 2017.

dorsaVi continues to generate growing revenues from customers across its three primary geographies – the US, UK/Europe, and Australia - and has a strong pipeline of new business, with new deals already signed in the fourth quarter.

Customer revenue year-to-date was \$2.48m, up 23% on the previous corresponding period (PCP), with revenue for the quarter up 3% to \$747k on Q2. Cash receipts for the quarter were \$881k, up 34% on PCP, and up 46% PCP year to date to \$2.87k.



dorsaVi continues to improve net operating cashflow, with the positive impact of growing customer contracts and expense management. Net operating cash outflow year-to-date was down 31% to \$2.57m after allowing for the impact of \$714k product development expenditure capitalised in Q2 FY17. Net operating cash outflow for the quarter was up 25% to \$1.53m due to development and marketing activities to support the imminent launch of ViMove2 in the clinical market.

Cash balance at 31 March was \$10.33m which included the receipt of \$3m in January from the finalisation of the capital raise.

### **Key operational update**

dorsaVi's first to market position in providing medical grade wearable technology continues to strengthen as the demand for sophisticated, accurate, and rapid movement data grows globally. As the only wearable technology cleared for sale by the FDA, TGA and in Europe with the CE mark, dorsaVi remains in a strong position to capitalise on this demand targeting the occupational health and safety, clinical, and elite sport markets.

dorsaVi continues to experience high customer retention with initial assessment projects progressing to larger, solutions-based opportunities at a higher commercial value.

### **dorsaVi USA**

In the occupational health and safety market, dorsaVi USA's commercial model of running parallel direct sales, insurer referrals, and agency partnerships is providing significant geographic reach and is delivering sales across the key target industries. New business in Q3 included workplace safety (ViSafe) projects with New Balance in the manufacturing plant, and global mattress foam manufacturing company Innocor, which operates 22 manufacturing facilities across the US.

The recently launched myViSafe product has been purchased by Weyerhaeuser and Southern Towing Company. myViSafe is an easy to use wearable sensor system that can be self-managed by an employer. The combination of the sensors, a smart phone app, and management dashboard provides a valuable tool to identify activities and movements of the employees that are outside the safe work guidelines.

The clinical market continues to grow with more than 150 clinical sites in the US. Adoption of software modules on the ViMove platform is growing adding to annuity revenue. Select Medical, dorsaVi USA's largest clinical customer, has continued to purchase clinical systems in the USA with over 35 units now in the USA.

In line with the US strategy of appointing sales agents to increase reach and sales, dorsaVi has expanded its agency number from three to five in this quarter across the clinical and workplace markets.

From an elite sports perspective dorsaVi has recently signed a further major NFL club with growth in this market happening organically.

### **dorsaVi Europe**

The construction and transport industries remain a focus for dorsaVi Europe. Workforce assessment projects were initiated and completed with two large workforce employers in the construction industry – Laing O'Rourke and Careys. Laing O'Rourke is an international engineering business with a focus on European and Australian markets and turnover of more than £2.5 billion, and Careys is a leading multidiscipline construction and resource management group with a turnover of more than £400million.

Further projects have been completed with Skanska, extending from the initial assessment projects completed in 2016. Other companies in dorsaVi's construction portfolio are Vinci and Ferrovial Agroman.

myViSafe was launched in Q3 with Heathrow Airport the first customer in the UK. myViSafe has been acknowledged by the British Safety Industry Federation (BSIF) winning the Product Innovation Award. The Chair of BSIF Alan Murray said: "The product has the potential to make a huge difference and revolutionise the effectiveness of manual handling training throughout industry, in companies large and small, contributing to the reduction in occupational injury."

### **dorsaVi Australia**

Activity for the quarter in Australia included the signing of a large scale 12-month deal with a global food manufacturer. Other new customers include NRMA, John Holland, Kmart and Qube.

Encouragingly, there has been significant repeat business demonstrating the value of the data ViSafe provides. Repeat customers include Coles, Visy, Anglican Care, and Silverchain.

myViSafe has been successfully implemented with Crown Resorts, Coles Liquor and Visy Board providing excellent reference sites and annuity revenue in the occupational health and safety space for dorsaVi.

Anglican Care was successful in winning an award for safety innovation in the Hunter region of NSW which resulted from using ViSafe to identify the movement risks associated with the kitchen and laundry job tasks in an Aged Care facility and using the data to identify and validate appropriate risk controls.

### **Conference Call**

dorsaVi CEO Dr Andrew Ronchi is hosting an investor WebEx to discuss the quarter results on **Friday 29th April at 11.30am Australian Eastern Standard Time.**

Participation details:

**Australia** +61 2 8090 8323 or Toll Free on 1800 064 762  
**Hong Kong** 30713074  
**Singapore** 800 101 3333  
**United States** +1 (657) 220-3242 or Toll Free 1 888 585 9008

**Conference room access code:** 798 421 770

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### **For more information or to arrange an interview, contact:**

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## ***About dorsaVi***

dorsaVi (ASX: DVL) is an ASX company focused on developing innovative motion analysis device technologies for use in elite sports, occupational health and safety and clinical applications. dorsaVi believes its wearable sensor technology enables – for the first time – many aspects of detailed human movement and position to be accurately captured, quantified, and assessed outside a biomechanics lab, in both real-time and real situations for up to 24 hours.

Our technology has applications across three sectors:

- **Clinical:** ViMove is transforming the management of patients by providing objective assessment, monitoring outside the clinic and immediate biofeedback. ViMove is currently used by medical and physiotherapy practices in Australia, the United Kingdom, and the United States.
- **Elite Sports:** ViPerform is allowing coaches and medical teams managing elite athletes and teams to screen athletes and provide objective evidence for decisions on return to play, measure biomechanics and provide immediate biofeedback out on the field, tailor and track training programs and optimise technique and peak performance. ViPerform is being used by AFL and NRL clubs, Cricket Australia, and the Australian Institute of Sport (AIS) in Australia. Barclays Premier League (EPL) clubs in the UK and US based sports clubs from the National Basketball Association (NBA), the Major Soccer League (MLS) and the National Football League (NFL) as well as various Olympic teams and athletes internationally.
- **OHS:** We combine innovation, measurement, and quality to reduce workplace incidents, costs, meet compliance and improve brand reputation. ViSafe enables employers to assess risk of injury for employees as well as test the effectiveness of proposed changes to workplace design, equipment or methods based on objective evidence. ViSafe has been used by major corporations including Sodexo, London Underground, Vinci Construction, Crown Resorts, Caterpillar (US), Monash Health, Coles, Woolworths, Toll, Toyota, Orora (formerly Amcor), Crown and BHP Billiton. Australian Workplace Compliance delivers risk mitigation through compliance to OHS, Quality Management Systems, Company Policy, and Process.

Further information is available at [www.dorsavi.com](http://www.dorsavi.com).

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

dorsaVi Ltd

**ABN**

15 129 742 409

**Quarter ended ("current quarter")**

March 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	881	2,867
1.2 Payments for		
(a) research and development	(374)	(1,102)
(b) product manufacturing and operating costs	(268)	(735)
(c) advertising and marketing	(159)	(271)
(d) leased assets	-	-
(e) staff costs	(1,035)	(2,390)
(f) administration and corporate costs	(603)	(1,875)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	29	80
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	853
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,529)</b>	<b>(2,573)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(67)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(23)	(785)
(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(852)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	3,000	8,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	6	34
3.4 Transaction costs related to issues of shares, convertible notes or options	(17)	(309)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,989</b>	<b>7,725</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	8,902	6,029
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,529)	(2,573)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(33)	(852)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,989	7,725
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>10,329</b>	<b>10,329</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	3,253	3,827
5.2 Call deposits	7,076	5,075
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,329</b>	<b>8,902</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	88
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Made up of the following:

1. Salary and superannuation to CEO (director of the entity) of \$42k
2. Non-Executive Directors' fees and expenses reimbursements of \$46k

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	19
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Rent and related costs paid to Starfish Ventures Pty Ltd (an entity associated with Dr Panaccio, a director of the entity).

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	333
9.2 Product manufacturing and operating costs	192
9.3 Advertising and marketing	92
9.4 Leased assets	-
9.5 Staff costs	1,242
9.6 Administration and corporate costs	491
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>2,350</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

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



Sign here: \_\_\_\_\_  
(Chief Financial Officer)

Date: 27 April 2017

Print name: Damian Connellan

### Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly 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 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.
- 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.