



## ***BUSINESS UPDATE AND SEPTEMBER 2018 QUARTER CASH FLOW***

**Melbourne, Australia. 29 October 2018.** dorsaVi Limited (ASX DVL) has today released a business update and 4C cash flow report for the period ended 30 September 2018.

### **Revenue and Financial Performance Highlights**

- The Company continues to successfully build recurring revenue, with \$304k of recurring revenue for the quarter compared to \$180k in the prior corresponding period (an increase of 69%). This also represents a 23% increase in recurring revenue Sept Qtr. compared to June Qtr.
- Strong cash receipts of \$1.47m for the quarter, up 26% (\$301k) on Q1 FY18.
- Sales revenue for the quarter of \$716K does not include revenue not yet recognised from large projects with Curtin University, Stryker (workplace product) and AIG – all of which have signed contracts. Revenue from these deals will be recognised throughout the remainder of this financial year and next.
- \$870k in total contracted revenue signed in the quarter, including \$110k of recurring revenue. Signed contracts, in addition to Curtin University, Stryker (workplace product) and AIG, include a material agreement with Powercor, and an additional agreement with the global orthopaedic group Stryker (clinical product) in which the Company is working on a new application for the orthopaedic market. The global orthopaedic market is estimated to reach over US\$66 Billion by 2023, with substantial expansion through the advancement in technologies, reimbursement policies around the globe and the growth of the ageing population.<sup>1,2</sup> This large market represents an exciting strategic opportunity for dorsaVi.
- Net operating cash inflows for Q1 of \$143k which represents a \$1.46m improvement compared to a net operating cash outflow of \$1.35m, Q1 FY18. This reflects an increase in customer receipts of \$301k; income tax receipts and grants of \$827k, and the benefits of operational improvements taken over the last six months focused on driving efficiencies.
- The cash balance at 30 September was \$4.05m as compared to \$3.97m at 30 June 2018.

### **Other Operational Highlights:**

- The company continues to restructure its operations with a focus on two core product lines; improving efficiencies; reducing operating costs; and positioning itself to grow sales. Operating costs have reduced by 13% compared to the prior corresponding period.
- Resources and marketing spend has been reallocated to the US, with a focus on growing both clinical and workplace markets. We anticipate the reallocation of these resources will have a positive impact on revenue during calendar year 2019.
- In the US clinical market, dorsaVi's Professional Suite is gaining traction with SME's. Strategically, our focus is on securing deals with large (greater than 50 locations) networked Physical Therapy groups in the US. In other clinical news, we continued to see growth in unit sales of Movement Suite to existing client Select Medical, and to a number of new clinics including Washington

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<sup>1</sup> <https://www.prnewswire.com/news-releases/the-global-hip-replacement-market-is-expected-to-reach-over-us-6-billion-by-2024-300607517.html>

<sup>2</sup> <http://www.opnews.com/2018/05/global-orthopaedics-market-set-to-grow-to-66-2bn-by-2023/14548>

University School of Medicine, Buffalo Rehab Group, WEL Fitness, and PhysioQ. Total clinical customers using dorsaVi's solutions has increased to 362 at 30 September 2018 from 330 at 30 June 2018.

- In the workplace, the focus on growing annuity revenue through myViSafe continues. During the quarter, the company secured it's largest myViSafe deal with Visy Board who expanded the use of this technology across their broader business, based on an initial pilot program at one location. In a similar pilot program, Monash Health has engaged dorsaVi; and globally, Fenner has introduced the myViSafe technology into its UK, US and Australasian operations.

### **Conference Call**

dorsaVi CEO Dr Andrew Ronchi and General Manager Matt May are hosting an investor WebEx to discuss the quarter results on **Monday, 29 October at 10.30am Australian Eastern Daylight Time.**

Participation details:

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

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

- ENDS -

**For more information about dorsaVi or to arrange an interview, please 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:** dorsaVi is transforming the management of patients with its clinical solutions - ViMove, ViMove2 and Professional Suite – which provide objective assessment, monitoring outside the clinic and immediate biofeedback. dorsaVi is currently used by medical and physiotherapy practices globally.
- **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 in

the US by the National Basketball Association (NBA), the Major Soccer League (MLS) and the National Football League (NFL), by the AFL and NRL clubs, Cricket Australia, and the Australian Institute of Sport (AIS) in Australia, and by Barclays Premier League (EPL) clubs, England and Wales Cricket Board and the Board of Control for Cricket in India as well as various Olympic teams and athletes internationally.

- **OHS:** dorsaVi 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. dorsaVi 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.

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")**

September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,470	1,470
1.2 Payments for		
(a) research and development	(228)	(228)
(b) product manufacturing and operating costs	(135)	(135)
(c) advertising and marketing	(200)	(200)
(d) leased assets	-	-
(e) staff costs	(1,232)	(1,232)
(f) administration and corporate costs	(483)	(483)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	54	54
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	897	897
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>143</b>	<b>143</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15)	(15)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(45)	(45)
(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(60)</b>	<b>(60)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>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	3,967	3,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	143	1436
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60)	(60)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>4,050</b>	<b>4,050</b>

<b>5. 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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,975	1,891
5.2 Call deposits	2,075	2,076
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>4,050</b>	<b>3,967</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	137
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 \$88k
2. Non-Executive Directors' fees and expenses reimbursements of \$49k

**7. Payments to related entities of the entity and their associates**

	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	61
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. Financing facilities available**

*Add notes as necessary for an understanding of the position*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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	115
9.2	Product manufacturing and operating costs	62
9.3	Advertising and marketing	120
9.4	Leased assets	-
9.5	Staff costs	1,239
9.6	Administration and corporate costs	291
9.7	Other (provide details if material)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>1,827</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:  
Print name:



Damian Connellan  
(Chief Financial Officer)

Date: 29 October 2018

### 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.