

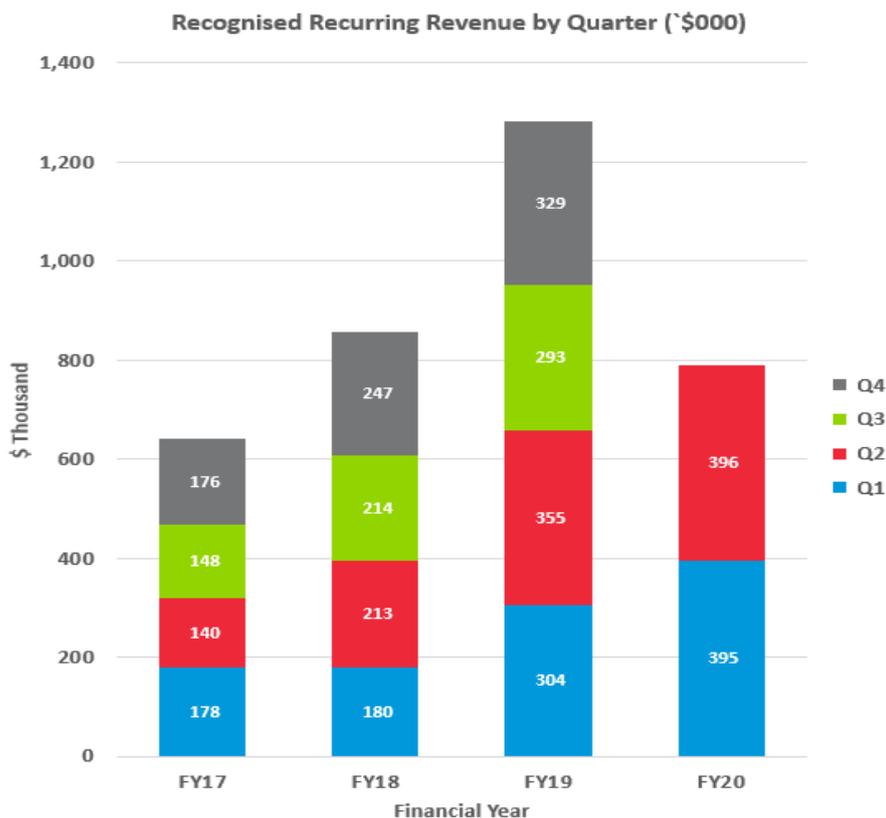


## BUSINESS UPDATE AND DECEMBER 2019 QUARTER CASH FLOW

Melbourne, Australia. 31<sup>st</sup> January 2020. dorsaVi Limited (ASX DVL) has today released a business update and 4C cash flow report for the period ended 31 December 2019.

### Revenue and Financial Performance

- Recognised Recurring Revenue (RRR) for Q2 FY20 is \$396k\*, an increase of 12% on PCP (\$355k) and a similar result to Q1 FY20 (\$395k).
- 12% growth on PCP has come through the workplace myViSafe product, reflecting new and repeat contracts with large corporates and conversion of pilot programs (SaaS style revenue in workplace market) into a broader roll out.
- The Q2 result in comparison to Q1 was impacted by several customers across both product lines coming to the end of their contracted term and not renewing due to different circumstances.



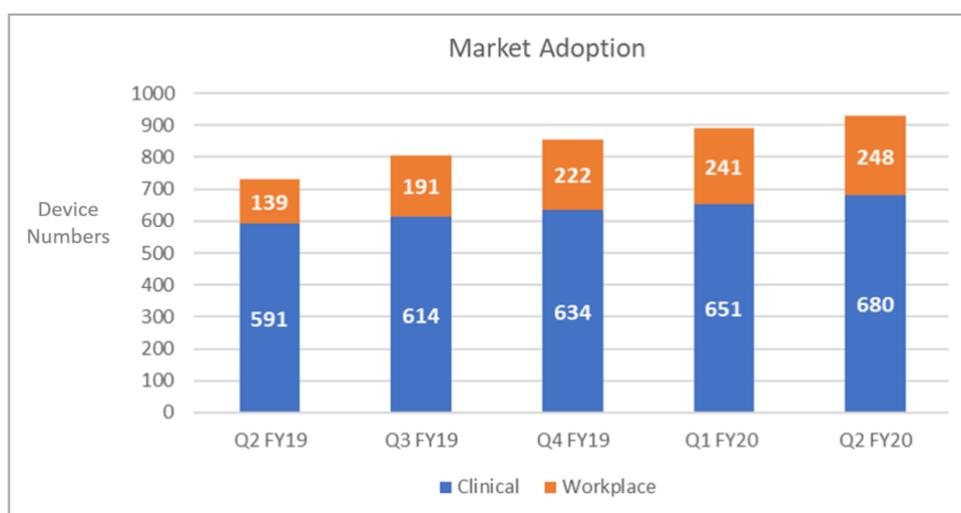
- RRR for H1 FY20 is \$791k\*, an increase of 20% from PCP (\$659k), and consistent with the company's focus on recurring revenue.
- Total contracted revenue won for Q2 was \$330k.

- The cash balance at 31 December was \$2.56m as compared to \$2.25m at 30 September 2019.
- In line with cost reduction strategies, cash outflows for Q3 are estimated to be \$1.17m which is \$876k (or 43%) lower than the equivalent for the PCP (\$2.04m).

\*Unaudited figures for Q2 FY20

### Other Operational Highlights:

- Market adoption of both clinical and workplace products is provided in the table below.



- dorsaVi's clinical product is utilised by the physical therapy market (physiotherapy) and academic institutions. Importantly, leading innovators in the US physical therapy (PT) market will be presenting at the largest US PT conference in Denver, Colorado, mid-February. dorsaVi understand that the groups listed below will each reference the use of dorsaVi technology in their clinical work as part of their presentation: [Select Medical](#), [Hospital for Special Surgery](#), [SSM Health Rehabilitation Network](#), and [San Diego State University](#).
- Examples of those corporates agreeing to new or repeat contracts in Q2, contributing to the growth of workplace RRR include:
  - Northwell Health, a major US hospital group who committed to 4 myViSafe systems over 3 years;
  - Visy Board (AU) who recently extended their contract accessing 12 myViSafe systems across multiple locations for a further 12-month period; and
  - Sydney Water (AU) who committed to a 12-month myViSafe pilot program, following a 10-day ViSafe assessment project, that will be delivered by their onsite Physiotherapy provider commencing in January 2020.

dorsaVi estimates the value of the RRR from the above examples to be between \$70-100k over the next 12-month period.

- Consistent with the company strategy to maintain a consulting revenue stream, Heathrow Airport recently committed to a new ViSafe contract as previously announced.

## **Conference Call**

dorsaVi CEO, Dr Andrew Ronchi, and General Manager, Matt May, are hosting an investor WebEx to discuss the quarterly results on 6 February at 11am **Australian Eastern Standard Time.**

Participation details:

<b>Australia</b>	+61 2 8090 8323 or Toll Free on 1 800 064 762
<b>Hong Kong</b>	307 130 74
<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:** 923-148-427

- ENDS -

**For more information about dorsaVi or to arrange an interview, please contact:**

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## **Disclosure**

This ASX Announcement was authorised for release by the Finance Disclosure Committee of the Board of dorsaVi.

## **About dorsaVi**

dorsaVi (ASX: DVL) is an ASX company focused on developing innovative motion analysis device technologies for use in clinical applications, elite sports, and occupational health and safety. 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:

- **Occupational Health and Safety (OHS):** dorsaVi enables employers to assess risk of injury for employees as well as test the effectiveness of proposed changes to OHS 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), and BHP Billiton.
- **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 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.

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

+Rule 4.7B

## 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")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	656	1,232
1.2 Payments for		
(a) research and development	(39)	(76)
(b) product manufacturing and operating costs	(261)	(310)
(c) advertising and marketing	(47)	(113)
(d) leased assets	(36)	(67)
(e) staff costs	(722)	(1,719)
(f) administration and corporate costs	(446)	(916)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	88	94
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	579
1.8 Other (provide details if material)	4	8
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(811)</b>	<b>(1,296)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(2)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(423)	(449)
(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 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>(423)</b>	<b>(451)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	387	387
3.2	Proceeds from issue of convertible notes	1,155	1,155
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>1,542</b>	<b>1,542</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	2,254	2,767
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(811)	(1,296)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(423)	(451)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,542	1,542
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>2,562</b>	<b>2,562</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	2,434	2,126
5.2 Call deposits	128	128
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>2,562</b>	<b>2,254</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	55
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:  
Salary and superannuation to CEO (director of the entity).

**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	1
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	

Expenses reimbursed 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 -Convertible Note	1,155	1,155

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.

Dorsavi Ltd has 1,155,000 unsecured convertible notes on issue with a face value of \$1 each, paying interest at a rate of 10% p.a. and maturing on 6 December 2022.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	61
9.2 Product manufacturing and operating costs	87
9.3 Advertising and marketing	38
9.4 Leased assets	41
9.5 Staff costs	738
9.6 Administration and corporate costs	206
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,171</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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

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

Date: 31 January 2020

Brendan Case  
(Company Secretary)

### Notes

1. 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.
2. 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.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.