

31 July, 2014

Quarterly Cashflow for Period Ended 30 June 2014

Melbourne, Australia: Medical device company dorsaVi Ltd (ASX. DVL) has today released its Appendix 4C – Quarterly Cashflow report for the period ended 30 June 2014.

The Company recorded cash receipts of \$102,000 bringing total cash receipts for the 12 months to 30 June to \$707,000. Net operating cash outflow for the quarter was \$1.65 million. The Company has a strong balance sheet with a reported cash position of A\$14 million.

Whilst cash receipts for the most recent quarter were lower than initially planned, with the strong feedback received from prospective customers in Europe and US, the Company has primarily focused on establishing its global sales and marketing team. This has laid strong foundations for our future sales and marketing efforts not just in Australia, but particularly in U.K and the US, where the bulk of the sales and cash receipts will occur.

The company has made significant progress during the quarter and in July including:

Corporate and Regulatory

- United States FDA 510K clearance for ViMove measuring, recording, and reporting on movement and muscle activity of the lower back / lumbar spine.
- Approval for the use and sale of ViMove from Medsafe, the New Zealand Medicines and Medical Devices Safety Authority.
- Appointment of former Medtronic executive John Kowalczyk to lead US operations.
- Strong headway in establishing an international sales and marketing team with senior recruitment in UK/Europe and the US well ahead of schedule.
- Acquisition of Australian Workplace Compliance Pty Ltd expanding dorsaVi's service offering and client base in the occupational health and safety (OH&S) market.

ViMove

- First customer in the NZ; Kompass Health Associates in Auckland.
- The adoption of dorsaVi products by leading researchers and clinicians including Monash University and Austin Health which are both using the product as a teaching aid, several leading Australian pain clinics including the Precision Spine and Pain Clinic, Metro Pain Clinic and Epworth HealthCare, as well as PhysioSports in Melbourne and Broadgate Spine and Joint Clinic in London.

ViPerform

- First US sale to Metro Orthopaedics and Sports Therapy (MOST) in Silver Spring, just outside Washington DC. MOST is an internationally recognised sports medicine and performance practice, which provides comprehensive sports training and injury recovery programs for elite athletes and members of the general public.
- UK Barclays Premier League team, Sunderland Association Football Club, adopts ViPerform for use with the first team players.
- Brazil's most successful football club, São Paulo FC, using ViPerform into its training regime as a way of improving technique, maximising performance and helping to prevent and manage player injury.
- Australian NRL champions the Sydney Roosters and AFL team West Coast Eagles commence using ViPerform.

ViSafe

- An alliance with insurance giant Allianz to recommend the use of ViSafe in Australian workplaces.
- As a result of the initiative and following Allianz's referral, Victorian Health Services provider Monash health commenced a biomechanical assessment program of workers using dorsaVi's ViSafe

dorsaVi Chief Executive Officer Andrew Ronchi said: "It's been an incredibly busy time for the company as we build the strong foundations of a global team to drive the sales and marketing efforts of our three products in the US, UK/Europe and Australian/NZ."

"During the period we achieved clearance by the FDA to market ViMove in the United States. This was followed closely by our first customers in the US. We also achieved regulatory approval in NZ and signed our first customer there also."

"With approval now in place in our key markets, and a highly qualified global sales team in place, our efforts over the coming months are on accelerating the uptake of our revolutionary products ViMove, ViSafe and ViPerform globally."

- ENDS -

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 and the United Kingdom and is now available in the United States following FDA 510K clearance.
- **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 in Australia, clubs in the Barclays Premier League, Australian and

Victorian Institutes of Sport, various Olympic teams and athletes internationally, and Cricket Australia.

- **OH&S:** 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 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.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

dorsaVi Ltd

ABN

15 129 742 409

Quarter ended ("current quarter")

June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	102	707
1.2 Payments for (a) staff costs	(916)	(2,584)
(b) advertising and marketing	(81)	(296)
(c) research and development	(99)	(273)
(d) leased assets		
(e) other working capital	(790)	(1,505)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	131	221
1.5 Interest and other costs of finance paid		(1)
1.6 Income taxes paid		514
1.7 Other (provide details if material)		
Net operating cash flows	(1,653)	(3,217)

+ See chapter 19 for defined terms.

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,653)	(3,217)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property	(15)	(129)
(d) physical non-current assets	(56)	(107)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (Payment for Term Deposit)		
	(71)	(236)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,724)	(3,453)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		18,500
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (Cost of raising capital)		(1,376)
Other (Increase of loan to related entity)		(6)
Net financing cash flows		17,118
Net increase (decrease) in cash held	(1,724)	13,665
1.21 Cash at beginning of quarter/year to date	15,663	274
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	13,939	13,939

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	246
1.25	Aggregate amount of loans to the parties included in item 1.11	n/a

1.26 Explanation necessary for an understanding of the transactions

- Salary and superannuation to CEO (director of the entity) and CTO (substantial shareholder of the entity) \$119k
- Reimbursement of business expenses to Pro-Active Industries Pty Ltd (an entity associated with the CEO) \$30k
- Reimbursement of business expenses to CEO & CTO \$6k
- Non Executive Directors' fees and expenses reimbursements \$66k
- Rent and related costs to Starfish Ventures Pty Ltd (an entity associated with Dr Panaccio, a director of the entity) \$25k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	n/a	n/a
3.2	Credit standby arrangements	n/a	n/a

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	4,939	5,663
4.2 Deposits at call	9,000	10,000
4.3 Bank overdraft	n/a	n/a
4.4 Other (provide details)	n/a	n/a
Total: cash at end of quarter (item 1.23)	13,939	15,663

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	n/a	n/a
5.2 Place of incorporation or registration	n/a	n/a
5.3 Consideration for acquisition or disposal	n/a	n/a
5.4 Total net assets	n/a	n/a
5.5 Nature of business	n/a	n/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 July 2014
 (Chief Financial Officer)

Print name: Jerome Whelan

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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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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