

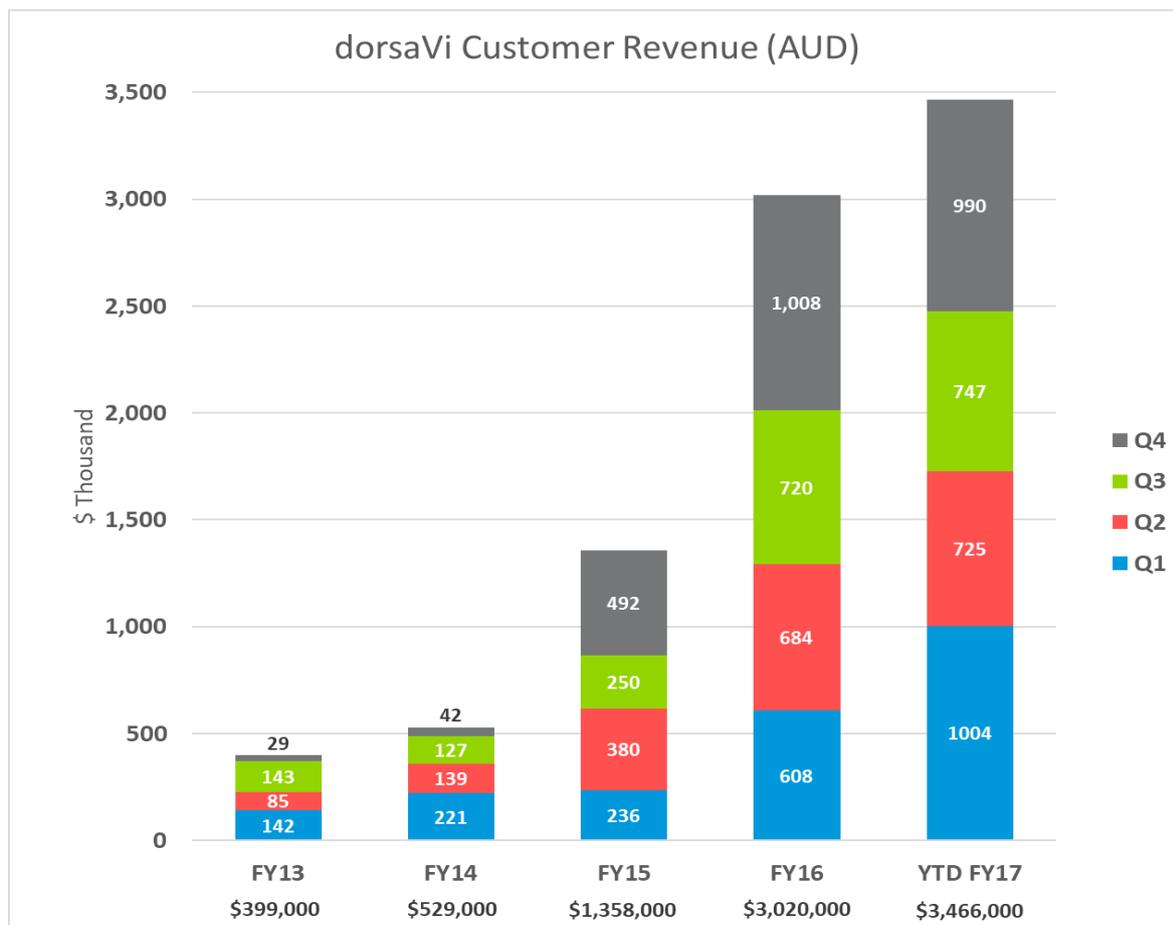


**BUSINESS UPDATE AND JUNE QUARTER CASH FLOW**

*Summary*

- Annual customer revenue of \$3.47m, up 15% PCP in Australian dollars (21% in constant currency)
- Q4 customer revenue of \$990k, up 33% from Q3
- US customer revenue FY17 is 161% up on FY16
- Annual revenue from ordinary activities of \$3.90m up 20% from \$3.24m FY16
- Annual receipts from customers of \$3.58m, up 39% on PCP
- Q4 receipts from customers of \$716k, up 17% on PCP
- Annual net operating cash outflows of \$3.28m FY17, down 18% from FY16 after allowing for development cost capitalised in FY17
- Net operating cash outflows \$710k for Q4 FY17, down 42% on Q4 FY16
- Cash on hand of \$8.61m (compared to \$6.03m at 30 June 2016)

**Melbourne, Australia. 31 July 2017.** dorsaVi Limited (ASX DVL) has today released a business update and 4C Cashflow Report for the period ended 30 June 2017.



dorsaVi generated \$3.47m customer revenue for the full year, up 15% on the previous year, with revenue for the quarter up 33% on the previous quarter to \$990k.

The Australian dollar strengthened during FY17 against both the USD and GBP, which adversely impacted FY17 customer revenue when compared to FY16 customer revenue. If USD and GBP exchange rates, applicable to FY16, had remained constant throughout FY17, then FY17 revenue

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would be \$3.65m, 21% higher than FY16 revenue of \$3.02m. Applying the same constant currency rates to Q4 FY17, revenue would be \$1.09m, an 8% increase over Q4 FY16 revenue of \$1.01m.

dorsaVi continues to improve net operating cashflow, with the positive impact of growing customer contracts and expense management. Cash receipts for Q4 were \$716k, up 17% on Q4 FY16, and up 39% for the full financial year to \$3.58k against FY16. Net operating cash outflows year-to-date were down 18% to \$3.28m after allowing for the impact of \$1.59m product development expenditure capitalised in FY17. Net operating cash outflow for the quarter was down 42% to \$710k when compared to Q4 FY16 net cash outflows of \$1.22m.

The cash balance at 30 June was \$8.61m.

## **KEY OPERATIONAL UPDATE**

The US market continues to expand, up 161% from FY16 reflecting the operational focus and priorities for the business over the last 12 months. dorsaVi USA is currently experiencing strong growth and high levels of customer satisfaction in the US clinical market and OH&S opportunities continue to grow.

In Australia, a hold on marketing and sales campaigns ahead of the launch of myViSafe and ViMove™, and a move away from offering compliance services not directly related to ViSafe, resulted in lower sales in Q2 and Q3 quarters, and this impacted overall sales growth for the year.

In the UK, macro events, such as Brexit and the 2017 general election, have affected business sentiment and influenced lower year on year growth (down 8%).

### **Key customer highlights for the quarter**

- Launch of ViMove2™ in Australia with other regions to follow in FY18 Q2 (UK) and Q4 (US).
- FDA 510(k) Clearance received for the next generation ViMove2™ sensor designed to measure, record, and analyse movement and muscle activity of the lower back.

### **USA**

- Continued renewal and follow on programs with large workforce employers, including foam manufacturer Innocor in its Chicago operation, and global recruitment and labour hire group Randstad.
- MeyerPT signed to distribute the new myViSafe™ hardware to accelerate scale up opportunities and following positive feedback and experience with myViSafe™ in the US.
- Appointment of Proceptive Innovations as a distribution agent focusing on sales into the sport and athletic markets and some of the larger clinical groups in the USA. This expands the agency network to seven in the US with reach through the US and Mexico.
- Preparation underway for launch of ViMove2™.
- Additional sales of ViPerform™ to two of the major NFL franchises in the USA.

### **Australia**

- New customer wins including the ViMove2 deal with Kieser.
- Continued strong return client deals with ViSafe with new projects with the Star Entertainment Group (Star Casino in Sydney) and SilverChain.
- New ViSafe projects won in the aged and healthcare sector through deals with Japara Health Care (Aged Care); Australia Post; St John Ambulance WA; and St John of God Hospital (Victoria). dorsaVi is also continuing to win work in the utilities sector through signed deals with Endeavour Energy and Hunter Water.
- The largest single deal was with Snowy Hydro Limited undertaking an extensive program of ViSafe assessments which includes using ViSafe to better understand the movement profiles associated with the civil and maintenance roles, and to modify plant and equipment as needed.

## UK

- Expanded sales team to enable scale up in the UK to support ViMove2™ launch in October.
- myViSafe™ roll out continues with new customer Marstons Brewery (LSE:MARS), one of the country's leading pub and brewery business with 13,000 employees.
- Expansion into Europe with ViMove™ sales to physio distribution group covering Cyprus and Greece.
- Ten systems purchased for a European-funded research FORUM project, led by Prof Philip Gardiner from Ulster University, and six devices purchased by the leading Rheumatology group in the UK at the Royal National Hospital for Rheumatic Diseases.
- Shortlisted for the Tech Innovation Award with New Civil Engineer and with customer Laing O'Rourke.

### Conference Call

dorsaVi CEO Dr Andrew Ronchi is hosting an investor WebEx to discuss the quarter results on **Monday 31 July at 11.15am Australian Eastern Standard 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 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")**

June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	716	3,583
1.2 Payments for		
(a) research and development	(153)	(1,255)
(b) product manufacturing and operating costs	(114)	(849)
(c) advertising and marketing	(62)	(333)
(d) leased assets	-	-
(e) staff costs	(720)	(3,110)
(f) administration and corporate costs	(529)	(2,404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	69	149
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	83	936
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(710)</b>	<b>(3,283)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(96)	(163)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(875)	(1,660)
(e) other non-current assets	-	-

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 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>(971)</b>	<b>(1,823)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	8,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	6	40
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(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</b>	<b>Net cash from / (used in) financing activities</b>	<b>6</b>	<b>7,731</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	10,329	6,029
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(710)	(3,283)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(971)	(1,823)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6	7,731
4.5	Effect of movement in exchange rates on cash held	(45)	(45)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>8,609</b>	<b>8,609</b>

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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	2,534	3,253
5.2 Call deposits	6,075	7,076
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>8,609</b>	<b>10,329</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	92
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 \$43k
2. Non-Executive Directors' fees and expenses reimbursements of \$49k

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	39
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	36
9.2	Product manufacturing and operating costs	157
9.3	Advertising and marketing	116
9.4	Leased assets	-
9.5	Staff costs	1,541
9.6	Administration and corporate costs	383
9.7	Other (provide details if material)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>2,233</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: 31 July 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.

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