



## BUSINESS UPDATE AND SEPTEMBER QUARTER CASH FLOW

### Summary

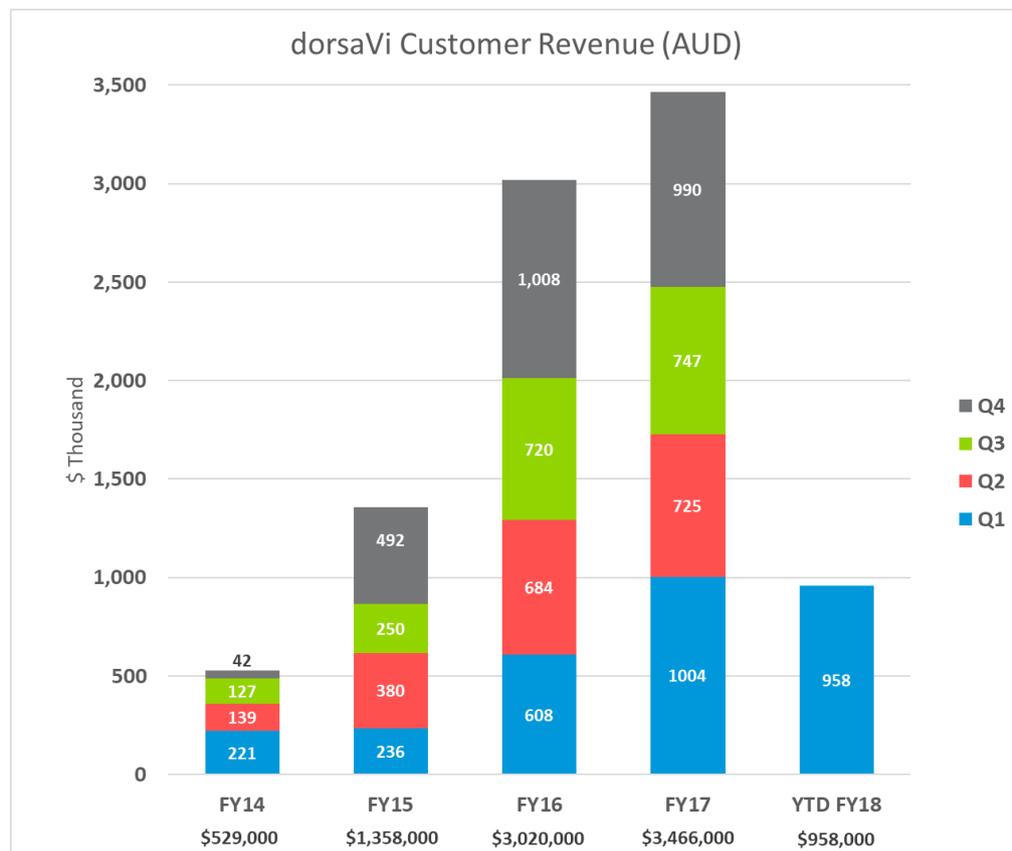
- Q1 receipts from customers of \$1.17m, down 12% PCP
- Q1 customer revenue of \$958k, down 4.6% PCP
- Q1 customer revenue down 3.2% from \$990k in Q4 FY17
- Net operating cash outflows \$1.35m for Q1 FY18, increase due to product launch, sales and marketing activities and the delay in receipt of the R&D tax refund of \$832k (due Q2)
- Cash on hand of \$7.06m at end of Q1
- Momentum into Q2 from projects with: Australian aged care group, Japara Healthcare; a major UK insurer; and US manufacturer, Gates Corporation

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

Cash receipts from customers for Q1 FY18 were \$1.17m, down 12% from \$1.33m in Q1 FY17. dorsaVi generated \$958k customer revenue for Q1 FY18, down 4.6% on Q1 FY17.

Net operating cash outflows for Q1 of \$1.35m reflecting the continued expansion in the USA and increased sales and marketing activities related to the launch of ViMove2. Net operating cash outflows were also negatively impacted by the delay in receipt of the R&D tax refund of \$832k from Q1 to Q2 as compared to the prior year receipt of \$678k in Q1 FY17.

The cash balance at 30 September was \$7.06m.



## Operational Update

Q1 sales were achieved from new and existing customers across its three priority regions, USA, Australia and UK.

In the US, the first complete product portfolio deal has been sold to Gates Corporation, a major global manufacturer of power transmission belts and fluid power products based in Denver, Colorado. Gates Corporation has purchased ViSafe assessment days as well as myViSafe and ViMove to develop a comprehensive continuity of care program in its workplace.

In the UK, pre-orders have been received ahead of the ViMove2 launch in November. ViMove2 is dorsaVi's new generation clinical product and features smaller, faster and easier to use sensors, together with a simplified software interface, improved reporting tools, out-of-clinic monitoring, comprehensive exercise video library, and a patient app.

The sales team has been expanded to cover all regions of the UK. New customers signed for the period include Rockwool (manufacturing), Omya (engineering) and Statoil (energy). In addition, we continue to gain attention with the important insurer market – a trend we are seeing across all our markets – and have commenced an initial pilot with a UK insurer.

Finally, in Australia strong momentum continues in the utilities sector with Sydney Water undertaking a large ViSafe project. This follows on from projects undertaken with Hunter Water, Melbourne Water and Unity Water.

Australian Leisure and Hospitality Group are a new customer who has engaged dorsaVi to conduct a ViSafe project specific to the movement risks associated with their kitchen staff.

Repeat ViSafe work has been secured with a number of follow up projects including but not limited to Snowy Hydro, Endeavour Energy, St John of God Hospital and BHP Billiton.

In addition, dorsaVi has recently signed several large contracts including Australian Aged Care provider Japara Healthcare (ASX: JHC). Japara Healthcare will implement myViSafe to improve workplace manual handling safety for its staff. The adoption of myViSafe, an annuity product, follows initial ViSafe assessments which were undertaken during the year.

## Conference Call

dorsaVi CEO Dr Andrew Ronchi is hosting an investor WebEx to discuss the quarter results on **Tuesday 31<sup>st</sup> October at 11.00am Australian Daylight Savings 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")**

September 2017

<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	1,169	1,169
1.2 Payments for		
(a) research and development	(247)	(247)
(b) product manufacturing and operating costs	(183)	(183)
(c) advertising and marketing	(179)	(179)
(d) leased assets	-	-
(e) staff costs	(1,417)	(1,417)
(f) administration and corporate costs	(589)	(589)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	70	70
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,352)</b>	<b>(1,352)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(12)	(12)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(186)	(186)
(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>(198)</b>	<b>(198)</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	8,609	8,609
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,352)	(1,352)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(198)	(198)
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>7,059</b>	<b>7,059</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	2,984	2,534
5.2 Call deposits	4,075	6,075
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>7,059</b>	<b>8,609</b>

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

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	89
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 \$44k
2. Non-Executive Directors' fees and expenses reimbursements of \$45k

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

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	44
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*

	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	118
9.2	Product manufacturing and operating costs	163
9.3	Advertising and marketing	144
9.4	Leased assets	-
9.5	Staff costs	1,582
9.6	Administration and corporate costs	302
9.7	Other (provide details if material)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>2,309</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 October 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.