

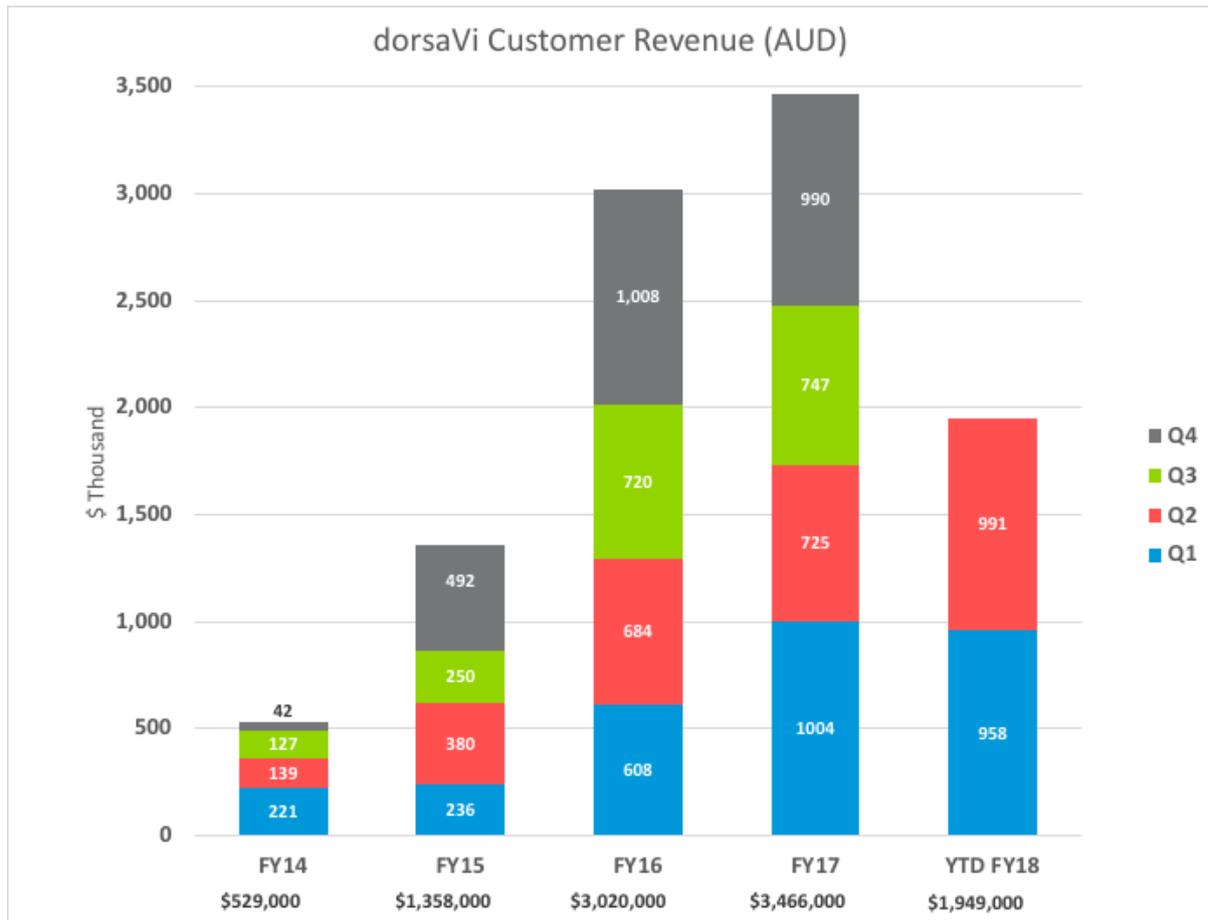


BUSINESS UPDATE AND DECEMBER QUARTER CASH FLOW

Summary

- Q2 customer revenue of \$991k up 37% PCP. On a constant currency basis, revenue would be \$1.02m up 41% PCP
- H1 receipts from customers of \$2.34m, up 18% PCP
- H1 customer revenue of \$1.95m, up 13% PCP
- Revenue from ordinary activities of \$2.24m in H1 FY18 up 15% from H1 FY17
- Net operating cash inflows \$487k for Q2 FY18
- Cash on hand of \$6.75m at end of Q2 as compared to \$7.06m at the end of Q1

Melbourne, Australia. 31 January 2018. dorsaVi Limited (ASX DVL) has today released a business update and 4C Cashflow Report for the period ended 31 December 2017.



Cash receipts from customers for H1 FY18 were \$2.34m, up 18% from \$1.99m in H1 FY17.

dorsaVi generated \$1.95m in customer revenue for H1, up 13% on H1 FY17. Due to the strengthening of the AUD against the USD over H1 FY18, there was an adverse impact on FY18 customer revenue when compared to FY17. On a constant currency basis, Q2 FY18 revenue would be \$1.02m, 41% higher than Q2 FY17 revenue of \$725k, making it dorsaVi's highest revenue quarter to date.

Net operating cash inflows for Q2 FY18 of \$487k represent a \$1.31m improvement when compared to net operating cash outflows of \$825k for Q2 FY17. This reflects increased customer receipts in the current period and the receipt of the R&D tax refund of \$833k in Q2 FY18.

The cash balance at 31 December was \$6.75m as compared to \$7.06m at 30 September 2017.

Operational Update

dorsaVi announced recent operational changes to its senior management team to enable further growth in international markets, particularly the US. Co-founder and CEO Dr Andrew Ronchi has relocated to the US where he will work to expand dorsaVi's US business with a dual focus on occupational health and safety and clinical markets.

The move will also allow dorsaVi to build strategic relationships with key stakeholders and major clinical and insurance groups across the US and Europe. The relocation is in line with the Company's strategic focus on the US, which has experienced growing annuity revenue in both the OHS and clinical markets.

Matt May, Head of Sales and Operations for Australia, has been promoted to General Manager and now operates as second in charge to Dr Ronchi. Matt is an experienced operations executive and has lead dorsaVi's Australian sales and operations since 2014.

Geographic Update

US

During the quarter, dorsaVi also secured repeat contracts with existing customers, including with Weyerhaeuser, bringing the combined value of the three projects with the company to over \$100k. dorsaVi's latest project with Weyerhaeuser is a pilot program to explore the potential for larger-scale engagement in CY18. Similarly, Caterpillar signed its third project with dorsaVi, with the new program expanding to using myViSafe™ to address workplace safety, culture and productivity.

dorsaVi's new sales agents in Mexico also recently delivered its first project in Monterrey.

UK

During the quarter, ViMove2™ was launched in the UK, with ten sales already secured in the initial launch period. ViMove2™ is now being used in expert-led running courses around the country which is expected to drive ongoing sales.

In the OHS market, a number of new workplace deals were signed, including with Johnson & Johnson who intend to introduce ViSafe™ into its manufacturing sites across Europe. BOC - a member of The Linde Group which supplies compressed and bulk gases, chemicals and equipment around the globe - has also signed on as new customers. The company also develops solutions for customers in specialty sectors, such as heavy industry and medical environments, and have adopted ViSafe™ to redesign manual handling roles. myViSafe™ will be introduced into operations in the UK and the US simultaneously.

Australia

In Australia, dorsaVi continues to secure new contracts and projects with household companies and brands, including Coles, Woolworths and Big W, while companies such as Bupa and Baptist Care have also been added the Company's growing roster of healthcare and aged care industry clients.

The Company has also been encouraged by repeat customers who have expanded the scope of their ViSafe™ projects, such as Australia's largest healthcare providers Japara Healthcare (ASX:JHC), and Endeavour Energy.

In commenting on the results, Dr Ronchi, dorsaVi Chief Executive Officer said: “The changes to our operational structure and concentrating efforts on the burgeoning yet underserved US market will allow us to fully capitalise on the growing leads and strong foundations already established in this market.”

“In parallel with our focus on the US, we remain committed to investing in growing the UK and Australia market, and we are pleased to see both continue to generate new opportunities and expand current customer remits.”

Conference Call

dorsaVi CEO Dr Andrew Ronchi is hosting an investor WebEx to discuss the quarter results on **Wednesday 31 January at 10.30am Australian Daylight Savings Time.**

Participation details:

Australia	+61 2 8090 8323 or Toll Free on 1800 064 762
Hong Kong	30713074
Singapore	800 101 3333
United States	+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, England and Wales Cricket Board and Board of Control for Cricket in India, 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.

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")

December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,173	2,342
1.2 Payments for		
(a) research and development	(160)	(407)
(b) product manufacturing and operating costs	(186)	(369)
(c) advertising and marketing	(116)	(295)
(d) leased assets	-	-
(e) staff costs	(718)	(2,135)
(f) administration and corporate costs	(534)	(1,123)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	45	69
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	983	1,053
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	487	(865)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(13)	(25)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(784)	(970)
(e) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
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)	-	-
2.6 Net cash from / (used in) investing activities	(797)	(995)

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	7,059	8,609
4.2 Net cash from / (used in) operating activities (item 1.9 above)	487	(865)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(797)	(995)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	6,749	6,749

5. Reconciliation of cash and cash equivalents 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	3,174	2,984
5.2 Call deposits	3,575	4,075
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,749	7,059

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	93
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 \$49k

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	117
9.2	Product manufacturing and operating costs	167
9.3	Advertising and marketing	144
9.4	Leased assets	-
9.5	Staff costs	1,601
9.6	Administration and corporate costs	265
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	2,293

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 January 2018

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.