

dorsaVi Ltd and controlled entities

**APPENDIX 4E
PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2018
Provided to the ASX under listing rule 4.3A**

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Details of the reporting period and the previous corresponding period

Reporting period: Year ended 30 June 2018

Previous corresponding period: Year ended 30 June 2017

Results for announcement to the market

	June 2018 (\$)	June 2017 (\$)	Change (\$)	Change (%)
Revenue	4,394,271	3,897,882	496,389	13%
Loss from ordinary activities after tax attributable to members	(3,727,073)	(3,876,248)	149,175	-4%
Loss for the period attributable to members	(3,727,073)	(3,876,248)	149,175	-4%

	June 2018 (cents)	June 2017 (cents)	Change (cents)
Net Tangible asset per share	3.30	6.29	(2.99)

Explanation of Results

dorsaVi Ltd continued to focus on developing new product, building its sales momentum and customer base in Australia, the UK and the US and on controlling cost.

Total revenue increased 13% year on year. Total expenditure increased by \$419,686 to \$9,035,015 (5% year on year) largely reflecting an increase in non-cash expenditures of \$675,714 for expenses such as: the write-off of goodwill and amortisation and depreciation.

The loss from continuing operations after income tax for the 2018 financial year was \$3,727,073 (2017: \$3,876,248), a reduction of 4% on the 2017 financial year.

During the financial year there were no returns to shareholders in any form.

This report should be read in conjunction with any public announcements made by dorsaVi Ltd in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Refer to the attached statement

Consolidated Statement of Financial Position

Refer to the attached statement

Consolidated Statement of Changes in Equity

Refer to the attached statement

Consolidated Statement of Cash Flows

Refer to the attached statement

Dividends

The board has declared no dividend for the years ended 30 June 2018 or 30 June 2017. There are no dividend reinvestment plans in operation.

Statement of Accumulated Losses

	Consolidated Entity		Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
Balance at the beginning of year	(26,073,132)	(22,212,210)	(17,818,259)	(15,868,777)
Net loss attributable to members of the parent entity	(3,727,073)	(3,876,248)	(1,504,721)	(1,964,808)
Options lapsed	30,739	15,326	30,739	15,326
Total available for appropriation	(29,769,466)	(26,073,132)	(19,292,241)	(17,818,259)
Dividends paid	-	-	-	-
Balance at end of year	<u>(29,769,466)</u>	<u>(26,073,132)</u>	<u>(19,292,241)</u>	<u>(17,818,259)</u>

Details of entities over which control has been gained or lost during the period

There was no gain or loss in control of entities during the year ended 30 June 2018.

Audit of the Financial Report

The financial report is in the process of being audited.

Date: 31 August 2018



Damian Connellan
 CFO
 dorsaVi Ltd



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
Revenue and other income			
Sales revenue	1	3,433,348	3,466,027
Other income	1	960,923	431,855
		4,394,271	3,897,882
Less: Expenses			
Cost of sales	2	(873,625)	(1,068,139)
Advertising expenses		(244,742)	(239,990)
Conference expenses		(88,292)	(72,596)
Consultancy expenses		(362,075)	(332,815)
Depreciation and amortisation expenses	2	(738,281)	(174,677)
Device development expenditure		(26,654)	(181,033)
Employee benefits expenses	2	(4,498,316)	(4,302,643)
Write-off of goodwill	2	(112,110)	-
Occupancy expenses	2	(356,250)	(283,078)
Professional fees		(543,182)	(446,470)
Regulatory expenses		(90,474)	(86,800)
Software expenses		(219,786)	(170,261)
Travel expenses		(387,902)	(447,460)
Other expenses		(493,326)	(809,367)
		(9,035,015)	(8,615,329)
Loss before income tax benefit		(4,640,744)	(4,717,447)
Income tax benefit		913,671	841,199
Loss from continuing operations		(3,727,073)	(3,876,248)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign subsidiaries net of tax		(443,571)	308,995
Other comprehensive income for the year		(443,571)	308,995
Loss for the year		(4,170,644)	(3,567,253)
Loss per share for loss from continuing operations attributable to equity holders of the parent entity:			
Basic loss per share		(2.22 cents)	(2.45 cents)
Diluted loss per share		(2.22 cents)	(2.45 cents)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Current assets		
Cash and cash equivalents	3,966,857	8,609,602
Receivables	2,189,079	2,410,615
Inventories	324,934	317,157
Other assets	235,995	146,125
Total current assets	<u>6,716,865</u>	<u>11,483,499</u>
Non-current assets		
Intangible assets	3,884,253	2,607,199
Plant and equipment	324,331	381,094
Total non-current assets	<u>4,208,584</u>	<u>2,988,293</u>
Total assets	<u>10,925,449</u>	<u>14,471,792</u>
Current liabilities		
Payables	1,084,644	930,084
Provisions	381,782	385,696
Total current liabilities	<u>1,466,426</u>	<u>1,315,780</u>
Non-current liabilities		
Provisions	41,858	30,340
Total non-current liabilities	<u>41,858</u>	<u>30,340</u>
Total liabilities	<u>1,508,284</u>	<u>1,346,120</u>
Net assets	<u>9,417,165</u>	<u>13,125,672</u>
Equity		
Share capital	38,455,224	38,440,518
Reserves	731,407	758,286
Accumulated losses	(29,769,466)	(26,073,132)
Total equity	<u>9,417,165</u>	<u>13,125,672</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

Consolidated Entity	Share capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2016	30,709,796	93,496	(22,212,210)	8,591,082
Loss for the year	-	-	(3,876,248)	(3,876,248)
Exchange differences on translation of foreign operations, net of tax	-	308,995	-	308,995
Total comprehensive income for the year	-	308,995	(3,876,248)	(3,567,253)
Transactions with owners in their capacity as owners:				
Issue of shares	7,999,972	-	-	7,999,972
Cost of raising capital	(309,411)	-	-	(309,411)
Redemption of Employee share ownership plan	40,161	-	-	40,161
Employee share ownership plan	-	371,121	-	371,121
Options lapsed	-	(15,326)	15,326	-
	7,730,722	355,795	15,326	8,101,843
Balance as at 30 June 2017	38,440,518	758,286	(26,073,132)	13,125,672
Balance as at 1 July 2017	38,440,518	758,286	(26,073,132)	13,125,672
Loss for the year	-	-	(3,727,073)	(3,727,073)
Exchange differences on translation of foreign operations, net of tax	-	(443,571)	-	(443,571)
Total comprehensive income for the year	-	(443,571)	(3,727,073)	(4,170,644)
Transactions with owners in their capacity as owners:				
Redemption of Employee share ownership plan	14,706	-	-	14,706
Employee share ownership plan	-	447,431	-	447,431
Options lapsed	-	(30,739)	30,739	-
	14,706	416,692	30,739	462,137
Balance as at 30 June 2018	38,455,224	731,407	(29,769,466)	9,417,165

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Cash flow from operating activities		
Receipts from customers	4,389,596	3,475,183
Payments to suppliers and employees	(8,316,837)	(7,947,085)
Grants received	347,051	258,370
Interest received	112,182	148,588
Income tax refunded	870,640	678,220
Net cash used in operating activities	(2,597,368)	(3,386,724)
Cash flow from investing activities		
Payment for plant and equipment	(49,980)	(133,492)
Payment for intangibles	(2,010,103)	(1,630,089)
Net cash used in investing activities	(2,060,083)	(1,763,581)
Cash flow from financing activities		
Proceeds from share issue	-	7,999,972
Cost of raising capital	-	(309,411)
Proceeds from employee share ownership plan	14,706	40,161
Net cash provided by financing activities	14,706	7,730,722
Reconciliation of cash		
Cash at beginning of the financial year	8,609,602	6,029,185
Net (decrease) / increase in cash held	(4,642,745)	2,580,417
Cash at end of the year	3,966,857	8,609,602

Notes to the Preliminary Financial Report

NOTE 1: REVENUE AND OTHER INCOME

	2018	2017
	\$	\$
Revenue from continuing operations		
Device and consumables sales	927,232	981,378
Device rental income	663,705	573,558
Consulting income	1,842,411	1,911,091
	3,433,348	3,466,027
<u>Other income</u>		
Grant income	347,051	258,370
Interest income	112,182	148,588
Foreign exchange gain	501,690	24,897
	960,923	431,855
	4,394,271	3,897,882

NOTE 2: LOSS FROM CONTINUING OPERATIONS

Losses before income tax has been determined after:

Cost of sales	873,625	1,068,139
Write-off of goodwill	112,110	-
Depreciation	117,342	91,916
Amortisation of patents and intangibles	620,939	82,761
Employee benefits expense		
- Share based payments	447,431	371,121
- Other employee benefits	4,050,885	3,931,522
	4,498,316	4,302,643
Operating lease rental	356,250	283,078
Research and development expense	2,052,485	1,845,839

NOTE 3: SEGMENT INFORMATION

(a) Description of Segments

The Group's chief operating decision maker has identified the following reportable segments:

- Segment 1: Australia
- Segment 2: Europe
- Segment 3: United States of America

Management differentiates operating segments based on geographical areas and regulatory environments. The type of products and services from which each reportable segment derives its revenue is considered the same.

The operating segments have been identified based on internal reports reviewed by the Group's chief operating decision makers in order to allocate resources to the segment and assess its performance.



NOTE 3: SEGMENT INFORMATION (Continued)

(b) Segment Information

The Group's chief operating decision maker's use segment revenue and segment result to assess the financial performance of each operating segment.

Amounts for segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. There has been no inter-segment revenue during the year.

Segment information is reconciled to financial statements and underlying profit disclosure notes as follows:

	Australia	Europe	USA	Total
	\$	\$	\$	\$
2018				
Segment revenue				
Total segment revenue	2,415,744	725,568	1,252,959	4,394,271
Segment revenue from external source	2,415,744	725,568	1,252,959	4,394,271
Segment result				
Total segment result	(1,504,721)	(833,018)	(1,389,334)	(3,727,073)
Segment result from external source	(1,504,721)	(833,018)	(1,389,334)	(3,727,073)
Items included within the segment result:				
Grant income	347,051	-	-	347,051
Interest income	112,172	10	-	112,182
Foreign exchange gain	501,690	-	-	501,690
Depreciation and amortisation expense	(738,281)	-	-	(738,281)
Write-off of goodwill	(112,110)	-	-	(112,110)
Income tax benefit	892,831	20,840	-	913,671
Total Segment Assets	22,336,064	689,731	912,263	23,938,058
Elimination				(13,012,609)
Consolidated segment assets				10,925,449
Total assets include:				
Additions to non-current assets	2,060,083	-	-	2,060,083
Total Segment Liabilities	(2,010,059)	(4,035,731)	(8,475,103)	(14,520,893)
Elimination				13,012,609
Consolidated segment liabilities				(1,508,284)

NOTE 3: SEGMENT INFORMATION (Continued)

2017	Australia	Europe	USA	Total
	\$	\$	\$	\$
Segment revenue				
Total segment revenue	2,037,596	675,438	1,184,848	3,897,882
Segment revenue from external source	2,037,596	675,438	1,184,848	3,897,882
Segment result				
Total segment result	(1,964,808)	(468,145)	(1,443,295)	(3,876,248)
Segment result from external source	(1,964,808)	(468,145)	(1,443,295)	(3,876,248)
<i>Items included within the segment result:</i>				
Grant income	258,370	-	-	258,370
Interest income	148,564	24	-	148,588
Depreciation and amortisation expense	(174,677)	-	-	(174,677)
Income tax benefit	802,940	38,259	-	841,199
Total Segment Assets	23,338,117	1,031,158	1,044,604	25,413,879
Elimination				(10,942,087)
Consolidated segment assets				14,471,792
Total assets include:				
Additions to non-current assets	1,763,581	-	-	1,763,581
Total Segment Liabilities	(1,969,528)	(3,407,529)	(6,911,150)	(12,288,207)
Elimination				10,942,087
Consolidated segment liabilities				(1,346,120)

NOTE 4: SUBSEQUENT EVENTS

On 3 July 2018, dorsaVi Ltd announced that it had signed an agreement with CitiPower and Powercor for the provision of dorsaVi's wearable sensor technology to profile movement risk and improve manual handling safety.

On 18 July 2018, dorsaVi announced that it had signed an evaluation agreement with Stryker Leibinger GmbH & Co to evaluate ViMove2.