



INSPIRING THE WORLD TO MOVE WELL

INVESTOR UPDATE

JULY 2019



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INVESTMENT HIGHLIGHTS

Large & Attractive Markets

- Clinical market - total cost of back pain in the United States is between \$100–200 B¹
- Workplace injury market – workplace injuries cost \$60 B in direct US workers' compensation costs/year²
- Large opportunity in remote health management with digital solutions being used to reduce health costs

Gaining Market Traction

- Growing interest in data driven decision making
- Market adoption ramping
 - Clinical device uptake increased 42% FY18 to FY19 with >90% retention
 - Workplace device uptake increased 141% FY18 to FY19 with >90% retention

Growth in Recurring Revenue

- Recurring revenue introduced in both clinical and workplace product portfolios
- 48% increase in recurring revenue from FY18 to FY19 (up 33% from FY17 to FY18)
- Impact of device number growth will be seen in future quarters

Strategic Review Initiatives

- Initiatives complete with desired impact on recurring revenue growth and expense reduction
- Core products and US market prioritised - CEO US based and key sales persons added
- Cash expenses* reduced from \$9.90m FY18 to \$7.86m** FY19, a reduction of \$2.04m (21%)
- Estimated cash expenses for FY20 is \$6.48m*, a further reduction of \$1.38m (18%) on FY19**

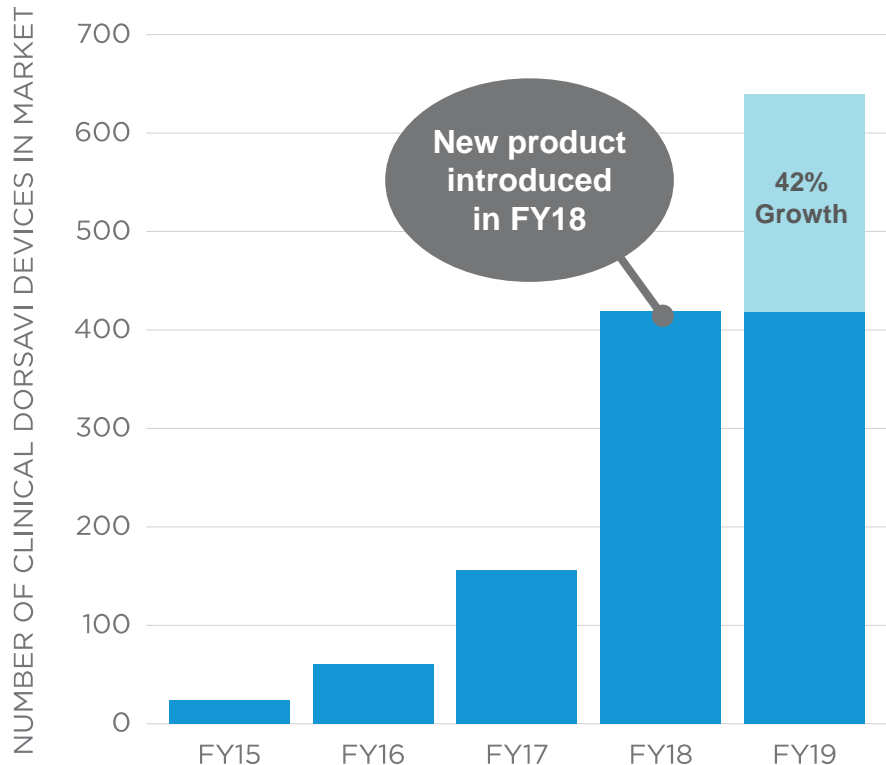
Strong Patent Position & Regulatory Clearances

- Robust intellectual property portfolio with fifteen granted patents globally, three in the US
- FDA clearance, TGA approval, CE Mark
- Regulatory clearance a differentiator and a strong barrier to entry for competitors

* Cash expenses means cash payments for non-financing, operational expenses and capital expenses but excluding expenses such as depreciation and share based payments.

** Unaudited figures for FY19

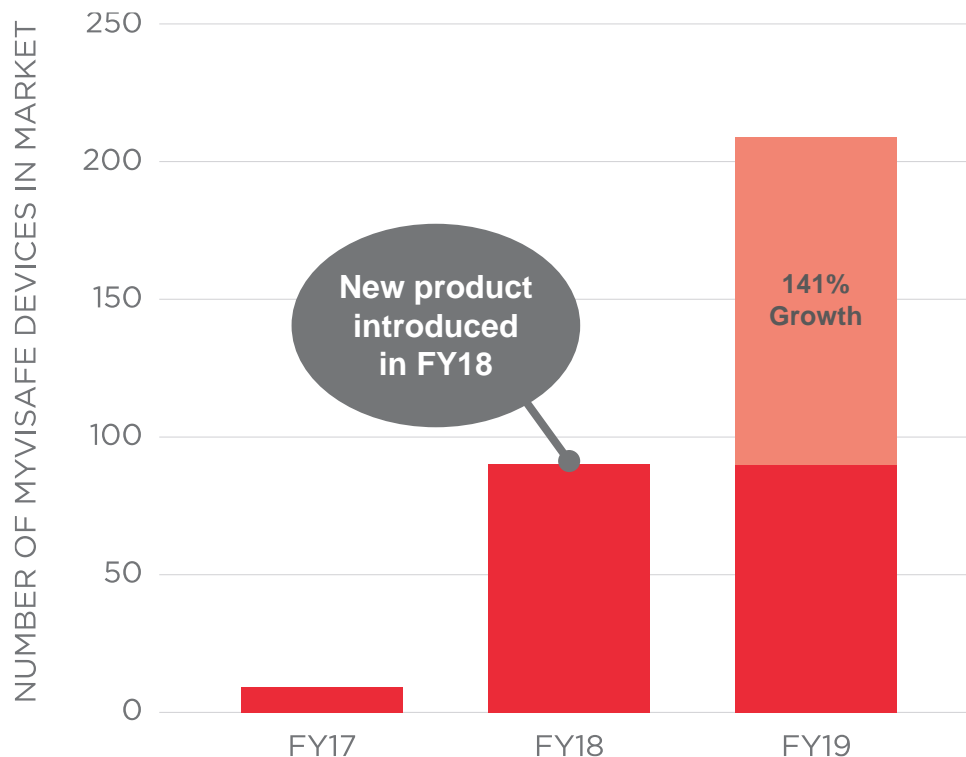
CLINICAL MARKET – ADOPTION & RECOGNISED RR* GROWTH



- > Strong retention in US market (>90%)
- > FDA cleared
- > Reimbursement using existing CPT codes
- > Word of mouth driving referral sales
- > New product is more scalable, easier to support and sell online
- > AMI is the module driving referrals to PT clinics
- > Total number of devices in market is now 634 (up 42% in FY19)
- > Clinical market Recognised RR* as at 30th June is \$962k for FY19

* Recognised Recurring Revenue (Recognised RR) is recurring revenue that can be recognised in the current financial year.

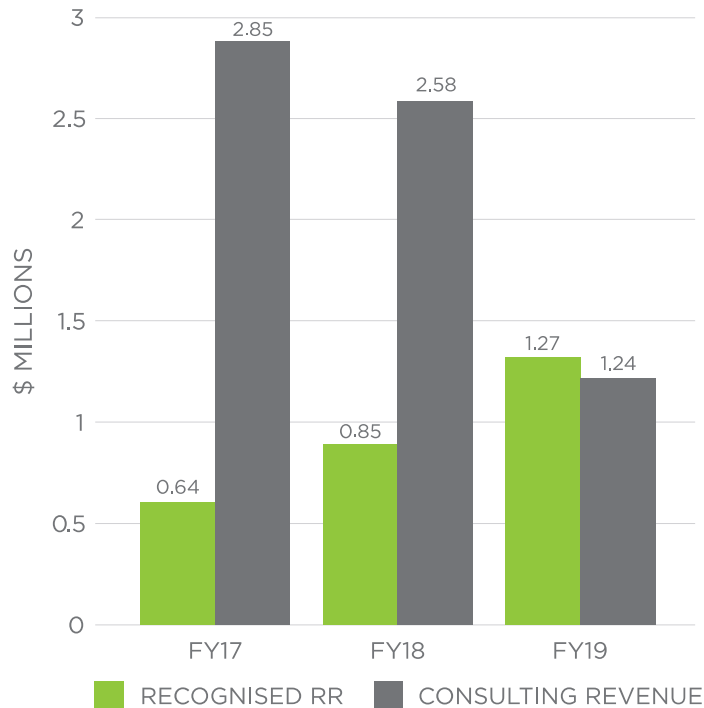
WORKPLACE MARKET – ADOPTION & RECOGNISED RR GROWTH ^{// 5}



- > Clients migrating from pilots to full deployment using myViSafe
 - Visy Board's successful pilot rolled out to 15 locations nationally
 - Fenner started in UK and globally with 26 sites
 - Pilot leading to large UK rail group rolling out 64 myViSafe systems nationally (\$550k over 3 years)
- > Total number of devices in the workplace market is now 222 (up 141% in FY19)
- > Workplace Recognised RR as at 30th June is \$309k for FY19

TRANSITION TO SaaS MODEL COMPLETE AND REVENUE BUILDING

CONSULTING REVENUE COMPARED WITH RECURRING REVENUE

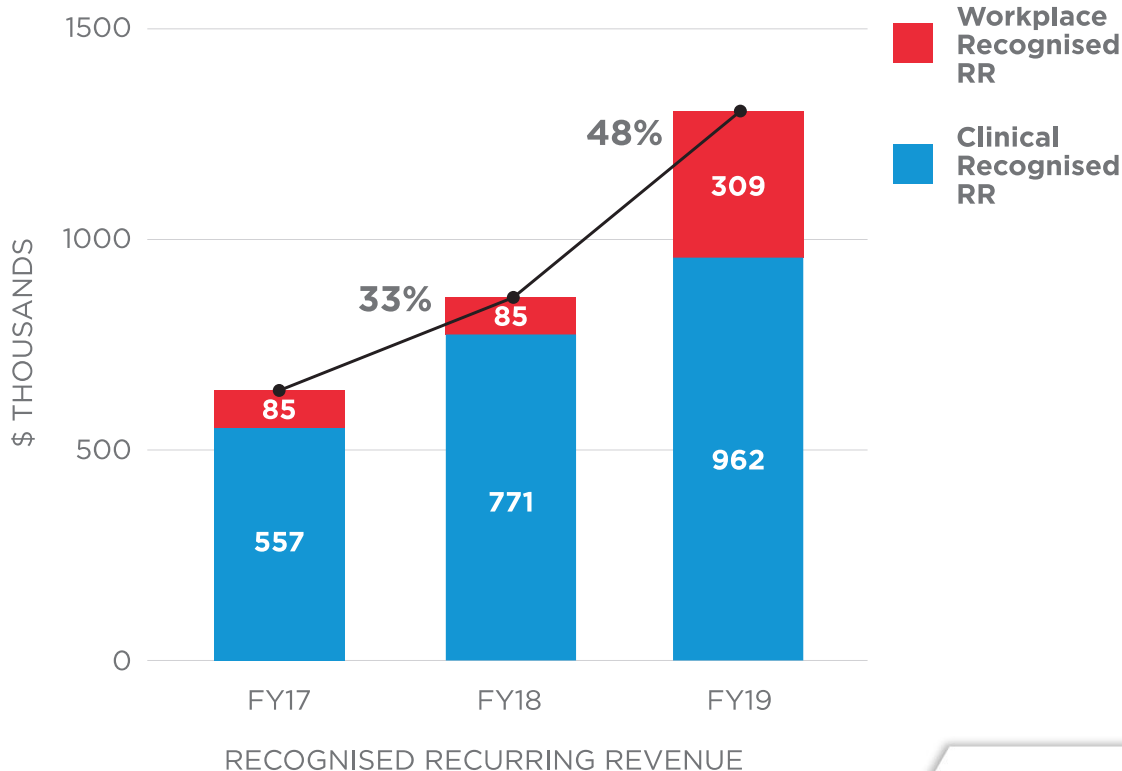


- > 2014 – Initial business model based on ‘once off’ sales
- > 2015 – Identified SaaS style business model to better align to decision makers and their funding options
- > 2016 – SaaS model introduced into the clinical market
 - Historical clinical sale created \$10-15k per device
 - SaaS model now \$2k up front & \$3k /year / device
- > 2018 – SaaS model introduced to the workplace market through the myViSafe product
 - Previous workplace consulting contract generated \$30-150k
 - SaaS model generating \$20-30k per year (per corporate)
- > Conversion of 43% of consulting customers to recurring model
- > >90% retention rate for SaaS model building stable revenue from core products

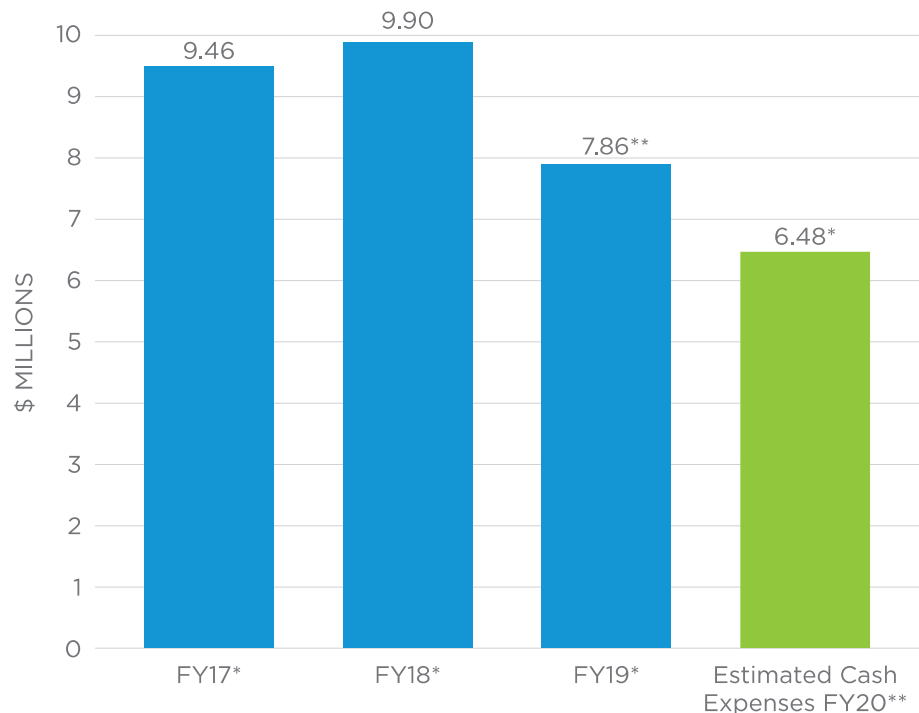
RECOGNISED RECURRING REVENUE GROWTH PATTERN

Increases attributed to:

- > Transition from contract revenue to recurring SaaS model
- > Launch of Professional Suite in clinical market with significant improvement in ease of use
- > Increased uptake of myViSafe in the workplace market
- > New myViSafe business model, less upfront and higher proportion of recurring revenue



SIGNIFICANT REDUCTION IN CASH EXPENSES*



- > Cash expenses* reduced from \$9.90m FY18 to \$7.86m** FY19, a reduction of \$2.04m (21%)
- > Operational changes are sustainable with a stronger focus on sales
- > Estimated cash expenses for FY20, assuming current operations remain constant, are \$6.48m*, a further reduction of \$1.38m (18%) on FY19**

* Cash expenses means cash payments for non-financing, operational expenses and capital expenses but excluding expenses such as depreciation and share based payments.

** Unaudited figures for FY19

GUIDANCE FOR RECOGNISED RR FOR Q1 FY20

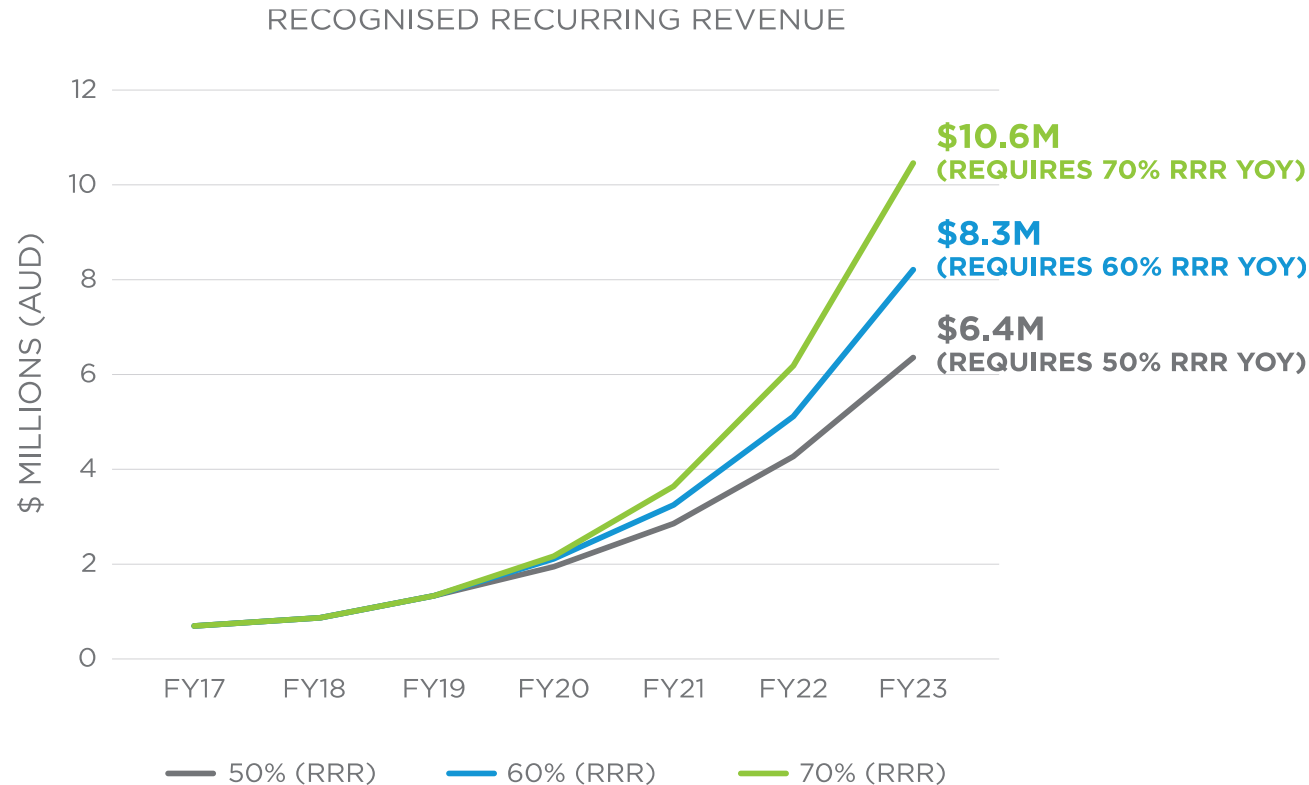
	Q4 Result (Unaudited)	Low	Mid Range Q1 FY20 Guidance	High
Recognised RR \$	\$319,000	\$389,000	\$401,000	\$420,000
% Growth versus Q4		22%	26%	32%
% Growth YOY	48%	50%	60%	70%

Drivers for growth:

- > Secured US based marketing firm with local knowledge and strong enterprise experience
- > Expanded webinar program into the US workplace market with immediate results
- > Transition from contract revenue to recurring SaaS model
- > Launch of app based product into clinical market with optimised ease of use & on line training
- > New myViSafe business model, less upfront and higher proportion of recurring revenue

REQUIRED GROWTH RATES TO DRIVE RRR TO \$8.3M BY JUNE 2023

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Note: This graph is for illustration purposes only and is not a forecast.

MARKET OPPORTUNITY



1. US Clinical market

123,000 clinics @ \$3k per year
(\$370m per year direct US PT market)

Current market penetration <1%
Market adoption growth of 42% YOY



2. US Workplace market

230,000 corporates @ \$4k per year
(\$920m per year direct US corporate market)

Current market penetration <1%
Market adoption growth of 141% YOY



3. Orthopaedic market opportunity

1.5 million hip & knee replacements in the US per year
@ \$800 per kit for each patient
(\$1.2b per year Direct US Orthopaedic market)



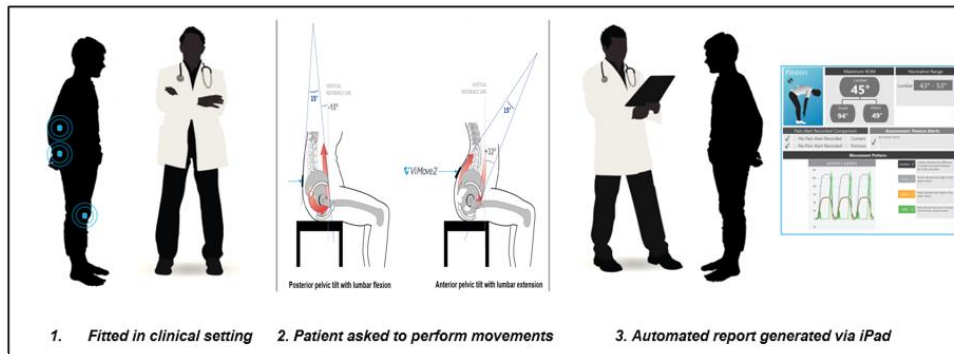
CLINICAL MARKET – MODULE EXAMPLE

- Athletic Movement Index – a battery of 6 tests to assess lower limb and core function
- AMI now being used across 250 sites in the US
- Average revenue \$100 per assessment (50% of clients are Cash pay)
- Average 180 sessions per year per device (>\$18k revenue per device)
- AMI assisting development of new sports medicine programs
- Generating new patient referrals from MD and orthopedic surgeons (>40/site)
- Impact of AMI continues to grow through positive word of mouth
- Strong ROI of 4-5 times the cost base (>\$18k revenue with cost of \$3k per year)

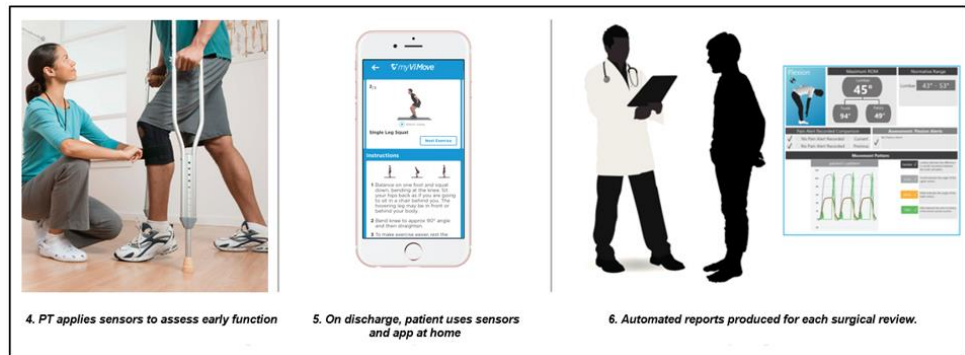


ORTHOPAEDIC MARKET OPPORTUNITY

Assessment
prior to
surgery



Assessment
post surgery
to track
progress



THE WORKPLACE MARKET

- The direct cost of nonfatal workplace injuries amount to \$60 billion in US
- Musculoskeletal injuries represent the largest proportion of workplace injuries
- Organisations have a legal obligation to mitigate and measure injury risk, and to continually train staff in safe work practice
- With injury rates remaining largely unchanged over the past decade, organisations and insurers are looking for novel interventions which can make a difference
- Increasing appetite for data to back decision making and drive change



“It’s no longer... ‘I’m here to tell you what to do’; instead it’s ‘let’s try this together and see what the results say’. You’re actually having fun together.”

NANCY, SENIOR HSE PROFESSIONAL, FENNER

BRINGING INNOVATION TO WORKPLACE SAFETY



ViSafe™

myViSafe™



DORSAVI WORKPLACE SOLUTIONS



Identify and prioritise movement risk



Validate and verify interventions



Facilitate changes in manual handling behaviours



Inform decisions on controls



Monitor large remote workforce

OUTCOMES

► Injury reduction ► Productivity improvement ► Improved safety culture

COMPELLING BUSINESS CASE FOR INDUSTRY

Heathrow
Making every journey better

Within a year manual
handling injuries
decreased by

↓ 53%



VINCI CONSTRUCTION

back bending by

↓ 85%

Improved
productivity by

↑ 17%



Woolworths
the fresh food people

low back injuries by

↓ 87%

Increased
productivity by

↑ 21%




CROWN RESORTS

injuries from
72 to 1 in
12 months

Prior to Intervention
72 INJURIES
2015

After Intervention
1 INJURY
2016



UPCOMING NEWSFLOW

- **Continued growth in recurring revenue**
- **US Physical Therapy market**
 - Growing sales to large networked US physical therapy clinics
- **US Workplace market**
 - Expand roll out of myViSafe product to large corporate groups
 - Referral agreements with US insurers to enhance distribution channels in the US
- **Orthopaedic opportunity**
 - Demonstrating feasibility for the continuum of care

A MOVEMENT LAB IN YOUR POCKET



30_{sec}

Rapid start
up mode



Instant
data report



Cloud-based
infrastructure



iOS
compatible



Bluetooth
connectivity



Insights to drive
decision making



Patented
algorithms



Movement &
muscle sensors



All day
monitoring

 **dorsaVi™**

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