



INSPIRING THE WORLD TO MOVE WELL

INVESTOR UPDATE

NOVEMBER 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 increasing with 651 systems in the market with >90% retention
 - Workplace device uptake increasing with 241 systems in the market with >90% retention

Growth in Recurring Revenue

- Transition from consulting revenue to recurring revenue with the workplace product
- Recognised Recurring Revenue (RRR) for Q1 FY20 is \$395k, an increase of 30% on PCP (\$304k), and an increase of 20% on Q4 FY19 (\$329k)
- Result in-line with guidance provided in the July 2019 investor update

Strategic Review Initiatives

- Focus on core products in the US market to build recurring revenue
- Additional initiatives completed in November to further reduce cash expenses
- Cash expenses* reduced from \$9.9m FY18 to \$7.7m FY19, a reduction of \$2.2m (22%)
- Estimated cash expenses* for FY20 is \$5.4m, a further reduction of \$2.3m (30%) on FY19

Strong Patent Position & Regulatory Clearances

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

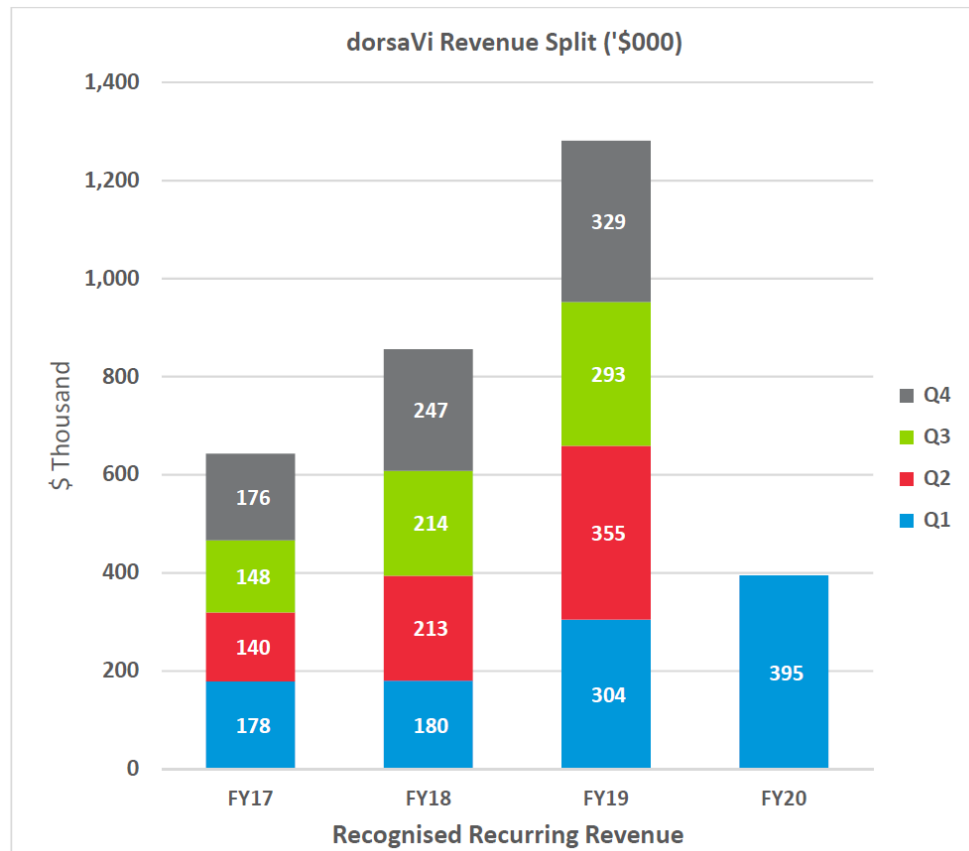
* Cash expenses means cash payments for non-financing, operational expenses and capital expenses but excluding expenses such as depreciation and share based payments.

1 - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4180670/>

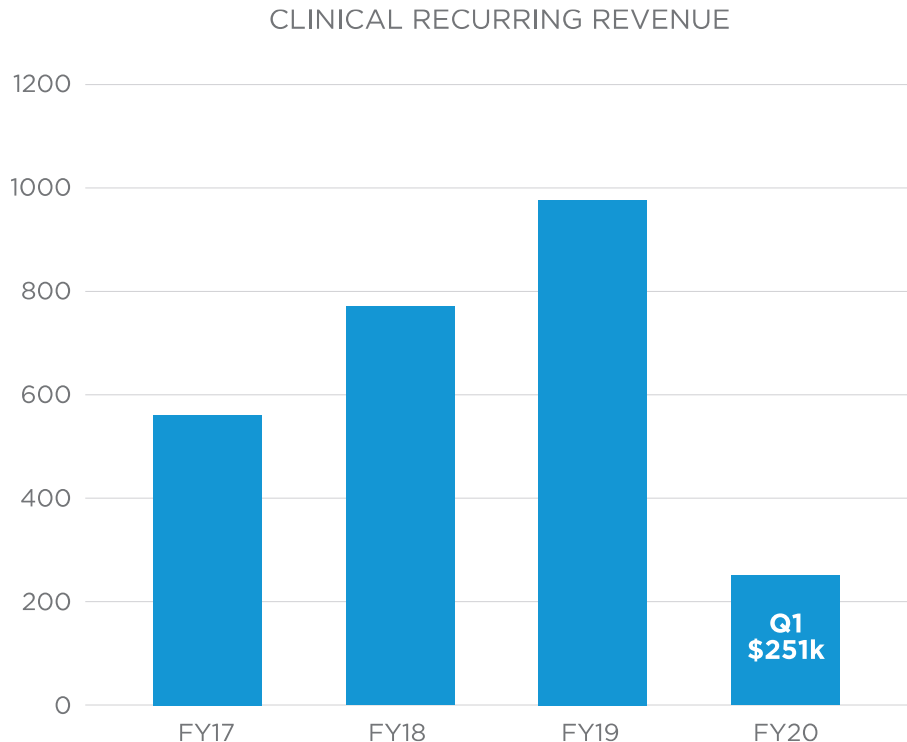
2 - <https://www.ehstoday.com/safety/businesses-spend-more-1-billion-week-serious-nonfatal-workplace-injuries>

RECOGNISED RECURRING REVENUE (RRR) GROWTH PATTERN

- > RRR for Q1 FY20 is \$395k in line with guidance
- > This is an increase of 30% on PCP (\$304k), and 20% on Q4 FY19 (\$329k)
- > Transition from contract revenue to recurring SaaS model progressing well
- > Launch of Professional Suite in clinical market with significant improvement in ease of use
- > Increased uptake of myViSafe in the workplace market
- > Total revenue for Q1 FY20 was \$647k, with >60% recurring revenue



CLINICAL MARKET – ADOPTION & RECOGNISED RR* GROWTH

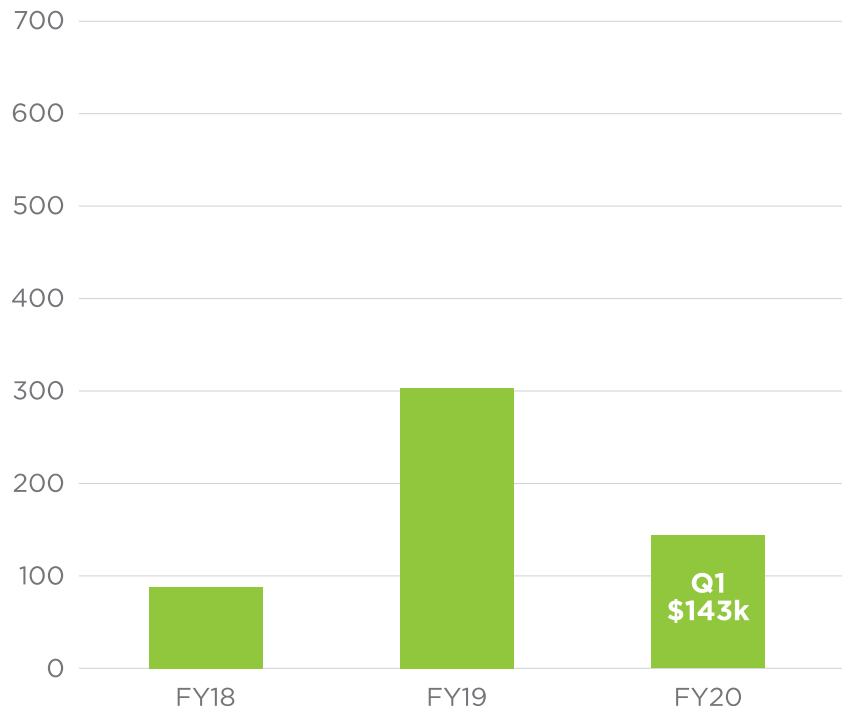


- > Strong retention in US market (>90%)
- > FDA clearance
- > Reimbursement using existing CPT codes
- > New product is more scalable, easier to support and sell online
- > AMI is the module driving referrals to Physical Therapy (PT) clinics
- > Total number of devices in market is now 651, up from 634 in Q4 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 // 6

WORKPLACE RECURRING REVENUE



> Workplace Recognised RR is \$143k for Q1 FY20

> This is a 113% increase on Q1 FY19 (PCP) of \$67k

Clients migrating from pilots to full deployment using myViSafe

— Colgate Palmolive rolled out 9 systems in larger scale pilot

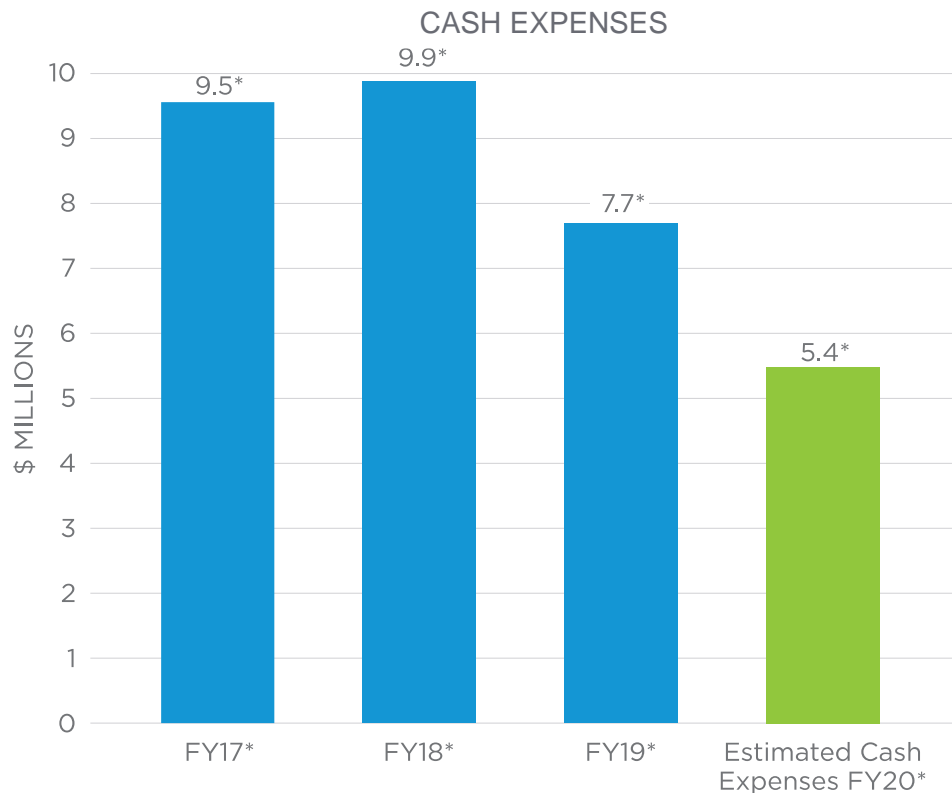
— NEAMI has signed for 5 systems in New York State

— Workright NW signs for 12 systems

— Visy has renewed contract for an additional 12 months for 15 systems

> Total number of devices in the workplace market is now 241

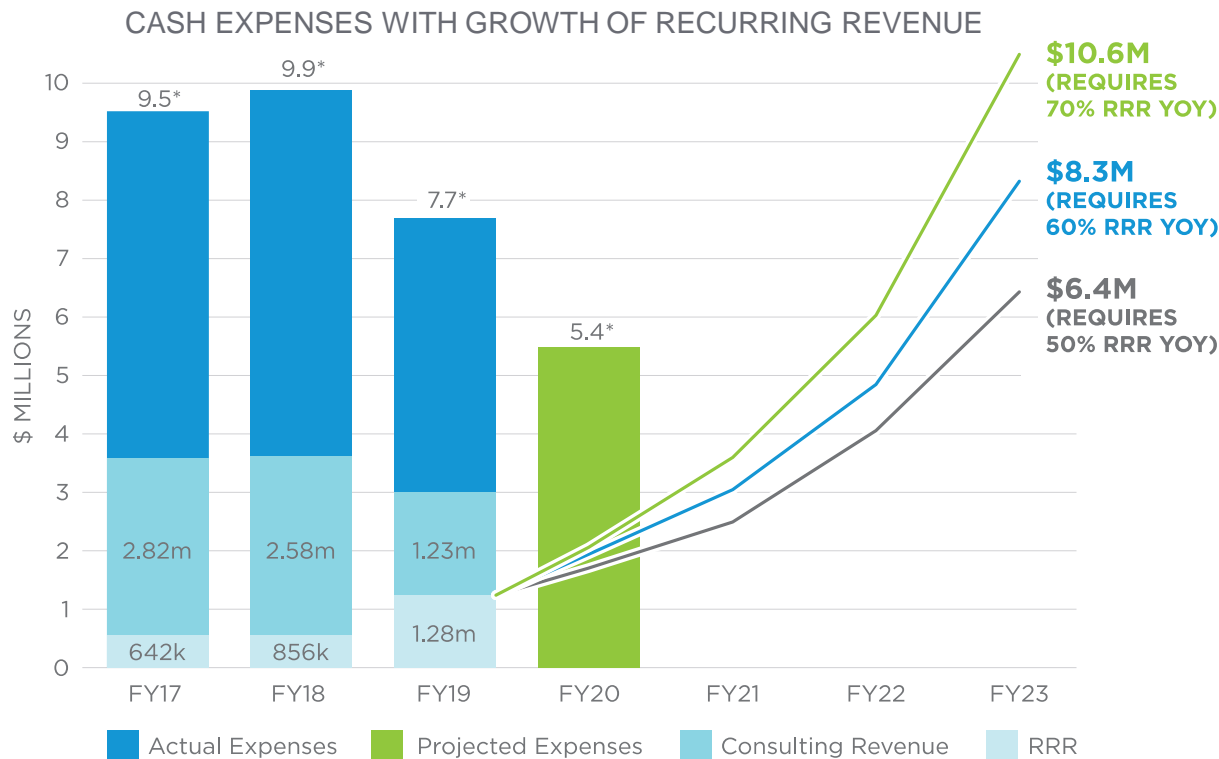
REDUCTION IN CASH EXPENSES



- > Cash expenses* reduced from \$9.9m FY18 to \$7.7m FY19, a reduction of \$2.2m (22%)
- > Operational changes are sustainable with a stronger focus on sales
- > Estimated cash expenses* for FY20, assuming current operations remain constant, are \$5.4m, a further reduction of \$2.3m (30%) on FY19
- > Recent changes equate to \$4.9m in annualised cash expenses*

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

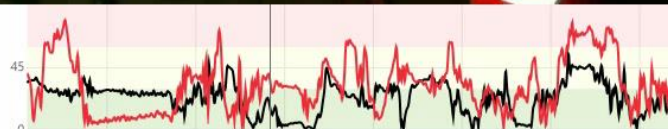
TRANSITION TO RECURRING REVENUE WITH LOWER COST BASE // 8



- > The combination of the following brings dorsaVi closer to a cash neutral position
 - > Growth in RRR
 - > Reduced cash expenses
 - > Continuing to drive \$1m consulting revenue
- > Note: this is not a forecast of anticipated RRR

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

VALUE OF CONSULTING PROJECTS



● Shoulder Left Elevation ● Shoulder Right Elevation



● Back Lumbar F/E

- > Continue to drive ~\$1m of consulting revenue per year
- > Strong differentiator providing movement, muscle activity (EMG), video and other specialised metrics, important to decision makers
- > Provides evidence of data value in large companies with complex injury profile
- > Over 200 ViSafe consulting projects performed with each project providing case study data for specific industries
- > >40% of ViSafe clients are taking on the new myViSafe products generating recurring revenue
- > Allows dorsaVi to satisfy the data rich expectations of ergonomists and risk managers at major corporates

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)



THE WORKPLACE MARKET

- The direct cost of nonfatal workplace injuries amount to \$60 B 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

THE WORKPLACE MARKET

- Work-related Musculoskeletal Disorders (WMSDs) are a big problem
- There are 10 WMSDs per every 100 workers in the US
- US workplace market has 230,000 companies with >100 employees
- Ideal customer is self insured (6,000 self insured companies in the US market)
- dorsaVi has <1% of market share with strong growth rate
- Average deal value \$25k USD (\$36k AUD) with companies having up to 200 sites globally
- > 90% retention rate on recurring revenue workplace clients
- Low cost of goods (COGS) and excellent margins

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%



NO WORKOUT IN THE WORLD STRAINS THE SAME MUSCLES 8 HOURS A DAY

VINCI CONSTRUCTION

back bending by

↓ 85%

Improved productivity by

17%



Woolworths
the fresh food people

low back injuries by

↓ 87%

Increased productivity by

21%



vs



CROWN RESORTS

injuries from 72 to 1 in 12 months

Prior to Intervention
72 INJURIES
2015

→

After Intervention
1 INJURY
2016

GROWTH INITIATIVES TO DRIVE RECURRING REVENUE

- > Add complimentary offerings to existing products, in line with market feedback
- > Workplace product example:
 - > US customers want additional offerings provided through wearables and apps
 - > dorsaVi well positioned to sell additional offerings to the same buyer
 - > Goal is to increase recurring revenue from existing clients
 - > Product examples: exercise libraries, manual handling training, best practice videos
 - > Reviewing options whether to build tech internally, acquire or licence tech offerings

UPCOMING NEWS

- **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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