



DORSAVI LTD 30 JUNE 2019 RESULTS ANNOUNCEMENT

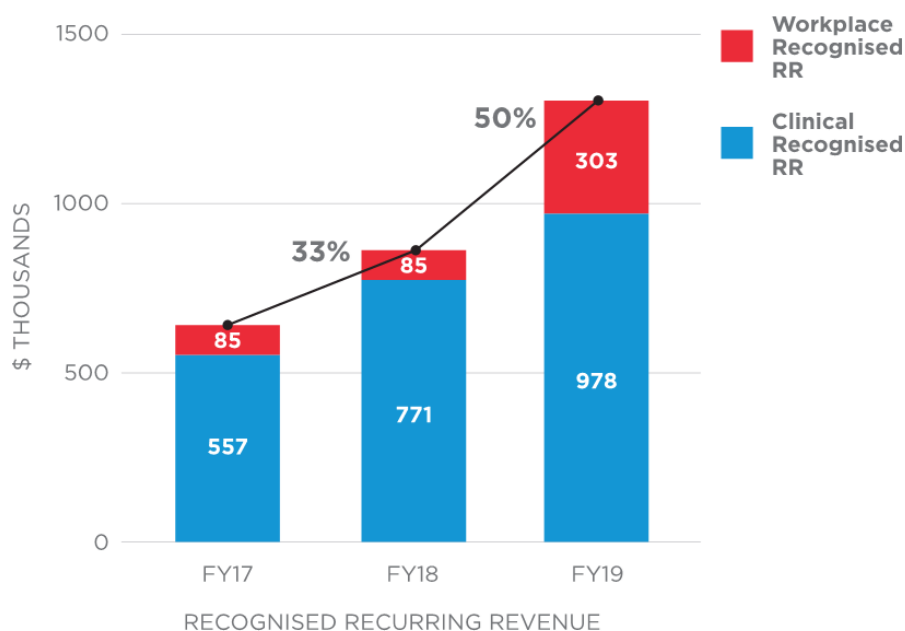
Key points:

- Recognised recurring revenue of \$1.28M for the financial year, up 50% on prior corresponding period (PCP)
- Total revenue of \$3.22M, down 27% on PCP
- Expenses down 14% in 2019 financial year on PCP
- Full Year Loss after tax of \$4.02M up 8% on PCP
- \$2.77M held in cash at 30 June 2019

Melbourne, Australia – 29 August 2019: dorsaVi Ltd (ASX: DVL) today released its Annual Report for the year ended 30 June 2019.

During the 2019 financial year the company has transitioned its sales strategy to reduce its reliance on consulting revenue and to increase focus on the more predictable Software as a Service (SaaS) recurring revenue model. dorsaVi's recurring revenue increased 50% year on year from \$856k FY18 to \$1.28m FY19. For the clinical products, recurring revenue grew 27% on PCP (from \$771k FY18 to \$978k FY19). For the workplace product, myViSafe, recurring revenue grew 256% on PCP (increasing from \$85k FY18 to \$303k in FY19).

It is important to acknowledge that total revenue for the year was down 27% on PCP. In addition to the change in sales strategy, the result was negatively impacted as the company moved to reallocate sales resources to increase capacity and capability in the US which took longer than anticipated. This process is now complete and, as a result, the company expects a positive impact on revenues for FY20.



The drivers for continued growth of recurring revenue include: aligning pricing models for core products with a strong focus on subscription fees and longer term contracts; the expansion of our direct US sales capacity across both clinical and workplace markets; the engagement of a US based marketing agency to customise marketing initiatives in this key market; and the continued focus on selling both Professional Suite (clinical) and myViSafe (workplace) products.

dorsaVi Clinical market

There are approximately 123,000 Physical Therapy (PT) clinics in the US that could utilise the dorsaVi applications and the potential revenue generation from each clinic would be approximately \$3k per year per dorsaVi kit, noting that a number of clinics take up multiple dorsaVi kits per clinic. This makes the total size of the market to be more than \$370m per year. Noting that dorsaVi's penetration of the market at present is less than 1%, there is significant growth potential in the US PT market.

Reflecting on the last 12 months, the number of dorsaVi kits grew by 188 kits (or 42% YOY) with the total number of clinical kits in the market at now 634. With increased salespeople to drive US sales and the new US-based marketing agency focused on this market, we expect this rate to increase.

dorsaVi Workplace Solutions (OHS)

In the US workplace market, there are approximately 230,000 corporates with over 100 workers that could utilise the dorsaVi applications. This means the total size of the addressable market in the US is more than \$920m per year. Noting that dorsaVi's penetration at present is less than 1%, there is significant growth potential in this largely untapped market.

dorsaVi identified this workplace opportunity and invested in building the myViSafe product to meet this need. The myViSafe devices can be distributed easily to remote locations, training is delivered online and the cloud-based data collected by myVisafe is available for safety managers to view and analyse via a cloud-based dashboard. The SaaS business model delivers predictable monthly revenue to dorsaVi.

The myViSafe product sales have shown a 141% increase to last financial year, increasing from 90 devices in the market (FY18) to 222 devices in the market at 30 June 2019.

dorsaVi continues to develop new product, build sales momentum, and the customer base in the US, Australia and the UK with a focus on increasing recurring revenue and controlling cost.

Total expenditure decreased by \$1.22m to \$7.81m FY19 (14% PCP) largely reflecting cost control initiatives. The loss from continuing operations after income tax for the 2019 financial year was \$4.02m (2018: \$3.73m), an increase of 8% on the 2018 financial year.

The cash balance at 30 June was \$2.77m as compared to \$3.97m at 30 June 2018.

The changes dorsaVi has made to focus on SaaS style recurring revenue, control operational costs and invest in direct sales capacity across both clinical and workplace markets in the US, place dorsaVi in a strong position for growth into FY20 and beyond.

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 clinical applications, elite sports, and occupational health and safety. 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:** dorsaVi is transforming the management of patients with its clinical solutions - ViMove, ViMove2 and Professional Suite – which provide objective assessment, monitoring outside the clinic and immediate biofeedback. dorsaVi is currently used by medical and physiotherapy practices globally.
- **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 in the US by the National Basketball Association (NBA), the Major Soccer League (MLS) and the National Football League (NFL), by the AFL and NRL clubs and by Barclays Premier League (EPL) clubs, England and Wales Cricket Board and the Board of Control for Cricket in India as well as various Olympic teams and athletes internationally.
- **Occupational Health and Safety (OHS):** dorsaVi enables employers to assess risk of injury for employees as well as test the effectiveness of proposed changes to OHS workplace design, equipment or methods based on objective evidence. dorsaVi 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), and BHP Billiton.

Further information is available at www.dorsavi.com.