



## ***BUSINESS UPDATE AND MARCH 2019 QUARTER CASH FLOW***

**Melbourne, Australia. 30 April 2019.** dorsaVi Limited (ASX DVL) has today released a business update and 4C cash flow report for the period ended 31 March 2019.

### **Revenue and Financial Performance Highlights**

- Recurring revenue recorded YTD is \$952k, an increase of 57% from the prior corresponding period (\$607k), and consistent with the company strategy to drive higher value revenue streams.
- Recurring revenue for Q3 was \$293k, a 37% increase on PCP (\$214k) but lower than Q2 (\$355k), due mainly to the recurring revenue from a significant customer being placed on hold whilst they replaced a project management resource tasked with implementing dorsaVi's technology. This revenue is expected to recommence within the current quarter.
- Recurring revenue for Q4 is expected to be impacted positively by the large myViSafe deal with ASM Technologies, announced earlier this month, the revenue from which will be first recognised in April.
- Total contracted revenue for Q3 was \$865k, an increase of 102% from the previous quarter (\$428k). Signed contracts for the quarter included agreements with UK-based ASM Technologies, South East Water, repeat business with Caterpillar US, and continued assessments through the AIG relationship also in the US.
- The cash balance at 31 March was \$3.24m as compared to \$4.87m at 31 December 2018. Net cash outflows for Q3 were \$1.63m. As a result of restructuring costs and the recently announced ASM deal discussed below, the company expects net cash outflows for Q4 to be significantly reduced.

### **Other Operational Highlights:**

- During Q3 the company announced an internal review following the release of its half year financial results. A number of actions have been taken to reduce operational costs, build recurring revenue and sales capability, and optimise cash reserves. These changes included a voluntary reduction in senior management salaries, a resolution by the Company's non-executive directors to accept options in lieu of directors' fees, reduction in corporate and marketing overheads, and optimised spend on new development within the technical team reflecting a focus on core products rather than new applications.
- Gross quarterly cash outflows from operating activities (excluding government grants, interest and tax incentives) is forecasted to reduce 31%, from \$2.05m in Q3 to \$1.41m in Q4, reflecting the impact from the operational changes outlined above.
- Securing the sale to ASM Technologies, on behalf of a major UK transport infrastructure organisation, will positively impact cash reserves in Q4, as the entire contract has been paid up front, and represents a significant milestone in dorsaVi's history. Valued at \$550k, this is dorsaVi's largest sale of standard product to a single entity.
- Device numbers in the market continue to grow substantially. In the clinical market we have an installed base of 600 devices in the market. In the workplace market myViSafe adoption continues to ramp with an installed base of 190 devices, this is up 37% from the previous quarter and 135% on the previous year.

## **Conference Call**

dorsaVi CEO, Dr Andrew Ronchi, and General Manager, Matt May, are hosting an investor WebEx to discuss the quarterly results on **Tuesday, 30 April at 10.30am Australian Eastern Standard Time.**

Participation details:

<b>Australia</b>	+61 2 8090 8323 or Toll Free on 1800 064 762
<b>Hong Kong</b>	30713074
<b>Singapore</b>	800 101 3333
<b>United States</b>	+1 (657) 220 3242 or Toll Free 1 888 585 9008

**Conference room access code:** 806-874-801

- ENDS -

**For more information about dorsaVi or to arrange an interview, please contact:**

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dorsaVi

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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), Crown and BHP Billiton.

Further information is available at [www.dorsavi.com](http://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")**

March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	525	2,532
1.2 Payments for		
(a) research and development	(112)	(354)
(b) product manufacturing and operating costs	(69)	(310)
(c) advertising and marketing	(73)	(293)
(d) leased assets	-	-
(e) staff costs	(1,136)	(3,081)
(f) administration and corporate costs	(657)	(1,525)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	40	111
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	18	915
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,464)</b>	<b>(2,005)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(34)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(24)	(614)
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	<b>Net cash from / (used in) investing activities</b>	<b>(30)</b>	<b>(648)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	2,089
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	(132)	(162)
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	<b>Net cash from / (used in) financing activities</b>	<b>(132)</b>	<b>1,927</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,867	3,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,464)	(2,005)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(648)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(132)	1,927
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>3,241</b>	<b>3,241</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	2,087	3,740
5.2 Call deposits	1,154	1,127
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,241</b>	<b>4,867</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
93
-

Made up of the following:

1. Salary and superannuation to CEO (director of the entity) of \$65k
2. Non-Executive Directors' fees and expenses reimbursements of \$28k

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
31
-

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*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 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	94
9.2	Product manufacturing and operating costs	31
9.3	Advertising and marketing	54
9.4	Leased assets	-
9.5	Staff costs	964
9.6	Administration and corporate costs	266
9.7	Other (provide details if material)	-
9.8	<b>Total estimated cash outflows</b>	<b>1,409</b>

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

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  
Print name:



Damian Connellan  
(Chief Financial Officer)

Date: 30 April 2019

### Notes

1. 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.
2. 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.
3. 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.