BUSINESS UPDATE AND MARCH 2020 QUARTER CASH FLOW

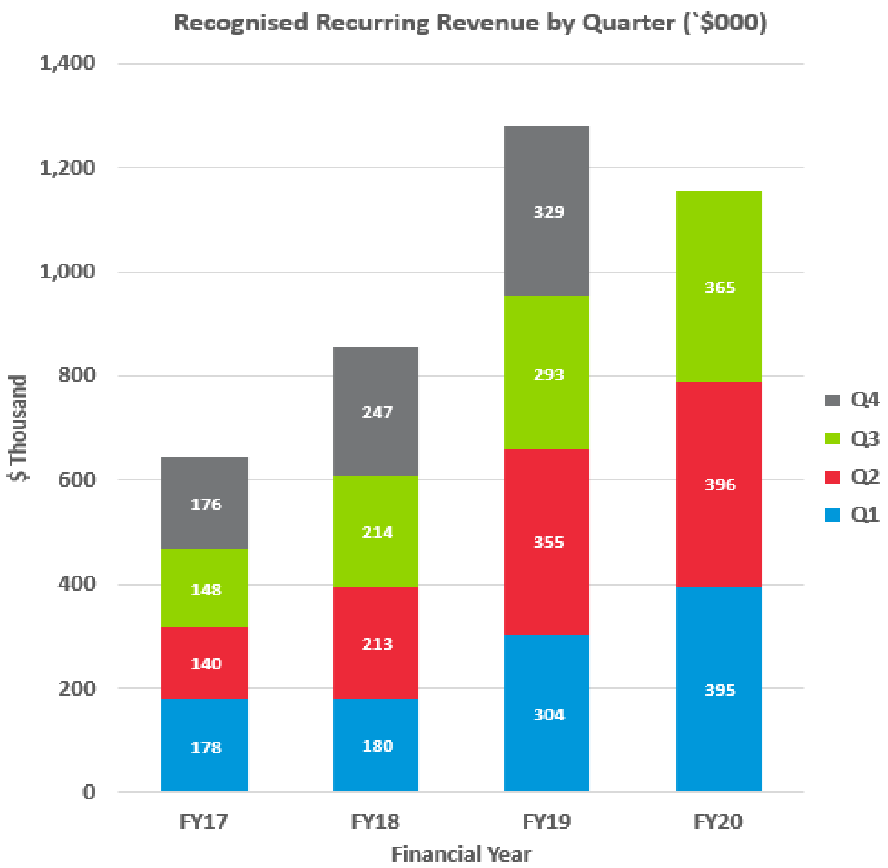
Melbourne, Australia. 30 April 2020. dorsaVi Limited (ASX DVL) has today released a business update and 4C cash flow report for the period ended 31 March 2020.

Revenue and Financial Performance

- Closing cash at end of Q3 was $1.92m compared to cash at 31 December 2019 which was $2.56m.

- Net cash from Operating Activities was ($870k) which compares to ($1.464m) in the PCP. This represents a reduction in net cash outflows from Operating Activities of $594k (or 41%), due mainly to a reduction in operating expenses aligned with what was reported to the market in November 2019.

- Recognised Recurring Revenue (RRR) YTD FY20 is $1.16m, an increase of 22% from PCP ($952k). RRR for Q3 was $365k, an increase of 25% from PCP ($293k), but a decrease of 8% (or $31k) on Q2. The decrease quarter on quarter is due to a combination of adopting a new standard for revenue recognition which has entailed the reclassification of some revenue allocated to projects or once-only revenue instead of recurring revenue, and the early impact from Coronavirus (COVID-19).



- It was acknowledged in an announcement to the market on 25 March 2020 that the business would be challenged significantly due to the anticipated impact of COVID-19 across our 3 operating geographies.

- A small percentage of existing clinical customers have requested that their subscription be put on hold during COVID-19. Across both the clinical and workplace markets we have also seen a slowing of new sales which is expected to impact more significantly in Q4.

- Total contracted revenue won for Q3 was $250k, a 24% reduction on Q2 ($330k).

- In the clinical market, U.S. Physical Therapy, Inc. (a listed Physical Therapy chain in the US) has publicly reported that patient volumes in the US market are down by 50% due to COVID-19 disruptions. Initial feedback from prospective clinics is that purchasing decisions are being delayed until their practices return to pre-COVID-19 levels. In the workplace market, companies are also asking for time to review the COVID-19 impact prior to signing off on deals to utilise dorsaVi's technology.

- Of the new deals won, Stryker signed off on the 2nd stage evaluation agreement which will see Stryker's staff utilise and evaluate patients via dorsaVi's technology with the goal of improving the management of orthopaedic conditions.

- To mitigate the business risk from COVID-19, actions have been taken to reduce costs and optimise cash reserves. All staff have agreed to a reduction in their working hours (by approximately 30%) until the end of May 2020. Operational expenses have been reduced by 20%, and the business has accessed several stimulus benefits under the Coronavirus Economic Response Package (Payments and Benefits Act 2020) in Australia (i.e. Job Keeper payment scheme) and is currently exploring similar options in both the US and UK.

- The business has also expanded to include dorsaVi Telehealth, a 'virtual clinic', which is being marketed directly to health professionals as a sustainable and secure consultation platform with their patients. There has been a notable uptick in the use of telehealth worldwide and this offering provides an opportunity for the business to enable our customers to provide a telehealth solution which allows health professionals to connect with patients virtually.

- Positively, cash reserves have been maintained through April, acknowledging that there may be further challenges ahead dependent on further COVID-19 impact.

- Operationally, the business is focused on protecting and building our recurring revenue, optimising cash reserves, and managing expenses to ensure that we can trade through the impact of COVID-19. We are also moving to broaden our product offerings and position core products to create greater value and service for our clients post COVID-19.

Conference Call

dorsaVi CEO, Dr Andrew Ronchi, and General Manager, Matt May, are hosting an investor call to discuss the quarterly results on Thursday 7 May 2020 at 11am ***Australian Eastern Standard Time.***

Participation details:

Australia	*+61 2 8090 8323 or Toll Free on 1 800 064 762*
Hong Kong	*307 130 74*
Singapore	*800 101 3333*
United States	*+1 (657) 220-3242 or Toll Free 1 888 585 9008*

Conference room access code: *923-148-427*

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

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Disclosure
This ASX Announcement was authorised for release by the Finance Disclosure Committee of the Board of dorsaVi.

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:

- **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.

- **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 Telehealth provides a 'virtual' clinic enabling clinicians to do business differently and take their patient consultations on-line.

- **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.

Further information is available at www.dorsavi.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
dorsaVi Ltd	
ABN	**Quarter ended ("current quarter")**
15 129 742 409	**March 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	585	1,817
1.2	Payments for		
	(a) research and development	(31)	(107)
	(b) product manufacturing and operating costs	(131)	(441)
	(c) advertising and marketing	(80)	(193)
	(d) leased assets	(55)	(122)
	(e) staff costs	(714)	(2,433)
	(f) administration and corporate costs	(429)	(1,345)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	97
1.5	Interest and other costs of finance paid	(29)	(37)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	579
1.8	Other (provide details if material)	11	19
1.9	**Net cash from / (used in) operating activities**	**(870)**	**(2,166)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(3)
	(d) investments	-	-
	(e) intellectual property	(23)	(472)
	(f) 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) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	**Net cash from / (used in) investing activities**	**(24)**	**(475)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	360	747
3.2	Proceeds from issue of convertible debt securities	-	1,155
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(106)	(106)
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	**Net cash from / (used in) financing activities**	**254**	**1,796**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,562	2,767
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(870)	(2,166)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(475)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	254	1,796
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,922**	**1,922**

5.	**Reconciliation of cash and cash equivalents** 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	1,793	2,434
5.2	Call deposits	129	128
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,922**	**2,562**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	53
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: Made up of salary to CEO, a director of the entity

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Convertible Note	1,155	1,155
7.4	**Total financing facilities**	1,155	1,155

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Unsecured convertible notes with a face value of $1 each, paying interest at a rate of 10% p.a. and maturing on 6 December 2022.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(870)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,922
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,922
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	2.2

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 30 April 2020

Authorised by: Finance Disclosure Committee

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.