

ANNUAL
REPORT
2019



dorsaVi Ltd
(ABN: 15 129 742 409)

Annual Report
For the Year Ended 30 June 2019

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CHAIRMAN'S REVIEW

Dear Shareholders

I am pleased to present dorsaVi Ltd's (dorsaVi) 2019 annual report to our shareholders.

With health costs growing at unsustainable rates and injuries in the workplace continuing to be a major issue, efficient, technology-based solutions aiming to reduce health costs and minimise injuries in the workplace are attractive offerings. dorsaVi's data driven solutions have been shown to improve health outcomes in clinical trials and reduce injuries in workplaces and dorsaVi is very well positioned to expand their product uptake through the major US, UK and Australian markets.

FY19 was a year of significant change for dorsaVi with a focus on transition to recurring revenue, reducing costs through operational changes and building a dedicated and US focused sales team. These changes have been worked through during the FY19 year and we are seeing the results of these changes with a significant increase in recurring revenue, reduced operating costs and twice the number of dedicated salespeople in the US market than this time last year.

The restructuring of the business 18 months ago has allowed our Chief Executive Officer (CEO), Andrew Ronchi, to be based in the US market to focus on larger scale strategic sales opportunities and investor relations with existing and new potential shareholders. The appointment of dorsaVi's General Manager (GM) of Operations, Matthew May, is working well, ensuring there is a focus on business operations and cost efficiency. Our new Chief Technical Officer, David Erikson, is providing senior product guidance and oversight to ensure stable products in the market and a clear product roadmap based on feedback from the major markets.

During the year significant operational changes were made to reduce expenditure including reduction in senior management salaries. In support of these initiatives, the Non-Executive Directors have resolved, subject to shareholder approval, to accept options in lieu of directors' fees applicable from 1 March 2019. Subject to shareholder approval, the number of options to be issued will be determined on the last day of each quarter by dividing the current Board remuneration owing to each non-executive director by the closing share price on that day. The exercise price of the options to be issued will be at a 50% premium to the 10-day volume weighted average price (VWAP) up to the last trading day of each quarter. The first calculation date was on 1 July 2019 and the options will have a five-year exercise period.

During the year, the Company signed a number of important deals, including the signing of the ASM Technologies deal securing significant recurring revenue over the following three years. We have also seen other workplace groups expand their myViSafe™ offering across their wider business providing further evidence that the recurring revenue myViSafe™ product is well positioned to scale across many companies in the coming years. The relationship with the major insurer American International Group (AIG) is progressing well, providing data insights that AIG have not had access to before.

In the clinical market there continues to be a strong appetite, especially in the US market, for dorsaVi's data driven clinical solution, Professional Suite. The App based mini sensors are showing steady growth with clinical groups able to generate a strong return on investment and bring in new referrals to their clinics from the use of dorsaVi's clinical products. The large clinical franchise groups in the US market continue to be a major strategic opportunity for dorsaVi with a number of these groups piloting the dorsaVi products in different ways.

We look forward to the new financial year knowing that we have growing recurring revenue coming from our two major markets, clinical and workplace. We believe the current business structure and the more recent operational changes position dorsaVi well to further build on our recurring revenue base, keep our operational costs lean and produce market leading products for the clinical and workplace markets. We are optimistic that we will be able to execute on our strategies.

On behalf of my fellow Board members, I would like to thank CEO, Andrew Ronchi, and his team for their hard work and dedication to dorsaVi. The Company's leading technologies have the ability to assist patient's recovery and drive improvement in workplace practices with the goal of reducing injuries in the workplace.

To our shareholders, we are grateful for your continued support.



Greg Tweedly
Chairman

CEO REPORT

Introduction

FY19 was a year where dorsaVi was focused on achieving the following:

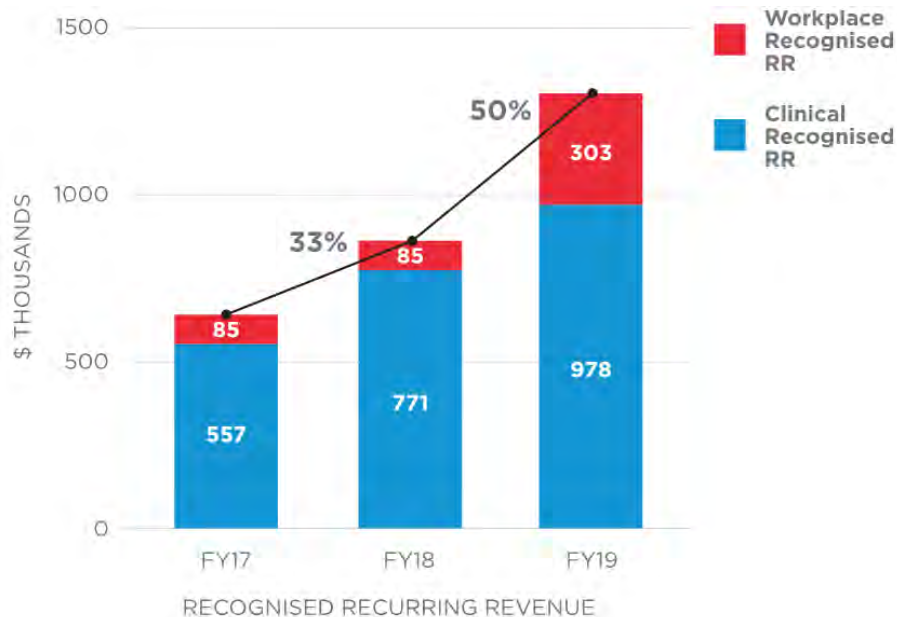
- growth in recurring revenue;
- broadening the capacity and coverage of sales in the important US market; and
- driving operational efficiencies through process and system changes, and execution of expense management initiatives announced to the market in January 2018 and March 2019.

Growth in Recognised Recurring Revenue (RRR)

First, it's important to acknowledge that total revenue for FY19 reduced by 27% when compared to FY18.

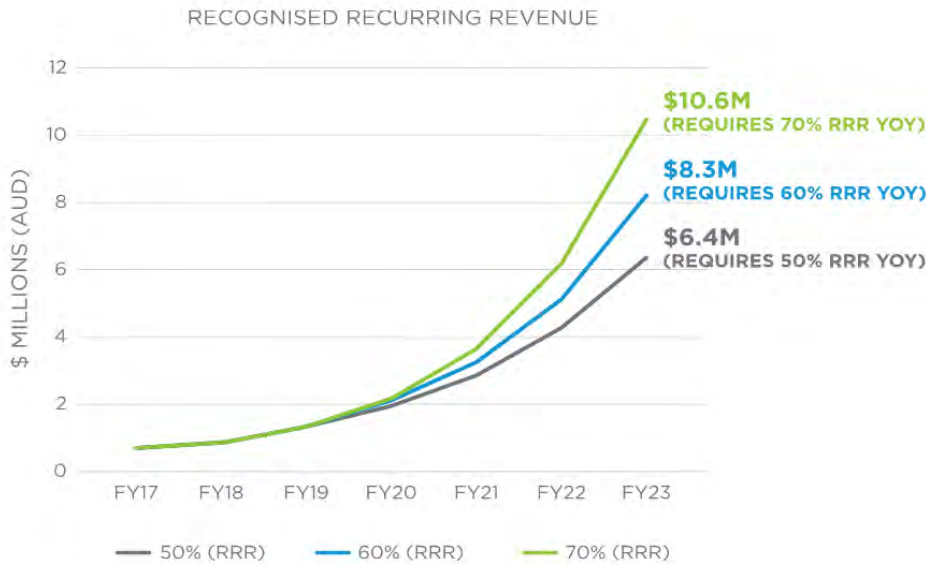
The company's strategy to transition from a heavy historical reliance on consulting revenue to a more sustainable Software as a Service (SaaS) recurring revenue (shown in the graphic below) provides some background to this result. However, several changes to our sales team, including the re-allocation of resources and the longer than anticipated timeframe for recruitment of sales staff into the US market, also impacted this result.

Positively, dorsaVi's recurring revenue increased 50% YOY. For our clinical products, recurring revenue grew 27% on prior comparative period (PCP) (from \$771k FY18 to \$978k FY19). From a workplace product perspective, recurring revenue has grown 256% on PCP (increasing from \$85k FY18 to \$303k in FY19), following the introduction of our small sensor and App-based myViSafe™ product into the US market 18 months ago.



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 the clinical and workplace markets; the engagement of a US based marketing agency to customise marketing initiatives in this growth market; and the continued focus on selling both Professional Suite (clinical) and myViSafe™ (workplace) products.

The graphic below provides a trajectory for future growth in recurring revenue based on sustaining or increasing current growth rates. The graphic is not a growth forecast.



Aligned with the YOY growth in recurring revenue, market adoption has also strengthened for our core products. The number of devices in the clinical market increased by 42% (FY18 vs FY19) and the number of devices in the workplace market increasing by 141% (FY18 vs FY19). Positively, retention has been >90% for both product lines.

Broadening sales capability and coverage in the important US market

The company continues to focus on capitalising on the growth opportunities in the US market. Importantly, this has led to a reallocation of sales resources to prioritise this growth market. During FY19, the company doubled the number of sales FTE in the US, strengthening its 'direct' sales capability whilst also broadening coverage to include the West Coast.

Whilst the time to recruitment took longer than anticipated, the recruitment of staff with local industry knowledge and demonstrated sales performance, is expected to impact positively in FY20.

In addition to strengthening the company's 'direct' sales capability, US agency and/or distributor relationships have been reviewed and either terminated where performance has warranted it or rebased to provide a better return in the future.

Strategic partnerships, like the one announced to the market specific to AIG, have also been established to complement the company's 'direct' sales model.

Driving Operational Efficiencies

The company has undergone significant change to its operations and structure during FY19.

As CEO, my relocation to the US to target strategic sales opportunities and investor relations, led the business to appoint a GM, Matthew May, who has direct responsibility for the day-to-day management of all areas of the business.

David Erikson was appointed as CTO to provide senior architectural and product leadership and ensure execution against a clear product development pathway.

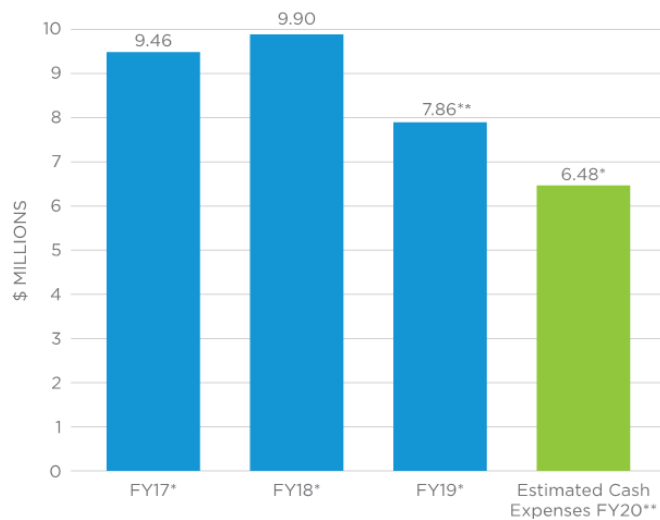
Further to these changes, the company completed a more detailed review of internal operations in March 2019, announcing to the market several initiatives aimed at reducing operating costs, building recurring revenue and optimising cash reserves.

Openly, the initiatives to optimise cash reserves included a voluntary reduction in senior management salaries including my own salary and benefits which reduced from USD\$310k to USD\$221k. This acknowledges the need for accountability, heightens the focus and commitment to achieving our goals of building the US market through strategic deals and sales that will drive an increase in our recurring revenue.

Other operational initiatives included a reduction in corporate and marketing overheads in securing the tenure of a US based marketing agency to provide more customised marketing initiatives to the large US clinical and workplace markets. From a technical perspective, the plan is to optimise our spend on new technical development with a focus on enhancing dorsaVi's core products in the marketplace and tuning the product platform toward the needs of large multi-national company applications, rather than pursue new applications.

The net effect of these changes is that staff numbers have been reduced in corporate and support services. These changes are in-line with the company's strategy to prioritise the US market and to increase the 'direct' sales capability in the US workplace and clinical markets.

These strategic initiatives are having the desired impact on cash expenses as shown in the graphic below:



* 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

Financial Summary

The transition from consulting revenue to recurring revenue has led to a short-term reduction in total sales revenue as the recurring revenue base builds. The sales revenue for FY19 was \$2,514,992, a 27% reduction on our FY18 revenue of \$3,433,348.

Historically, when dorsaVi secured a workplace services contract valued at, for example, \$120k, the contract would typically be recognised across two quarters (say, \$60k each quarter) without any further revenue unless additional work was won with the customer. This resulted in revenue that was unpredictable or lumpy.

With the change, any contracts won within the same corporate group with our recurring revenue product, myViSafe™, for say a 3-year period, in the first two quarters of this contract dorsaVi will recognise \$10k each quarter. The benefit is seen in the longer term, being able to recognise revenue for the next 3 years from this one group, therefore providing more stable and predictable revenue growth. The negative impact is that during the transition period there will be an immediate impact on total sales revenue as the recurring revenue base builds.

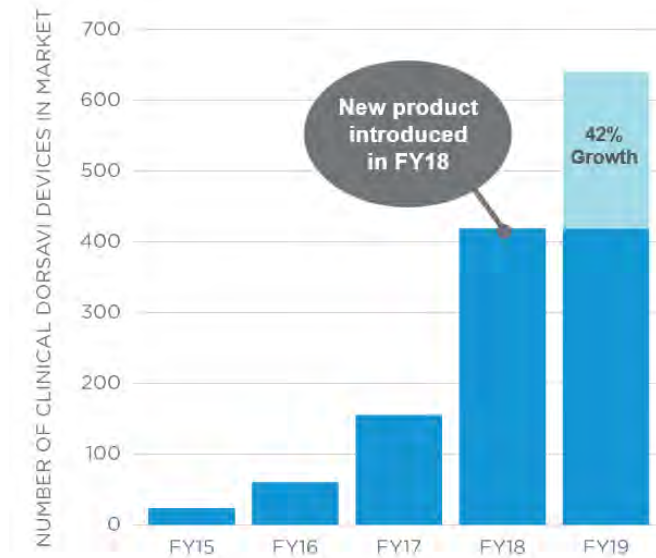
As shown in the graphic above, total cash expenses reduced from \$9.90m FY18 to \$7.86m FY19, a reduction of \$2.04m (21%) mainly due to cost decreases during the year as a result of restructuring of business operations previously announced to the market in March 2019. We believe these reductions in expenses are sustainable and we have provided some insight to the estimated cash expenses for FY20 being \$6.48m, which would be a further reduction of \$1.38m (18%) on FY19 (or a reduction of \$3.42m (35%) from FY18 to the FY20 estimate). Cost control continues to be an ongoing focus for the business.

dorsaVi Clinical market

The US Clinical market (mainly Physical Therapy (PT) clinics) represents an extremely large opportunity for dorsaVi as we now have proven product in the market and strong evidence of clinics creating a good return on investment from dorsaVi products. To add to these elements, clinics are successfully utilising Current Procedural Terminology (CPT) codes for the use of dorsaVi technology for patient assessments, being able to claim against these CPT codes for insurers to fund the assessments. Furthermore, clinical groups are looking for 'cash pay' alternatives where patients actively pay out of their own pocket, rather than utilise reimbursement or insurance. Due to the pressure on reimbursement at a Federal level, many

clinics wish to de-risk their business model by introducing more ‘cash pay’ assessment and treatment options for their patients.

In the US PT market, there are approximately 123,000 PT clinics that could utilise the dorsaVi applications and potential revenue generation from each clinic would be ~\$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 direct addressable market \$370m per year, if dorsaVi were to achieve 100% penetration. Noting that dorsaVi’s penetration at present is less than 1%, there is significant growth potential in this largely untapped 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 634. With increased salespeople to drive sales and the new US based marketing agency focused on the US market, we expect this rate to increase.



As an example, one of the large franchise groups in the USA, Select Medical, started using dorsaVi’s clinical technology and committed to using the devices at 20 PT sites. Select Medical has approximately 2,000 PT clinics across the US and has steadily increased their number of dorsaVi devices over the past 12 months from 50 clinics using the technology to 75 clinics.

As part of the clinical product offering, orthopaedic companies are interested in being able to monitor and track patient’s movements both before and after surgery, aiming to more effectively guide surgeons with additional metrics during surgery and monitor patients post-surgery, aiming to improve post-surgical outcomes. In this field of use, dorsaVi has entered into an agreement with a leading orthopaedic company, aiming to test dorsaVi’s algorithms in a particular use case. The project is confidential and dorsaVi continues to make progress towards this goal.

In relation to the size of the opportunity in the orthopaedic market, there are 1.5 million hip and knee replacements performed each year in the US and if you were to justify the expense of a sensor kit for each patient undergoing a hip or knee replacement, this would make the total of the direct addressable market \$1.2b per annum.

dorsaVi’s strength in the clinical market relates to the FDA clearance, clinically validated algorithms and the traction of current products in the US market that generate recurring revenue. We look forward to reporting progress in the clinical and the orthopaedic markets.

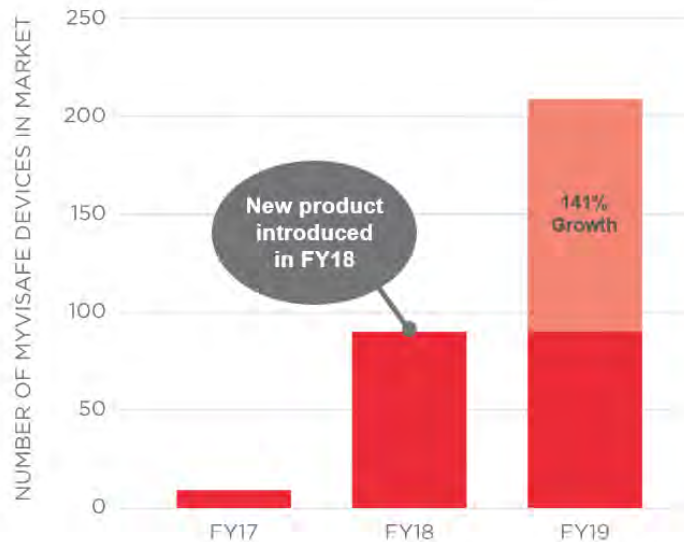
dorsaVi Workplace Solutions (OHS)

The workplace market’s appetite for wearables data has accelerated significantly over the past 12 months. Insurers and corporate groups are interested in data insights to better understand their movement risk profile and to allow informed decisions on mitigating this risk. Corporate groups also have a strong interest for scalable wearable solutions that they can distribute through their workforce, in order to reduce the cost of OHS implementation and also enable sourcing data from workers in remote locations.

dorsaVi identified this opportunity 2-3 years ago and invested in building the myViSafe™ product that is App-based and built for ease of use and scalability. The myViSafe™ devices can be distributed easily to remote locations, safety officers can be trained in a 30-minute online tutorial and the data from these devices is delivered, via the cloud, to a centralised database which EHS and OHS managers can view. The myViSafe™ product is distributed through a SaaS style business model

where the corporate clients pay a monthly subscription fee for the use of the sensors, the App and the global dashboard. 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.

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



In the workplace market the SaaS style business model generates ~\$4k per year, per dorsaVi kit, and several of our corporate customers are taking up the myViSafe™ devices over 10-20 sites with the largest group to date taking up the myViSafe™ product across 64 sites. In this deal, ASM Technologies, as the procurement group for a large UK Rail group, chose dorsaVi's myViSafe™ product to distribute across the national UK Rail group.

Previously dorsaVi has generated consulting revenue from the workplace market where our assessors would spend days on site at a corporate client capturing data from multiple workers. The consulting projects will still be part of the dorsaVi offering and we anticipate the consulting revenue will continue to generate between \$1-2m per annum to add to the recurring revenue. It is also worth noting, that of the consulting project clients, 43% of these clients have transitioned to the myViSafe™ product offering within the first 12 months. The consulting projects have a higher cost of goods whereas the myViSafe™ product and process has significantly lower cost of goods creating a higher margin from myViSafe™.

As companies across the world are increasingly under pressure to establish preventative practices when it comes to workplace injuries, there is a growing demand for sophisticated and objective technologies that can help improve workplace safety and reduce injuries. dorsaVi is very well-positioned to take advantage of this large workplace market that has an appetite for change and a desire to improve the way their workers move.



Andrew Ronchi
Chief Executive Officer



FINANCIAL REPORT For the Year Ended 30 June 2019

Financial Report For the Year Ended 30 June 2019

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Directors' Report

The directors present their report together with the financial report of the Group consisting of dorsaVi and the entities it controlled, for the financial year ended 30 June 2019 and auditor's report thereon.

Directors

The names of directors in office at any time during or since the end of the year are:

Name	Designation	Appointed
Greg Tweedly	Non-Executive Chairman	29 October 2013
Ashraf Attia	Non-Executive Director	14 July 2008
Caroline Elliott	Non-Executive Director	24 November 2017
Michael Panaccio	Non-Executive Director	16 May 2008
Andrew Ronchi	Chief Executive Officer, Executive Director	18 February 2008

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of dorsaVi Ltd and its controlled entities during the financial year was the development and sale of innovative motion analysis technologies. These technologies are commercialised via license, sale or fixed fee consultancy. There has been no significant change in the nature of these activities during the financial year.

Results

The consolidated loss from continuing operations, after income tax, attributable to the members of dorsaVi Ltd was \$4,020,751 (2018: \$3,727,073).

Review of Operations

The Group consists of four entities:

1. dorsaVi Ltd;
2. dorsaVi Europe Ltd, a wholly owned subsidiary incorporated and domiciled in the UK;
3. dorsaVi USA, Inc., a wholly owned subsidiary incorporated and domiciled in the US; and
4. Australian Workplace Compliance Pty Ltd, a wholly owned subsidiary domiciled in Australia.

Net assets of the Group, as at 30 June 2019, were \$6,989,294 (2018: \$9,417,165).

Total revenue for the 2019 financial year was \$3,223,869 (2018: \$4,394,271). Sales revenue was \$2,514,992 (2018: \$3,433,348).

Clinical

Clinical income was \$1,336,817 for the 2019 financial year (2018: \$1,478,898).

Workplace

Workplace income, utilising ViSafe technology, was \$956,624 for the 2019 financial (2018: \$1,954,450). This decline is reflective of the Group's strategy to transition from consulting income to a recurring revenue model.

The directors expect Group revenue to grow into the future. Factors impacting and driving this growth include: the effectiveness of the global marketing plan; additional sales generation in the clinical and workplace markets in Australia, Europe and US markets; shortening of the sales lead times; and the rate of uptake of new generation product.

Total expenditure decreased by \$1,223,746 (14% year on year) mainly due to cost reductions implemented during the year.

Employee benefits expense reduced 12% to \$3,979,898 (2018: \$4,498,316), due to cost control measures undertaken during the latter part of the financial year. Employee benefits expense represented 51% of the total expenses for the Group for the 2019 financial year (2018: 50%).

The material business risks that are likely to have an effect on the financial prospects of the Group include:

- Over time, dorsaVi may be subjected to increased competition if potential competitors develop new technologies or make scientific or systems advances that compare with or compete with dorsaVi's products.
- In the medical sector (but not the Elite Sports or OHS sectors), sales and adoption rates of dorsaVi's system are, in part, likely to be influenced by the availability and level of reimbursement from government and/or insurance payers. Whilst dorsaVi's products already benefit from reimbursement in some circumstances, there is no guarantee that the use of dorsaVi's products will receive further reimbursement.
- General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on dorsaVi's activities, as well as on its ability to fund those activities. In particular, much of its future income is expected to come from the US and European markets and therefore dorsaVi's activities will be affected by currency exchange fluctuations.
- dorsaVi is not currently profitable. Proceeds from the initial float and subsequent capital raisings were and are primarily being used to fund, both, the commercial rollout of dorsaVi's products and continued product development. There is no guarantee that the commercial rollout will result in profitability for the Group. If the commercial roll out is slower or less successful than planned, dorsaVi may need to raise additional capital in the future.

Significant Changes in the State of Affairs

The following changes in the state of affairs occurred during the period:

- On 3 July 2018, dorsaVi Ltd announced that it had signed an agreement with CitiPower and Powercor for the provision of dorsaVi's wearable sensor technology to profile movement risk and improve manual handling safety.
- On 18 July 2018, dorsaVi announced that it had signed an evaluation agreement with Stryker Leibinger GmbH & Co to evaluate ViMove2.
- On 8 October 2018, dorsaVi Ltd issued 87,941 fully paid ordinary shares, at \$Nil per share, to employees, under the dorsaVi ESOP. The issue of these shares arose on the vesting of 87,941 performance rights previously granted as a result of those employees meeting the performance conditions attached to the rights. At the same time, it was announced that 1,196,550 performance rights and 692,501 options, previously granted, had lapsed.
- On 15 November 2018, dorsaVi Ltd announced that it had been granted a "body orientation algorithm" patent in the USA.
- On 21 November 2018, dorsaVi Ltd announced a 1 for 3 non-renounceable pro rata rights offer, to eligible shareholders, at \$0.058 per share. The rights offer, which closed on 14 December 2018, resulted in the issue of 36,010,620 fully paid ordinary shares raising \$2,088,616 before costs.
- On 22 November 2018, dorsaVi Ltd announced that it had entered into an agreement with a US corporation, Work Right NW, for them to use dorsaVi's ViSafe™, myViSafe™ and Professional Suite products to develop safety assessments and manual handling analysis within the construction industry.
- On 26 November 2018, dorsaVi Ltd announced that it had changed its address to 86 Denmark Street, Kew, Victoria.
- On 15 March 2019, dorsaVi Ltd announced operational changes which included voluntary senior management salary reductions, reductions in corporate and marketing expenses and optimising of new development expenditure to a focus on enhancing core products rather than pursuing new applications. In addition, the non-executive directors, subject to shareholder approval at the AGM, agreed to waive directors' fees in lieu of the receipt of options, issued at a 50% premium to the 10-day VWAP up to the last trading day of each quarter commencing 1 July 2019.
- On 8 April 2019, dorsaVi Ltd announced that it had signed a three-year agreement with ASM Technologies Ltd, on behalf of a major UK transport infrastructure organisation, for 64 myViSafe™ kits at a contract value of GBP293,760.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments

The following likely developments, in the business of the Group, are expected to influence its future financial results:

- The Group expects to increase, year on year, the annuity revenue proportion of total clinical and workplace revenue.
- The Group expects that product, released globally in recent years, will continue to support revenue growth.

Environmental Regulation

The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Dividend Paid, Recommended and Declared

No dividends were paid, declared or recommended since the start of the financial year.

Equity Instruments

There were no performance rights and options over unissued ordinary shares granted to executives by dorsaVi Ltd during the financial year.

There were no performance rights or options over unissued ordinary shares granted to non-executive directors during or since the financial year end. Further details regarding options granted as remuneration are provided in the Remuneration Report below.

Shares under Option

Unissued ordinary shares of dorsaVi Ltd under option at the date of this report are as follows:

Date Options Granted	Number of Unissued Ordinary Shares under Option	Issue Price of Shares	Expiry Date of the Options
24 March 2016	200,000	\$0.40	24 March 2021
15 May 2017	550,000	\$0.33	15 May 2022
15 May 2017	55,000	\$0.33	1 October 2022
15 May 2017	24,166	\$0.33	1 October 2023
	829,166		

No option holder has any right under the options to participate in any other share issue of the Group.

Shares Issued on Exercise of Options

To the date of this report, there have been no shares issued during or since the end of the year as a result of the exercise of an option over unissued shares.

Shares Subject to Performance Rights

Unissued ordinary shares of dorsaVi Ltd subject to performance rights at the date of this report are as follows:

Date Performance Rights Granted	Number of Unissued Ordinary Shares subject to Performance Rights	Issue Price of Shares	Vesting Date of Performance Rights
29 November 2016	150,000	-	1 October 2019
29 November 2016	450,000	-	29 November 2019
5 June 2017	317,000	-	1 July 2019
5 June 2017	164,000	-	1 October 2019
	1,081,000		

A performance right holder does not have any right to participate in any other share issue of the Group until the performance rights vest and are converted to ordinary shares.

Shares Issued on Vesting of Performance Rights

During the year ended 30 June 2019 and to the date of this report, 87,941 shares were issued on the vesting of 87,941 performance rights. During the year ended 30 June 2019 and to the date of this report, 1,242,725 performance rights were cancelled. There remain 1,081,000 performance rights that do not convert to issued shares unless performance conditions are met, and they vest.

Information on Directors and Company Secretary

Greg Tweedly, B. Com, CPA, GAICD – Non-executive Chairman

Greg Tweedly is Chairman of dorsaVi Ltd and serves on the Nomination and Remuneration Committee. He was appointed to the Board on 29 October 2013.

Greg is a Director of Melbourne Health, Deputy Chair Environmental Authority, Chair of the Personal Injury Education Foundation and was a Director and CEO of the Victorian WorkCover Authority (WorkSafe) from 2003 to 2012. Prior to joining WorkSafe, Greg was an executive with the Transport Accident Commission from 1996 to 2002 in various senior roles including Chief Operating Officer. He was formerly a Director of the Emergency Services and Telecommunications Authority, Director of the Institute of Safety Compensation and Recovery Research, a Director of the Personal Injury Education Foundation, a Director and Chair of the Victorian Trauma Foundation, Chair of the Heads of Workers' Compensation Authorities of Australia and New Zealand and Member of SafeWork Australia and its predecessor organisation.

No other directorships of listed companies were held during the three years to 30 June 2019.

Ashraf Attia, BSc (Eng)(Hons), MSc (Med. Eng), Dip (Mktg), FAICD – Non-executive Director

Ash Attia was appointed as a director of dorsaVi on 14 July 2008 and chairs the Nomination and Remuneration Committee and serves on the Audit and Risk Committee.

Ash has had senior management experience in multinational operations for over 30 years within the medical devices, biotechnology and diagnostics industries. He is currently Chief Executive Officer of Bionic Vision Technologies, a company developing an implantable device to restore sight to the blind. Ash was most recently Vice President of Asia Pacific, Middle East and Israel at TransMedics Inc, a company based in Boston, USA, and is carrying out revolutionary work in the area of heart, lung and Liver organ transplants and preservation. He has held several senior executive roles with global medical devices organizations and has special expertise in the areas of commercialization, business development, clinical, regulatory, R&D, strategic marketing, sales and distribution management.

No other directorships of listed companies were held during the three years to 30 June 2019.

Michael Panaccio, BSc (Hons), MBA, PhD, FAICD – Non-executive Director

Michael Panaccio serves on the Audit and Risk Committee and the Nomination and Remuneration Committee. He was appointed to the Board on 16 May 2008.

Michael is one of the founding directors of Starfish Ventures Pty Ltd, an Australian based venture capital manager. He was formerly an Investment Manager with JAFCO Investment (Asia Pacific). Prior to joining JAFCO, Michael was Head of the Department of Molecular Biology at the Victorian Institute of Animal Sciences. Michael has previously been a director of numerous technology businesses in Australia and the US including ImpediMed Ltd, SIRTEx Medical Ltd, Protagonist Therapeutic Inc and Energy Response Pty Ltd.

With the exception of ImpediMed Ltd, no other Directorships of listed companies were held during the three years to 30 June 2019. Michael is also a director of Starfish Ventures Pty Ltd.

Caroline Elliott, B. Ec, CA, GAICD – Non-executive Director

Caroline Elliott is chair of the Audit and Risk Committee and was appointed to the Board on 24 November 2017.

Caroline is currently a Director of the National Film and Sound Archive of Australia, St John's Ambulance Australia (Vic) and Wiltrust Nominees Pty Ltd. She has previously held non-executive director roles at Cell Therapies Pty Ltd, Peter MacCallum Cancer Centre and the Public Transport Ombudsman Limited. She is currently the Chief Operating Officer at retail fashion business, The Propel Group Pty Ltd, and was previously the CFO and Company Secretary at Optal Limited.

No other directorships of listed companies were held during the three years to 30 June 2019.

Andrew Ronchi, B. App. Sci. (Physio), PhD (RMIT Eng), GAICD – Chief Executive Officer, Director

Andrew Ronchi was appointed to the Board on 18 February 2008.

Before co-founding dorsaVi, Andrew was a practising physiotherapist both at an AFL club and in private practice. He has also been founding partner in two physiotherapy centres, the largest of these employing 28 staff (including 13 physiotherapists). Andrew completed a PhD in Computer and Systems Engineering, investigating the reliability and validity of transducers for measuring lumbar spine movement. As CEO of dorsaVi Ltd, Andrew is responsible for all aspects of the Group's operations.

No other directorships of listed companies were held during the three years to 30 June 2019.

Brendan Case, MComLaw (Melb), BEc, CPA, Grad Dip App Fin, Dip FP, FCIS

Brendan Case has served as dorsaVi Ltd's secretary since 29 October 2013 and has more than 20 years of company secretarial, corporate governance and finance experience. He is a former Associate Company Secretary of National Australia Bank Limited (NAB), former secretary of NAB's Audit and Risk Committees and has held senior management roles in risk management and regulatory affairs.

Directors' Meetings

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

	Board of Directors		Audit and Risk Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended
G Tweedly	11	11	-	-
A Attia	11	11	3	3
C Elliott	11	11	3	3
M Panaccio	11	11	3	3
A Ronchi	11	11	-	-

	Nomination and Remuneration Committee	
	Eligible to Attend	Attended
G Tweedly	2	2
A Attia	2	2
M Panaccio	2	2

Directors' Interest in Shares, Performance Rights or Options as at 30 June 2019

Names of Holders	Ordinary Shares of dorsaVi Ltd
M Panaccio	90,280,662
A Ronchi	8,886,323
A Attia	281,518
G Tweedly	115,129

The directors have no interests in performance rights or options over shares in dorsaVi Ltd as at the date of this report with the exception of Andrew Ronchi who has an interest in 600,000 performance rights which, subject to the satisfaction of performance conditions, can vest into shares progressively over the 2020 financial year.

Indemnification and Insurance of Directors and Officers

The Group has insured its Directors, Secretary and executive officers for the financial year ended 30 June 2019. Under the Group's Directors and Officers Liability Insurance Policy, the Group cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium.

The Group also indemnifies every person who is or has been an officer of the Group against any liability (other than for legal costs) incurred by that person as an officer of the Group where the Group requested the officer to accept appointment as Director.

To the extent permitted by law and subject to the restrictions in section 199A and 199B of the *Corporations Act 2001*, the Group indemnifies every person who is or has been an officer of the Group against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Group.

ASIC Instrument on Rounding of Amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

Indemnification and Insurance of Auditors

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any auditors of the Group.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Non-audit Services

Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners (Melbourne), network firms of Pitcher Partners, and other non-related audit firms, as detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by dorsaVi Ltd; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for dorsaVi Ltd or any of its related entities, acting as an advocate for dorsaVi Ltd or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of dorsaVi Ltd or any of its related entities.

	2019	2018
	\$	\$
Amounts Paid and Payable to Pitcher Partners Melbourne for Non-audit Services:		
Taxation and Other Compliance Services	18,727	23,450
Total Remuneration for Non-audit Services	18,727	23,450

Remuneration Report (Audited)

The Directors present the Group's 2019 Remuneration Report, which details the remuneration information for dorsaVi Ltd's, Directors and other Key Management Personnel (KMP).

A. Details of the Key Management Personnel

	Period of Responsibility	Position
Non-Executive Directors:		
Greg Tweedly	Full Year	Chairman, Non-Executive Director
Caroline Elliott	Full Year	Independent, Non-Executive Director
Ashraf Attia	Full Year	Independent, Non-Executive Director
Michael Panaccio	Full Year	Non-Executive Director
Executive Director:		
Andrew Ronchi	Full Year	Chief Executive Officer/Director
Executives:		
Matthew May	Full Year	General Manager
Damian Connellan	Full Year	Chief Financial Officer
Megan Connell	Resigned, 22 March 2019	Chief Marketing Officer
Meagan Blackburn	Resigned, 21 December 2018	Chief Innovation Officer
David Erikson	Full Year	Chief Technology Officer
Zoë Whyatt	Resigned, 10 August 2018	Chief Operating Officer, Europe

B. Remuneration Policies

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors is responsible for making recommendations to the Board on the remuneration arrangements for each Non-Executive Director, Executive Director/Chief Executive Officer (CEO) and each Executive reporting to the CEO. The current members of the Nomination and Remuneration Committee are: Ashraf Attia, Michael Panaccio and Greg Tweedly.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing directors and executive team. In determining the level and composition of executive remuneration, the Nomination and Remuneration Committee may also engage external consultants to provide independent advice.

The primary responsibility of the Nomination and Remuneration Committee is to review and recommend to the Board:

- Executive remuneration and incentive policies and practices;
- The Executive Director's total remuneration having regard to remuneration and incentive policies;
- The design and total proposed payments from any executive incentive plan and reviewing the performance hurdles for any equity-based plan;
- The remuneration and related policies of Non-Executive Directors for serving on the board and any committee (both individually and in total); and
- Any other responsibilities as determined by the Nomination and Remuneration Committee or the Board from time to time.

Remuneration Strategy

The remuneration strategy of dorsaVi Ltd is designed to attract, motivate and retain Employees, Executives and Non-Executive Directors in Australia, the United States and Europe by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group. To this end, the key objectives of the Group's reward framework are to:

- Align remuneration with the Group's business strategy;
- Offer an attractive mix of remuneration benchmarked against the applicable market's region and country practices;
- Provide strong linkage between individual and Group performance and rewards;
- Offer remuneration based on merit and individual skill matching the role requirements with their experience and responsibilities;

- Align the interests of executives with shareholders and share the success of the Group with the employees; and
- Support the corporate mission statement, values and policies through the approach to recruiting, organizing and managing people.

Remuneration Structure

In accordance with best practice corporate governance, the structure of the Non-Executive Directors and Executive remuneration is separate and distinct.

Non-Executive Director Remuneration Structure

The ASX Listing Rules specify that an entity must not increase the total aggregate amount of remuneration of Non-Executive Directors without the approval of holders of its ordinary securities.

The Board, and since its inception the Nomination and Remuneration Committee, considers the level of remuneration required to attract and retain Non-Executive Directors with the necessary skills and experience for the Group's Board. This remuneration is reviewed with regard to market practice and Non-Executive Directors' duties and accountability.

The constitution provides that the Non-Executive Directors are entitled to remuneration for their services as determined by the Board up to an aggregate limit of \$500,000 (which may be increased with Shareholder approval). The Group has previously obtained advice about remuneration levels for Directors of listed companies and, based on that advice, set the following annual Non-Executive Directors' fees:

- Chairman: \$75,092 plus superannuation;
- Other Directors: \$50,000 plus superannuation; and
- Further fees for acting as chairman of a committee: \$5,000 plus superannuation per committee.

The Group determines the maximum amount for remuneration, including thresholds for share-based remuneration for Executives, by resolution. The remuneration received by the Non-Executive Directors for the year ended 30 June 2019 is detailed in Table 1 of this section of the report.

Non-executive directors received fees for the current year up until 1 March 2019. The non-executive directors agreed, subject to shareholder approval at the next AGM, to forego the payment of directors fees from 1 March until further notice and would, in lieu of the quarterly fees normally payable, receive options with an exercise price that is at a 50% premium to the 10-day VWAP up to the last trading day of each quarter. The number of options granted would be calculated by dividing the fees payable by the closing share price on the last trading day of each quarter.

Executive Remuneration Structure

The Group provides a remuneration package that incorporates both cash-based remuneration and share-based remuneration. The contracts for service between the Group and Executives are on a continuing basis the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning Executives with shareholder interests.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary and superannuation); and
- Variable remuneration – short term incentives (STI) in the form of an annual incentive plan and long-term equity incentive (LTI). STI and LTI are currently only provided to KMP by way of share-based payments and include no cash component.

Fixed Remuneration

Objective

Fixed remuneration is reviewed annually by the Board and Nomination and Remuneration Committee. The process consists of a review of the Group and individual performance, relevant comparative remuneration from external and internal sources and where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and allowances (such as motor vehicle allowance). It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Variable Remuneration – Short-Term Incentive (STI)

Objective

The key objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the Executives charged with meeting those targets.

Structure

Any STI granted depend on the extent to which specific targets set at the beginning of the financial year or on appointment are met. The Key Milestones or Key Performance Indicators (KPI's) cover individual, team and organisational financial measures of performance. Typically included are measures such as: Achieving sales/revenue targets and/or growth, and meeting Group compliance requirements. These measures were chosen as they represent the key drivers for the short-term success of dorsaVi.

The Group has predetermined benchmarks that must be met in order to trigger STI under the STI scheme. Either on an annual or financial year basis, after consideration of performance against the Key Milestones or KPIs, the Nomination and Remuneration Committee, in line with their responsibilities determine the amount, if any, of the STI to be awarded to each Executive. This process usually occurs within one month after the trigger date. Typically, STI awards are made under the Employee Share Ownership Plan (ESOP) and are delivered in the form of share options or performance rights. Each option entitles the holder to one fully paid ordinary share of dorsaVi Ltd at an exercise price to be determined in accordance with the ESOP or by determination by the Nomination and Remuneration Committee. Each performance right vested entitles the holder to one fully paid ordinary share of dorsaVi Ltd at \$Nil price.

The annual STI available for executives across the Group are subject to the approval of the Nomination and Remuneration Committee.

Variable Remuneration – Long-Term Incentive (LTI)

Objective

The objectives of providing long term incentives are: To motivate and retain key dorsaVi employees; to attract quality employees; to create commonality of purpose between dorsaVi and its employees; to add wealth for all shareholders of the Group through the motivation of dorsaVi's employees; and by allowing dorsaVi's employees to share in the rewards of the success of dorsaVi through the acquisition of, or entitlements to, shares and options.

Structure

The Board offers LTIs to reward the performance of employees, which is in alignment with shareholders' interests and the long-term benefit of the Group. LTI awards are made under the Employee Share Ownership Plan (ESOP) and are delivered in the form of share options, performance rights or loan for shares. Each option entitles the holder to one fully paid ordinary share of dorsaVi Ltd at an exercise price to be determined in accordance with the ESOP or by determination by the Nomination and Remuneration Committee. Each performance right vested entitles the holder to one fully paid ordinary share of dorsaVi Ltd at \$Nil price.

Where an LTI participant ceases employment prior to vesting in their award, the options and unvested performance rights are forfeited unless the Nomination and Remuneration Committee applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

Options and performance rights have been granted, under the ESOP. Refer Table 5 for details of options and performance rights granted to Executives under the ESOP.

Employment Agreements

The Group has entered into employment agreements with all Executives, including the CEO. The Group may terminate an Executive's employment agreement by providing written notice or providing payment in lieu of the notice period (based on the fixed component of the Executive's remuneration). The Group may terminate the contract at any time without notice if serious misconduct has occurred.

The notice periods for key management personnel are as follows:

Name	Notice Period
Andrew Ronchi	6 months
Matthew May	3 months
Damian Connellan	3 months
David Erikson	3 months

CEO Remuneration

At the commencement of the 2019 financial year, Andrew Ronchi's fixed remuneration was US\$360,000, including medical benefits insurance, plus director's fees of A\$25,000 per annum. Subsequent to the start of the 2019 financial year Andrew Ronchi agreed to reduce his fixed remuneration to US\$221,499, including medical benefits insurance, plus director's fees of A\$10,000 per annum. In addition, Andrew Ronchi has previously, as approved at a meeting of shareholders, been granted performance rights. The vesting of these performance rights is subject to performance conditions over three years but will not fully vest before 29 November 2019. During 2019; 11,250 performance rights vested into shares and 138,750 lapsed. As at 30 June 2019; 600,000 performance rights remain outstanding. Upon termination of Andrew Ronchi's employment contract, he will be subject to a restraint of trade for a maximum of 12 months.

C. Details of Key Management Personnel Remuneration

(a) Non-Executive Directors' Remuneration: Table 1

	Short-Term	Post-employment	TOTAL	Total performance related	Share based payments as % of total
2019	Salary fees	Pension Plan			
	\$	\$	\$	%	%
Non-Executive Directors					
C Elliott	34,833	3,309	38,142	-	-
A Attia	34,833	3,309	38,142	-	-
M Panaccio ⁽ⁱ⁾	34,276	-	34,276	-	-
G Tweedy	47,558	4,518	52,076	-	-
	151,500	11,136	162,636	-	-

(i) Michael Panaccio provides his services via Starfish Technology Fund II, LP.

	Short-Term	Post-employment	TOTAL	Total performance related	Share based payments as % of total
2018	Salary fees	Pension Plan			
	\$	\$	\$	%	%
Non-Executive Directors					
H Elliott ⁽ⁱⁱ⁾	30,975	2,943	33,918	-	-
C Elliott ⁽ⁱⁱⁱ⁾	32,083	3,048	35,131	-	-
A Attia	54,781	5,204	59,985	-	-
M Panaccio ⁽ⁱ⁾	54,120	-	54,120	-	-
G Tweedy	66,888	6,354	73,242	-	-
	238,847	17,549	256,396	-	-

(i) Michael Panaccio provides his services via Starfish Technology Fund II, LP.

(ii) Retired 23 November 2017

(iii) Appointed 24 November 2017

(b) Executives' Remuneration: Table 2

	Short-Term		Post-employment	Share based payments	Total	Total performance related	Share based payments as % of total
2019	Salary, fees	Other ⁽ⁱ⁾	Pension Plan	Equity ⁽ⁱⁱ⁾			
	\$	\$	\$	\$	\$	%	%
Executive Director:							
A Ronchi ⁽ⁱⁱⁱ⁾	389,709	30,445	21,250	91,079	532,483	17.1	17.1
Executives:							
M Blackburn ^(v)	89,837	-	8,439	1,358	99,634	1.4	1.4
D Connellan	51,527	-	-	-	51,527	-	-
M Connell ^(iv)	145,091	-	11,935	695	157,721	0.4	0.4
D Erikson	190,000	-	18,050	-	208,050	-	-
M May	240,000	-	20,531	48,544	309,075	15.7	15.7
Z Whyatt ^{(iii), (vi)}	16,842	3,183	1,138	891	22,054	4.0	4.0
	1,123,006	33,628	81,343	142,567	1,380,544	10.3	10.3

(i) Other benefits include the payment of certain health and disability related insurance premiums in the US and UK.

(ii) Share based payments comprise mixture of the grant of options, performance rights, and loan shares backed by an interest free, non-recourse loan. For accounting purposes, all these equity instruments are valued the same as options.

(iii) Foreign currency amounts are converted into AUD at the average exchange rates applicable throughout the year.

(iv) Resigned, 22 March 2019.

(v) Resigned, 21 December 2018.

(vi) Resigned, 10 August 2018.

2018	Short-Term		Post-employment	Share based payments	Total	Total performance related	Share based payments as % of total
	Salary, fees	Other ⁽ⁱ⁾	Pension Plan	Equity ⁽ⁱⁱ⁾			
	\$	\$	\$	\$	\$	%	%
Executive Director:							
A Ronchi ⁽ⁱⁱⁱ⁾	343,302	13,861	22,524	103,255	482,942	21.4	21.4
Executives:							
M Blackburn	205,000	-	19,475	60,984	285,459	21.4	21.4
D Connellan	109,200	-	-	-	109,200	-	-
M Connell	140,000	-	13,299	40,553	193,852	20.0	20.9
D Erikson ^(iv)	38,528	-	3,660	-	42,188	-	-
M Heaysman ^{(iii) (v)}	278,039	16,501	-	43,257	337,797	12.8	12.8
M May	235,000	-	19,762	66,710	321,472	20.8	20.8
M Umer ^(vi)	177,380	-	11,875	-	189,255	-	-
Z Whyatt ⁽ⁱⁱⁱ⁾	138,841	17,143	4,165	54,943	215,092	25.5	25.5
	1,665,290	47,505	94,760	369,702	2,177,257	17.0	17.0

- (i) Other benefits include the payment of certain health and disability related insurance premiums in the US and UK.
(ii) Share based payments comprise mixture of the grant of options, performance rights, and loan shares backed by an interest free, non-recourse loan. For accounting purposes, all these equity instruments are valued the same as options.
(iii) Foreign currency amounts are converted into AUD at the average exchange rates applicable throughout the year.
(iv) Commenced 16 April 2018.
(v) Ceased to be a KMP, 11 April 2018.
(vi) Resigned, 30 April 2018.

D. Relationship between Remuneration and Group Performance

(a) Remuneration Not Dependent on Satisfaction of Performance Condition

The non-executive remuneration policy is not directly related to Group performance. The Board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the Group for shareholders.

(b) Remuneration Dependent on Satisfaction of Performance Condition

A portion of the Executive Remuneration is based on attainment of performance conditions. Performance-based remuneration may include short-term and long-term incentive plans. Performance-based remuneration granted to key management personnel has regard to Group performance over a twelve month to 3-year period.

Summary of the performance conditions for KMP with performance-linked equity instruments: Table 3

KMP	Conditions for vesting of Options and Performance Rights
Andrew Ronchi	Key Milestones as determined by and at the discretion of the Board
Matthew May	Key Milestones as determined by and at the discretion of the Board
Damian Connellan	Key Milestones as determined by and at the discretion of the Board
David Erikson	Key Milestones as determined by and at the discretion of the Board

The conditions were selected to promote the creation of shareholder wealth during the period.

(c) Consequences of Group's Performance on Shareholder Wealth

Summary of Group Performance and Key Performance Indicators: Table 4

Company Performance	2019	2018	2017	2016	2015
Revenue	3,223,869	4,394,271	3,897,882	3,238,138	1,850,416
% increase/(decrease)	(27%)	13%	20%	75%	141%
Loss after tax	(4,020,751)	(3,727,073)	(3,876,248)	(5,237,102)	(8,036,161)
% (increase)/decrease	(8%)	4%	26%	35%	(226%)
Change in share price	(58%)	(59%)	7%	4%	(41%)
Dividend paid to shareholders	-	-	-	-	-
Return of capital	-	-	-	-	-
Total remuneration of KMP	1,543,180	2,433,653	2,182,038	2,450,850	2,442,136
Total performance-based remuneration	142,567	369,702	290,885	98,264	140,295

E. Key Management Personnel's Share-Based Compensation

(a) Details of Compensation Equity

Table 5

2019	Grant Date (i)	Number Granted	Value per unit at grant date	Vested during the year	Year in which equity may vest	Vest	Forfeited during the year	Terms and conditions for each grant			
								Exercise Price	Expiry Date	First Exercise Date	Last Exercise Date
			\$			%		\$			
Executives:											
A Ronchi:											
	29-Nov-16	150,000	0.45	11,250	2019	8%	138,750	-	N/A	N/A	N/A
	29-Nov-16	150,000	0.45	-	2020	-	-	-	1-Oct-19	1-Oct-19	1-Oct-19
	29-Nov-16	450,000	0.45	-	2020	-	-	-	29-Nov-19	29-Nov-19	29-Nov-19
M May:											
	5-Nov-14	20,000	0.27	-	2019	100%	-	0.40	5-Nov-19	N/A	N/A
	5-Jun-17	125,000	0.31	22,500	2019	18%	102,500	-	N/A	N/A	N/A
	5-Jun-17	125,000	0.31	-	2020	-	-	-	1-Oct-19	1-Oct-19	1-Oct-19
	5-Jun-17	200,000	0.31	-	2020	-	-	-	1-Jul-19	1-Jul-19	1-Jul-19
M Blackburn: ⁽ⁱⁱ⁾											
	5-Jun-17	100,000	0.31	22,500	2019	23%	77,500	-	N/A	N/A	N/A
	5-Jun-17	100,000	0.31	-	2020	-	100,000	-	N/A	N/A	N/A
	5-Jun-17	150,000	0.31	-	2020	-	150,000	-	N/A	N/A	N/A
M Connell: ⁽ⁱⁱⁱ⁾											
	5-Jun-17	50,000	0.31	11,500	2019	23%	38,500	-	N/A	N/A	N/A
	5-Jun-17	50,000	0.31	-	2020	-	50,000	-	N/A	N/A	N/A
	5-Jun-17	150,000	0.31	-	2020	-	150,000	-	N/A	N/A	N/A
Z Whyatt: ^(iv)											
	15-May-17	500,000	0.33	-	2017	100%	-	0.33	15-May-22	15-May-17	15-May-22
	15-May-17	78,333	0.33	-	2018	100%	-	0.33	1-Oct-22	1-Oct-17	1-Oct-22
	15-May-17	133,333	0.33	24,166	2019	18%	109,167	0.33	1-Oct-23	1-Oct-18	1-Oct-23
	15-May-17	133,334	0.33	-	2020	-	133,334	-	N/A	N/A	N/A
	15-May-17	350,000	0.33	-	2020	-	350,000	-	N/A	N/A	N/A
		<u>3,015,000</u>		<u>91,916</u>			<u>1,399,751</u>				

(i) The options and performance rights granted are subject to performance and retention conditions.

(ii) M Blackburn resigned, 21 December 2018.

(iii) M Connell resigned, 22 March 2019.

(iv) Z Whyatt resigned, 10 August 2018.

As at 30 June 2019, no options have been exercised and, accordingly, no shares have been issued as a result of options previously vested.

2018							Terms and conditions for each grant			
Grant Date (i)	Number Granted	Value per unit at grant date	Vested during the year	Year in which equity may vest	Vest	Forfeited during the year	Exercise Price	Expiry Date	First Exercise Date	Last Exercise Date
		\$			%		\$			
Executives:										
A Ronchi:										
29-Nov-16	150,000	0.45	75,000	2018	50%	75,000	-	1-Oct-17	N/A	N/A
29-Nov-16	150,000	0.45	-	2019	-	-	-	1-Oct-18	1-Oct-18	1-Oct-18
29-Nov-16	150,000	0.45	-	2020	-	-	-	1-Oct-19	1-Oct-19	1-Oct-19
29-Nov-16	450,000	0.45	-	2020	-	-	-	29-Nov-19	29-Nov-19	29-Nov-19
Z Whyatt:										
15-May-17	500,000	0.33	-	2017	100%	-	0.33	15-May-22	15-May-17	15-May-22
15-May-17	133,333	0.33	55,000	2018	41%	78,333	0.33	1-Oct-22	1-Oct-17	1-Oct-22
15-May-17	133,333	0.33	-	2019	-	-	0.33	1-Oct-23	1-Oct-18	1-Oct-23
15-May-17	133,334	0.33	-	2020	-	-	0.33	1-Oct-24	1-Oct-19	1-Oct-24
15-May-17	350,000	0.33	-	2020	-	-	0.33	1-Jul-24	1-Jul-19	1-Jul-24
M Heaysman: ⁽ⁱⁱ⁾										
3-Jul-14	250,000	0.04	-	2017	-	250,000	0.46	3-Jul-19	N/A	N/A
17-Aug-15	500,000	0.17	-	2020	-	500,000	0.26	17-Aug-20	N/A	N/A
5-Jun-17	83,334	0.31	31,250	2018	37%	52,084	-	1-Jan-18	N/A	N/A
5-Jun-17	83,334	0.31	-	2019	-	83,334	-	1-Jan-19	N/A	N/A
5-Jun-17	333,332	0.31	-	2020	-	333,332	-	1-Jan-20	N/A	N/A
M Connell:										
5-Jun-17	50,000	0.31	33,750	2018	68%	16,250	-	1-Oct-17	N/A	N/A
5-Jun-17	50,000	0.31	-	2019	-	-	-	1-Oct-18	1-Oct-18	1-Oct-18
5-Jun-17	50,000	0.31	-	2020	-	-	-	1-Oct-19	1-Oct-19	1-Oct-19
5-Jun-17	150,000	0.31	-	2020	-	-	-	1-Jul-19	1-Jul-19	1-Jul-19
M Blackburn:										
5-Jun-17	100,000	0.31	67,000	2018	67%	33,000	-	1-Oct-17	N/A	N/A
5-Jun-17	100,000	0.31	-	2019	-	-	-	1-Oct-18	1-Oct-18	1-Oct-18
5-Jun-17	100,000	0.31	-	2020	-	-	-	1-Oct-19	1-Oct-19	1-Oct-19
5-Jun-17	150,000	0.31	-	2020	-	-	-	1-Jul-19	1-Jul-19	1-Jul-19
M May:										
5-Nov-14	20,000	0.27	-	2019	100%	-	0.40	5-Nov-19	N/A	N/A
5-Jun-17	100,000	0.31	100,000	2017	100%	-	-	1-Jul-17	N/A	N/A
5-Jun-17	125,000	0.31	52,500	2018	42%	72,500	-	1-Oct-17	N/A	N/A
5-Jun-17	125,000	0.31	-	2019	-	-	-	1-Oct-18	1-Oct-18	1-Oct-18
5-Jun-17	125,000	0.31	-	2020	-	-	-	1-Oct-19	1-Oct-19	1-Oct-19
5-Jun-17	200,000	0.31	-	2020	-	-	-	1-Jul-19	1-Jul-19	1-Jul-19
M Umer: ⁽ⁱⁱⁱ⁾										
25-Feb-15	30,000	0.23	-	2020	100%	30,000	0.36	25-Feb-20	N/A	N/A
5-Jun-17	25,000	0.31	16,063	2018	64%	8,937	-	1-Oct-17	N/A	N/A
5-Jun-17	25,000	0.31	-	2019	-	25,000	-	1-Oct-18	N/A	N/A
5-Jun-17	25,000	0.31	-	2020	-	25,000	-	1-Oct-19	N/A	N/A
5-Jun-17	75,000	0.31	-	2020	-	75,000	-	1-Jul-19	N/A	N/A
	<u>5,025,000</u>		<u>430,563</u>			<u>1,657,770</u>				

(i) The options and performance rights granted during 2017 are subject to performance and retention conditions.

(ii) M Heaysman ceased to be a member of the KMP, 11 April 2018.

(iii) M Umer resigned, 30 April 2018.

F. Key Management Personnel's Equity Holdings

(a) Number of Equity Holdings held by Key Management Personnel

As at 30 June 2019, no key management personnel held options, under the Group's Employee Share Ownership Plan 2013.

As at 30 June 2019, key management personnel held 925,000 performance rights under the Group's Employee Share Ownership Plan 2013, which, on vesting, convert to 925,000 ordinary shares of the Group. As at 30 June 2019, none of these performance rights had vested and converted to shares.

(b) Number of Shares held by Key Management Personnel (Consolidated)

The relevant interest of each key management personnel in the share capital of the Group as notified the ASX as at 30 June 2019 is as follows:

Table 7

	Balance 30 June 2018	Vested on Achievement of KPI	Participation in share issue	Net change Other ⁽ⁱⁱ⁾	Balance 30 June 2019
Non-Executive Directors:					
A Attia	211,139	-	70,379	-	281,518
M Panaccio	71,421,255	-	17,859,407	-	89,280,662
M Panaccio (relevant interest)	1,000,000	-	-	-	1,000,000
G Tweedy	86,347	-	28,782	-	115,129
Executive Director:					
A Ronchi	8,406,546	11,250	468,527	-	8,886,323
Executives:					
M Connell ⁽ⁱ⁾	33,750	11,500	-	(45,250)	-
M Blackburn ⁽ⁱ⁾	338,579	22,500	-	(361,079)	-
Z Whyatt ⁽ⁱ⁾	63,496	-	-	(63,496)	-
M May	172,500	22,500	-	-	195,000
	<u>81,733,612</u>	<u>67,750</u>	<u>18,427,095</u>	<u>(469,825)</u>	<u>99,758,632</u>

(i) Resigned during the year.

(ii) Balance at resignation date

G. Loans to Key Management Personnel

(a) Aggregate of Loans Made

There were no loans made to key management personnel during the 2019 financial year (2018: \$Nil). There were no outstanding loans to key management personnel as at 30 June 2019 (30 June 2018: \$Nil).

H. Other Transactions with Key Management Personnel

(a) Transactions with Key Management Personnel of the Entity or its Parent and their Personally Related Entities

During the year, dorsaVi Ltd did not enter into any transactions with key management personnel or their personally related entities.

(b) Transactions with Other Related Parties

Starfish Ventures Pty Ltd is considered a related party in accordance with the definition under *AASB 124: Related Parties*. During the first five months of the year ended 30 June 2019, Starfish Ventures Pty Ltd leased property and charged rent to dorsaVi Ltd. Total value of these rental charges was \$83,570 (2018: \$109,346). The rent was charged to dorsaVi on normal terms and conditions. The balance outstanding at balance date was \$Nil (2017: \$15,047). The Rental arrangement ceased in November 2018.

During the year ended 30 June 2019, dorsaVi Ltd paid \$34,276 (2018: \$54,120) to Starfish Technology Fund II, LP on behalf of Michael Panaccio for director's fees.

I. Use of Remuneration Consultants

During the year the Board did not engage remuneration consultants.

J. Voting and Comments made at the Group's 2018 Annual General Meeting (AGM)

At the Group's most recent AGM, resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

-----End of the Remuneration Report-----

Signed in accordance with a resolution of the directors

Greg Tweedly
Chairman



Melbourne
Date: 29 August 2019

Andrew Ronchi
Director and CEO



Melbourne
Date: 29 August 2019

dorsaVi Ltd and controlled entities
ABN 15 129 742 409

AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of dorsaVi Ltd

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of dorsaVi Ltd and the entities it controlled during the year.



S SCHONBERG
Partner

29 August 2019



PITCHER PARTNERS
Melbourne

Financial Report for the Year Ended 30 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue and other income:			
Sales revenue	4	2,514,992	3,433,348
Other income	4	708,877	960,923
		<u>3,223,869</u>	<u>4,394,271</u>
Less: Expenses:			
Cost of sales	5	(448,597)	(873,625)
Advertising expenses		(185,009)	(244,742)
Conference expenses		(137,852)	(88,292)
Consultancy expenses		(218,940)	(362,075)
Depreciation and amortisation expenses	5	(965,854)	(738,281)
Employee benefits expenses	5	(3,979,898)	(4,498,316)
Write off of goodwill	5	-	(112,110)
Finance costs		(32,136)	-
Occupancy expenses	5	(198,495)	(356,250)
Professional fees		(459,934)	(543,182)
Software expenses		(330,821)	(219,786)
Travel expenses		(207,899)	(387,902)
Other expenses		(645,834)	(610,454)
		<u>(7,811,269)</u>	<u>(9,035,015)</u>
Loss before income tax benefit		(4,587,400)	(4,640,744)
Income tax benefit	6	566,649	913,671
Loss from continuing operations		<u>(4,020,751)</u>	<u>(3,727,073)</u>
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign subsidiaries net of tax		(500,365)	(443,571)
Other comprehensive income for the year		<u>(500,365)</u>	<u>(443,571)</u>
Total comprehensive income for the year		<u>(4,521,116)</u>	<u>(4,170,644)</u>
Earnings per share for loss from continuing operations attributable to equity holders of the parent entity:			
Basic loss per share	21	(2.15 cents)	(2.22 cents)
Diluted loss per share	21	(2.15 cents)	(2.22 cents)

The above statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	8	2,766,419	3,966,857
Receivables	9	1,363,607	2,189,079
Inventories	10	308,520	324,934
Other assets	11	142,578	235,995
Total current assets		4,581,124	6,716,865
Non-current assets			
Intangible assets	12	4,069,915	3,884,253
Plant and equipment	13	577,695	324,331
Total non-current assets		4,647,610	4,208,584
Total assets		9,228,734	10,925,449
Current liabilities			
Payables	14	1,513,207	1,084,644
Lease liability	15	125,524	-
Provisions	16	340,133	381,782
Total current liabilities		1,978,864	1,466,426
Non-current liabilities			
Lease liability	15	235,470	-
Provisions	16	25,106	41,858
Total non-current liabilities		260,576	41,858
Total liabilities		2,239,440	1,508,284
Net assets		6,989,294	9,417,165
Equity			
Share capital	17	40,381,715	38,455,224
Reserves	18	(77,193)	731,407
Accumulated losses	18	(33,315,228)	(29,769,466)
Total equity		6,989,294	9,417,165

The above statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2019**

Consolidated Entity	Share capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2017	38,440,518	758,286	(26,073,132)	13,125,672
Loss for the year	-	-	(3,727,073)	(3,727,073)
Exchange differences on translation of foreign operations, net of tax	-	(443,571)	-	(443,571)
Total comprehensive income for the year	-	(443,571)	(3,727,073)	(4,170,644)
Transactions with owners in their capacity as owners:				
Redemption of Employee share ownership plan	14,706	-	-	14,706
Employee share ownership plan	-	447,431	-	447,431
Equity instruments lapsed	-	(30,739)	30,739	-
	14,706	416,692	30,739	462,137
Balance as at 30 June 2018	38,455,224	731,407	(29,769,466)	9,417,165
Balance as at 1 July 2018	38,455,224	731,407	(29,769,466)	9,417,165
Loss for the year	-	-	(4,020,751)	(4,020,751)
Exchange differences on translation of foreign operations, net of tax	-	(500,365)	-	(500,365)
Total comprehensive income for the year	-	(500,365)	(4,020,751)	(4,521,116)
Transactions with owners in their capacity as owners:				
Issue of shares	2,088,616	-	-	2,088,616
Cost of raising capital	(162,125)	-	-	(162,125)
Employee share ownership plan	-	166,754	-	166,754
Equity instruments lapsed	-	(474,989)	474,989	-
	1,926,491	(308,235)	474,989	2,093,245
Balance as at 30 June 2019	40,381,715	(77,193)	(33,315,228)	6,989,294

The above statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Cash flow from operating activities			
Receipts from customers		3,593,957	4,389,596
Payments to suppliers and employees		(6,716,175)	(8,316,837)
Interest paid		(32,136)	-
Grants and sundry income received		140,225	347,051
Interest received		46,610	112,182
Income tax refunded		884,476	870,640
Net cash used in operating activities	19 (b)	<u>(2,083,043)</u>	<u>(2,597,368)</u>
Cash flow from investing activities			
Payment for plant and equipment		(34,023)	(49,980)
Payment for intangibles		(969,139)	(2,010,103)
Net cash used in investing activities		<u>(1,003,162)</u>	<u>(2,060,083)</u>
Cash flow from financing activities			
Proceeds from share issue		2,088,616	-
Cost of raising capital		(162,125)	-
Payment of principal portion of lease liability		(40,724)	-
Proceeds from employee share ownership plan		-	14,706
Net cash provided by financing activities		<u>1,885,767</u>	<u>14,706</u>
Reconciliation of cash			
Cash at beginning of the financial year		3,966,857	8,609,602
Net decrease in cash held		<u>(1,200,438)</u>	<u>(4,642,745)</u>
Cash at end of the year	19 (a)	<u><u>2,766,419</u></u>	<u><u>3,966,857</u></u>

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation of the Financial Report

This financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report covers dorsaVi Ltd and controlled entities as a Group. dorsaVi Ltd is a company limited by shares, incorporated and domiciled in Australia at: 86 Denmark Street, Kew, Victoria, 3101. dorsaVi Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the directors on the date of the directors' report.

Compliance with International Financial Reporting Standards:

The consolidated financial statements of dorsaVi Ltd also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical Cost Convention:

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant Accounting Estimates and Judgements:

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

(b) New and Revised Accounting Standards Effective at 30 June 2019

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2018 including the following:

(i) AASB 9 – financial instruments

The Group adopted AASB 9 Financial Instruments, from 1 July 2018. AASB 9 replaces AASB 139: Financial Instruments: Recognition and Measurement. The key changes to the requirements in AASB 139 include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost to be based on an expected loss approach.

The Group adopted AASB 9 effective 1 July 2018. The adoption of AASB 9 has not had a material impact on the prior reporting periods presented in the financial statements.

(ii) AASB 15 – revenue from contracts with customers

The Group adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. AASB 15 provides (other than in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods

or services. Accordingly, in contrast to the approach under AASB 118 Revenue, AASB 15 does not prescribe different patterns of revenue recognition depending on whether the entity provides goods or service to the customer.

The Group adopted AASB 15 effective 1 July 2018. The adoption of AASB 15 has not had a material impact on the prior reporting periods presented in the financial statements.

(iii) AASB 16 – leases

The Group adopted AASB 16, from 1 July 2018. AASB 16 replaces AASB 117: Leases. The key changes to the requirements in AASB 117 include introducing a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis.
- Lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

The Group early adopted AASB 16 effective 1 July 2018. The impact is reflected in the Consolidated Statement of Financial Position (refer Notes 13 and 15) and the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The adoption of AASB 16 has not had a material impact on the prior reporting periods presented in the financial statements.

(c) Going Concern

The financial report has been prepared on a going concern basis. The Group incurred a loss from ordinary activities after income tax of \$4,020,751 during the year ended 30 June 2019 (2018: \$3,727,073) and had a net decrease in cash held of \$1,200,438 (2018: decrease \$4,642,745). As at 30 June 2019, the Group's current assets exceed current liabilities by \$2,602,260 (2018: \$5,250,439).

The 2019 financial year has continued the strategic change for the Group that was implemented in the 2018 financial year. The Group has continued its focus on driving penetration into the US clinical market and on building annuity revenue streams. Whilst, these strategic changes continue to have a short-term financial impact on the Group through cash burn and adverse growth in revenue, in the longer term, the size of the US clinical market and scalability of annuity products, is expected to provide the greatest opportunity for the Group and its shareholders.

In determining the basis for preparation of the financial report, the Directors have reviewed the financial performance, future operating plans (including cashflow forecasts), financial position and existing cash resources available to the Group. The Directors are confident that the Group will be able to continue as a going concern for at least 12 months from the date of authorisation of the financial report, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the need arise in the medium to long-term, the Company will seek to raise additional working capital through capital raises.

As a result of the above, the Directors have concluded that the going concern basis is appropriate.

Whilst the Directors are confident that the above initiatives will generate sufficient funds to enable the Group to continue as a going concern for a period of at least 12 months from the date of signing the financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

(d) Principles of Consolidation

The consolidated financial statements are those of the Group, comprising the financial statements of the parent entity and all of the entities which the parent controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

(e) Revenue from contracts with customers

The Group derives revenue from the sale of wearable sensors and software. The devices, when used with Group software, allow the accurate measurement of movement at a variety of different places on the human body or the activity of muscles.

Revenue from integrated sales of devices and software:

The Group's contracts with customers are typically integrated and requires the provision of devices and software which is not separately identifiable and so is considered a bundle of goods and services. Revenue from the sale or lease of devices and licencing of software is recognised over the licence term.

Revenue from consulting:

Revenue from consulting contracts is recognised over time, as the services are provided to the customer, based on service hours performed as a percentage of estimated total service hours under the contract. Recognising revenue on the basis of service hours is considered an appropriate method of recognising revenue as it is consistent with the manner in which services are provided to the customer.

Revenue from the sale of consumables:

The Group sells various consumables goods to customers to support their ongoing use of their wearable sensors. Revenue from the consumables is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs at the time of delivery. Customers are, either, required to pay in full for all goods and services purchased at the time of purchase, or, are invoiced on a monthly basis depending on the contract. Outstanding invoices are due for payment within 30 days of the invoice date.

Consideration included in the measurement of revenue:

The consideration to be received from customers is generally fixed and based on the customer contract.

Receivables from contracts with customers:

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e. only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

Contract assets:

A contract asset represents the Group's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods or services transferred to the customer. Contract assets are measured at the amount of consideration that the Group expects to be entitled in exchange for goods or services transferred to the customer.

Contract liabilities:

A contract liability represents the Group's obligation to transfer goods or services to the customer for which the company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Group transfers the contracted goods or services to the customer.

Costs to obtain a contract:

Incremental costs incurred by the company to obtain a contract with a customer, such as the payment of commissions, are recognised as an asset and amortised on a systematic basis that is consistent with the transfer of the contracted goods or services to the customer

Costs to fulfil a contract:

Costs incurred by the Group to fulfil a contract with a customer that are not included in the carrying amount of another recognised asset, such as inventory, plant and equipment or intangible asset, are recognised as an asset to the extent that such costs relate directly to a contract or anticipated contract, generate or enhance resources of the Group that will be used to fulfil the contract, and are expected to be recovered from the consideration expected to be obtained from fulfilling the contract. Costs incurred to fulfil a contract that are recognised as an asset are amortised on a systematic basis that is consistent with the transfer of the contracted goods or services to the customer. Other costs incurred by the Group to fulfil a contract with a customer (that are not recognised as an asset) are recognised as an expense when incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition.

(h) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment loss.

Depreciation:

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Class of Fixed Asset	Depreciation Rates	Depreciation Basis
Testing equipment	10-50%	Diminishing value
Leased devices	20%	Straight line
Office equipment	10-67%	Diminishing value
Furniture, fixtures and fittings	10-20%	Diminishing value
Right to use asset	31%	Straight line
Tooling	10%	Straight line

(i) Leases

Lease assets:

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the company, and an estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities:

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e. the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of remaining lease payments (i.e. the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets:

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(j) Intangibles

Patents:

Patents, trademarks and licenses are recognised at cost and depreciated on a straight-line basis over their effective lives, which is estimated to be 20 years.

Research:

Expenditure on research activities is recognised as an expense when incurred.

Development Expenditure:

Development expenditure encompasses the cost of developing new products including mobile applications, algorithms, sensors, hardware and firmware. Development expenditure is capitalised when the entity can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development expenditure is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful life, which range from 5 to 10 years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(k) Impairment of Non-Financial Assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows - Cash Generating Units (CGU). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the CGU or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or CGU exceeds the asset's or CGU's recoverable amount. The recoverable amount of an asset or CGU is defined as the higher of its fair value less costs to sell and value in use. Refer to Note 2 for a description of how management determines value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard. Impairment losses in respect of CGU's are allocated first against the carrying amount of any goodwill attributed to the CGU with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant CGU.

(l) Income Tax

Current income tax expense or benefit is the tax payable (receivable), on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities. Current income tax expense or revenue includes refundable research and development tax offsets.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation:

dorsaVi Ltd (parent entity) and its wholly owned subsidiary, Australian Workplace Compliance Pty Ltd, have applied tax consolidation legislation and formed a tax-consolidated group from 1 July 2014. The parent entity and subsidiary in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- The parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- The subsidiary recognises current or deferred tax amounts arising in respect of their own transactions, events and balances;
- Current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of the subsidiary in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

(m) Employee Benefits

(i) Short-Term Employee Benefit Obligations:

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-Term Employee Benefit Obligations:

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within twelve months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement Benefit Obligations:

The Group makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

(iv) Share-Based Payments:

The Group operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(v) Bonus Plan:

The Group recognises a provision when a bonus is payable in accordance with the employee's contract of employment and the amount can be reliably measured.

(n) Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs are expensed as incurred.

(o) Financial Instruments

Initial recognition and measurement:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets:

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities:

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Trade and other receivables:

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days. Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets:

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers and contract assets.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified expected credit loss rates for the purpose of measuring expected credit losses. These credit loss rates have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

(p) Foreign Currency Translations and Balances

Functional and Presentation Currency:

The financial statements of each entity within the Group are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Transactions and Balances:

Transactions undertaken in foreign currencies are recognised in the Group's functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses in the financial year in which they arose.

Foreign Subsidiaries:

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency.

(s) Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of Non-Financial Assets other than Goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

The recoverable amount of a CGU is based on value in use calculations. The Directors have determined that there is one CGU applicable to the cash flows generated. Value in use calculations are based on projected cash flows approved by management covering a maximum five-year period. Management's determination of cash flow projections are based on past performance and its expectations of the future.

(b) Income Tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Employee Benefits

The calculation of long-term employment benefits requires estimation of the retention of staff, future wage levels and timing of the settlement of employee entitlements. The estimates are based on historical trends.

(d) Share Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments on the date at which they are granted. The fair value of equity instruments is determined using the Black Scholes model.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks comprising:

- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

The Board of directors has overall responsibility for identifying and managing operational and financial risks. The Group holds the following financial instruments:

	2019	2018
	\$	\$
Financial assets:		
Cash and cash equivalents	2,766,419	3,966,857
Trade receivables	617,700	1,164,759
Other receivables	745,907	1,024,320
	<u>4,130,026</u>	<u>6,155,936</u>
Finance liabilities:		
Trade payables	228,668	228,901
Lease liability	360,994	-
Other payables	1,284,539	855,743
	<u>1,874,201</u>	<u>1,084,644</u>

(a) Currency Risk

The Group undertakes transactions denominated in foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk through the operation of wholly owned subsidiaries in the United Kingdom and the United States of America.

Whilst operations in these geographical regions are in their infancy, the Group has not established a hedging policy to mitigate adverse currency risk.

The carrying amount of foreign currency denominated monetary assets and monetary liabilities at reporting date are:

	2019		2018	
	USD	\$	USD	\$
Current assets	450,706	483,970	558,516	342,297
Current liabilities	251,895	352,753	331,757	31,476
	<u>198,811</u>	<u>131,217</u>	<u>226,759</u>	<u>310,821</u>

Sensitivity:

If foreign exchange rates were to increase/decrease by 10% from rates used to determine fair value of all financial instruments as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on loss for the year and equity is as follows:

	2019	2018
	\$	\$
+/- 10%		
Impact on loss after tax	131,019	141,422
Impact on equity	131,019	141,422

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Group's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2019

Financial Instruments

	Interest Bearing \$	Non-interest bearing \$	Total carrying amount \$	Weighted average effective interest rate
<i>Financial assets</i>				
Cash	1,638,124	-	1,638,124	0.70% Floating
Flexi Deposit	999,856	-	999,856	1.80% Fixed
Term Deposit	51,381	-	51,381	2.66% Fixed
Term Deposit	27,932	-	27,932	2.20% Fixed
Term Deposit	49,126	-	49,126	2.61% Fixed
Trade receivables	-	617,700	617,700	0.00%
Other receivables	-	745,907	745,907	0.00%
	<u>2,766,419</u>	<u>1,363,607</u>	<u>4,130,026</u>	
<i>Financial liabilities</i>				
Trade payables	-	228,668	228,668	0.00%
Lease liability	360,994	-	360,994	12.00% Fixed
Other payables	-	1,284,539	1,284,539	0.00%
	<u>360,994</u>	<u>1,513,207</u>	<u>1,874,201</u>	

2018

Financial Instruments

	Interest Bearing \$	Non-interest bearing \$	Total carrying amount \$	Weighted average effective interest rate
<i>Financial assets:</i>				
Cash	1,891,314	-	1,891,314	0.80% Floating
Flexi Deposit	2,000,000	-	2,000,000	2.59% Fixed
Term Deposit	26,602	-	26,602	2.52% Fixed
Term Deposit	48,941	-	48,941	2.09% Fixed
Trade receivables	-	1,164,759	1,164,759	0.00%
Other receivables	-	1,024,320	1,024,320	0.00%
	<u>3,966,857</u>	<u>2,189,079</u>	<u>6,155,936</u>	
<i>Financial liabilities:</i>				
Trade payables	-	228,901	228,901	0.00%
Other payables	-	855,743	855,743	0.00%
	<u>-</u>	<u>1,084,644</u>	<u>1,084,644</u>	0.00%

No other financial assets or financial liabilities are expected to be exposed to interest rate risk. There are no variable interest borrowings in the Group. The Group is exposed to variable interest cash and cash deposits held; however, fluctuations due to interest rates are considered immaterial.

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of known and existing customers and reputable organisations.

(i) Cash Deposits:

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(ii) Trade Receivables:

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

The ageing analysis of trade and other receivables is provided in Note 9.

As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms.

(iii) Other Receivables:

Other receivables relate to research and development tax concessions receivable from the Australian Taxation Office and do not pose a material credit risk and unbilled debtors in relation to accrued income.

(d) Liquidity Risk

The Group's approach to managing liquidity risk is to ensure, as far as possible, that, at all times, it has sufficient liquidity to meet its liabilities. The Group has cash reserves and expects to settle all financial liabilities when they fall due.

(e) Fair Value

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	2019	2018
	\$	\$
<i>Revenue recognised at a point in time:</i>		
Clinical income	359,020	708,189
Workplace income	653,576	1,869,605
Project income	221,551	-
	<u>1,234,147</u>	<u>2,577,794</u>
<i>Revenue recognised over time:</i>		
Clinical income	977,797	770,709
Workplace income	303,048	84,845
Project income	-	-
	<u>1,280,845</u>	<u>855,554</u>
	<u>2,514,992</u>	<u>3,433,348</u>
<i>Revenue from contracts with customers is disclosed in the segment note as follows:</i>		
Clinical income	1,336,817	1,478,898
Workplace income	956,624	1,954,450
Project income	221,551	-
	<u>2,514,992</u>	<u>3,433,348</u>
Other income:		
Grant and other income	140,225	347,051
Interest income	46,610	112,182
Foreign exchange gain	522,042	501,690
	<u>708,877</u>	<u>960,923</u>
	<u>3,223,869</u>	<u>4,394,271</u>

The Group adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. Revenue from device sales is now recognised over time and not at a point in time in accordance with the previous accounting policy. Adoption of AASB 15 did not result in any material differences for the prior period.

	2019 \$	2018 \$
NOTE 5: LOSS FROM CONTINUING OPERATIONS		
Loss before income tax has been determined after:		
Depreciation	182,377	117,342
Amortisation	783,477	620,939
	<u>965,854</u>	<u>738,281</u>
Employee benefits expense:		
- Share based payments	166,754	447,431
- Other employee benefits	4,514,547	5,083,226
	<u>4,681,301</u>	<u>5,530,657</u>
Less employee benefits capitalised	701,403	1,032,371
	<u>3,979,898</u>	<u>4,498,286</u>
Operating lease rental	198,495	356,250
Research and development expense	1,302,641	2,052,485
Cost of sales	448,597	873,625
Write off of goodwill	-	112,110
Bad debts	171,092	154,509
NOTE 6: INCOME TAX		
(a) Components of tax benefit		
Current tax	(566,649)	(913,671)
(b) Prima facie tax payable		
The prima facie tax refundable on loss before income tax is reconciled to the income tax benefit as follows:		
Prima facie income tax refundable on loss before income tax at 27.5% (2018: 27.5%)	(1,261,535)	(1,276,205)
Add tax effect of:		
- Accounting R&D expenditure	371,997	545,686
- Other non-allowable items	172	1,215
- Write-off of goodwill	-	30,830
- Share based payments expense	45,857	123,043
- Tax losses not recognised	1,059,944	935,847
	<u>1,477,970</u>	<u>1,636,621</u>
Less tax effect of:		
- R&D tax offset	566,649	913,671
- Effect of foreign tax rates	12,529	101,090
- Deferred tax assets not recognised	203,906	259,326
	<u>783,084</u>	<u>1,274,087</u>
Income tax benefit attributable to loss	<u>(566,649)</u>	<u>(913,671)</u>
(c) Deferred tax assets not brought to account		
Temporary differences	202,563	175,325
Operating tax losses	6,846,669	6,412,609
	<u>7,049,232</u>	<u>6,587,934</u>

NOTE 7: DIVIDENDS

There were no dividends paid during the period.

NOTE 8: CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at bank and on hand	1,638,124	1,891,314
Deposits at call	1,128,295	2,075,543
	<u>2,766,419</u>	<u>3,966,857</u>

NOTE 9: RECEIVABLES

CURRENT

Receivables from contracts with customers	744,311	1,245,737
Allowance for credit losses	(126,611)	(80,978)
	<u>617,700</u>	<u>1,164,759</u>
Contract assets	179,259	139,845
R&D tax offset refundable	566,648	884,475
	<u>745,907</u>	<u>1,024,320</u>
	<u>1,363,607</u>	<u>2,189,079</u>

Contract assets:

The Group recovered the majority of the 2018 contract assets within the 2019 year and expects the 2019 balance to be settled within 12 months.

Credit losses:

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The group determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

Life-time expected credit losses - receivables from contracts with customers:

Loss allowance at 1 July	(80,978)	(80,461)
Net remeasurement of loss allowance	(171,092)	(154,509)
Amounts written off	125,459	153,992
Loss allowance at 30 June	<u>(126,611)</u>	<u>(80,978)</u>

	Not past due	Past due 0-30 days	Past due 30-90 days	Past due 90+ days	Total
30 June 2019:					
Estimated total gross carrying amount at default	178,090	268,932	82,061	215,228	744,311
Expected credit loss rate	1%	3%	10%	50%	17.0%
Expected credit loss	1,781	8,068	8,206	108,556	126,611
30 June 2018:					
Estimated total gross carrying amount at default	100,994	459,023	498,650	187,070	1,245,737
Expected credit loss rate	1%	3%	5%	22%	6.5%
Expected credit loss	505	13,770	24,933	41,770	80,978

	2019	2018
	\$	\$
NOTE 10: INVENTORIES		
CURRENT		
At cost		
Finished goods	265,751	324,934
Work in progress	42,769	-
	<u>308,520</u>	<u>324,934</u>
NOTE 11: OTHER ASSETS		
Prepayments	<u>142,578</u>	<u>235,995</u>
NOTE 12: INTANGIBLE ASSETS		
Patents, at cost	1,045,537	934,156
Less accumulated amortisation	<u>(197,440)</u>	<u>(147,581)</u>
	848,097	786,575
Development expenditure, at cost	4,589,964	3,732,206
Less accumulated amortisation	<u>(1,368,146)</u>	<u>(634,528)</u>
	<u>3,221,818</u>	<u>3,097,678</u>
	<u>4,069,915</u>	<u>3,884,253</u>

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year:

	Goodwill		Patents		Development Expenditure	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Opening carrying amount	-	112,110	786,575	639,940	3,097,678	1,855,149
Additions	-	-	111,381	188,753	857,758	1,821,350
Amortisation expense/write off	-	(112,110)	(49,859)	(42,118)	(733,618)	(578,821)
Closing carrying amount	<u>-</u>	<u>-</u>	<u>848,097</u>	<u>786,575</u>	<u>3,221,818</u>	<u>3,097,678</u>

Additions to intangibles during the year related to product that had progressed from the research phase to where it has been determined that the product will be developed for progressive release to the market (refer Note 1 (j)). During the prior year workplace compliance services ceased to be provided and as a result goodwill was written off.

NOTE 13: PLANT AND EQUIPMENT

	2019 \$	2018 \$
Testing equipment, at cost	128,635	128,635
Accumulated depreciation	<u>(116,160)</u>	<u>(108,314)</u>
	12,475	20,321
Leased devices, at cost	267,743	267,743
Accumulated depreciation	<u>(208,185)</u>	<u>(158,657)</u>
	59,558	109,086
Office equipment, at cost	286,291	252,268
Accumulated depreciation	<u>(203,929)</u>	<u>(176,043)</u>
	82,362	76,225
Furniture, fixtures and fittings, at cost	63,691	63,691
Accumulated depreciation	<u>(16,384)</u>	<u>(11,097)</u>
	47,307	52,594
Right of use asset, at cost ⁽ⁱ⁾	401,718	-
Accumulated depreciation	<u>(82,404)</u>	<u>-</u>
	319,314	-
Tooling, at cost	94,258	94,258
Accumulated depreciation	<u>(37,579)</u>	<u>(28,153)</u>
	56,679	66,105
Total	<u><u>577,695</u></u>	<u><u>324,331</u></u>

⁽ⁱ⁾ On 15 November 2018, the Group entered into a 39-month property lease. The agreement does not include variable lease payments or residual guarantees. Standard extension options are not expected to be exercised. The Group is required to return the relevant asset to a specific condition at the end of the lease term.

(a) Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year:

	2019 \$	2018 \$
<i>Testing equipment:</i>		
Opening carrying amount	20,321	41,488
Additions	-	2,150
Depreciation expense	(7,846)	(23,317)
Closing carrying amount	<u>12,475</u>	<u>20,321</u>
<i>Leased devices:</i>		
Opening carrying amount	109,086	150,591
Transfers from inventory	-	10,599
Depreciation expense	(49,528)	(52,104)
Closing carrying amount	<u>59,558</u>	<u>109,086</u>
<i>Office equipment:</i>		
Opening carrying amount	76,225	83,304
Additions	34,023	21,102
Depreciation expense	(27,886)	(28,181)
Closing carrying amount	<u>82,362</u>	<u>76,225</u>
<i>Furniture, fixtures and fittings:</i>		
Opening carrying amount	52,594	58,476
Additions	-	-
Depreciation expense	(5,287)	(5,882)
Closing carrying amount	<u>47,307</u>	<u>52,594</u>
<i>Right of use asset:</i>		
Opening carrying amount	-	-
Additions	401,718	-
Depreciation expense	(82,404)	-
Closing carrying amount	<u>319,314</u>	<u>-</u>
<i>Tooling:</i>		
Opening carrying amount	66,105	47,235
Additions	-	26,728
Depreciation expense	(9,426)	(7,858)
Closing carrying amount	<u>56,679</u>	<u>66,105</u>
<i>Total:</i>		
Opening carrying amount	324,331	381,094
Additions	435,741	49,980
Transfers from inventory	-	10,599
Depreciation expense	(182,377)	(117,342)
Closing carrying amount	<u>577,695</u>	<u>324,331</u>

	2019	2018
	\$	\$
NOTE 14: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	228,668	228,901
Contract liabilities	1,070,347	579,434
Sundry creditors and accruals	214,192	276,309
	<u>1,513,207</u>	<u>1,084,644</u>

NOTE 15: LEASE LIABILITY

On 15 November 2018, the Group entered into a 39-month property lease and elected to early adopt AASB 16: Leases. The impact of the early adoption of this accounting standard was the recognition of a lease liability and a corresponding non-current asset, Right of Use Asset, refer Note 13.

Future minimum lease payments and the present value of the net minimum lease payments:

- Not later than one year	160,000	-
- Later than one year and not later than 5 years	268,449	-
Total minimum lease payments	428,449	-
- Future finance charges	(67,455)	-
Present value of minimum lease payment	<u>360,994</u>	<u>-</u>
Current lease liability	125,524	-
Non-current lease liability	235,470	-
	<u>360,994</u>	<u>-</u>

NOTE 16: PROVISIONS

CURRENT		
Employee benefits	<u>340,133</u>	<u>381,782</u>
NON-CURRENT		
Employee benefits	<u>25,106</u>	<u>41,858</u>
(a) Aggregate employee benefits liability	365,239	423,640

NOTE 17: SHARE CAPITAL

The Group's share capital is as follows:

Ordinary Shares	Parent Equity 2019		Parent Equity 2018	
	No of Shares	\$	No of Shares	\$
Beginning of the financial year	167,918,222	38,455,224	167,305,859	38,440,518
Issued during the financial year				
- Employee share scheme (i)	87,941	-	612,363	-
- Other shares issued (ii)	-	-	-	14,706
- Shares issued (iii)	36,010,620	2,088,616	-	-
- Cost of raising capital	-	(162,125)	-	-
End of the financial year	<u>204,017,783</u>	<u>40,381,715</u>	<u>167,918,222</u>	<u>38,455,224</u>

(i) Shares Issued under the Employee Share Ownership Plan:

During the prior year performance rights previously granted to employees under the Employee Share Ownership Plan (ESOP) vested into shares. The shares were issued for \$Nil consideration.

(ii) Other Shares Issued:

During the year a number of employees, previously issued shares under the ESOP repaid their non-recourse loans and took possession of their share entitlement.

(iii) Shares Issued in a Capital Raising:

During the year ended 30 June 2019, the Group issued 36,010,620 fully paid ordinary shares at \$0.058 per share, under a 1 for 3 non-renounceable pro-rata rights offer to eligible shareholders, raising \$2,088,616 before costs.

There was no capital raising during the prior year.

Rights of each Type of Share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

When managing capital, management's objective is to ensure the Group continues as a going-concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

During 2019, management paid dividends of \$Nil (2018: \$Nil).

Employee Share Ownership Plan (ESOP)

The Group continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the Group. Refer to Note 22, Share Based Payments, for detailed disclosures.

NOTE 18: RESERVES AND ACCUMULATED LOSSES

	Notes	2019 \$	2018 \$
Share-based payment reserve	18(a)	692,619	1,000,854
Foreign currency translation reserve	18(b)	(769,812)	(269,447)
		<u>(77,193)</u>	<u>731,407</u>
Accumulated losses	18(c)	<u>(33,315,228)</u>	<u>(29,769,466)</u>

(i) Nature and Purpose of Reserve

This reserve is used to record the fair value of options and shares issued to employees as part of their remuneration. The balance is transferred to share capital when options are granted and the balance is transferred to retained earnings when options lapse.

(ii) Movements in reserve

(a) Share-based payment reserve

Balance at beginning of year	1,000,854	584,162
Employee share ownership plan	166,754	447,431
Transfers to retained earnings	(474,989)	(30,739)
Balance at end of year	<u>692,619</u>	<u>1,000,854</u>

(b) Foreign currency translation reserve

Balance at beginning of year	(269,447)	174,124
Exchange differences on translation of foreign operations	(500,365)	(443,571)
Balance at end of year	<u>(769,812)</u>	<u>(269,447)</u>

(c) Accumulated losses

Balance at beginning of year	(29,769,466)	(26,073,132)
Net loss attributable to members of dorsaVi Ltd	(4,020,751)	(3,727,073)
Transfer from share-based payment reserve	474,989	30,739
Balance at end of year	<u>(33,315,228)</u>	<u>(29,769,466)</u>

NOTE 19: CASH FLOW INFORMATION

(a) Reconciliation of Cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank and on hand	1,638,124	1,891,314
Deposits at call	<u>1,128,295</u>	<u>2,075,543</u>
	<u>2,766,419</u>	<u>3,966,857</u>

(b) Reconciliation of Cash Flow used in Operations with Loss after Income Tax:

	2019 \$	2018 \$
Loss from ordinary activities after income tax	(4,020,751)	(3,727,073)
Adjustments and non-cash items:		
Amortisation	783,477	620,939
Depreciation	182,377	117,342
Write-off of goodwill	-	112,110
Share based payments	166,754	447,431
Movement in debtor provision	45,633	517
Foreign exchange differences on operating assets	38,455	57,814
Unrealised foreign currency differences through profit and loss	(538,820)	(501,385)
Changes in assets and liabilities:		
Decrease in receivables	462,012	325,266
(Increase) / decrease in other assets	93,417	(151,086)
(Increase) / decrease in inventories	16,414	(18,376)
Increase in payables	428,563	154,560
(Increase) / decrease in R&D tax offset receivable	317,827	(43,031)
Increase / (decrease) in provisions	(58,401)	7,604
	<u>1,937,708</u>	<u>1,129,705</u>
Cash flows used in operating activities	<u>(2,083,043)</u>	<u>(2,597,368)</u>

(c) Reconciliation of liabilities arising from financing activities:

Balance at the beginning of the year	-	-
New leases acquired	401,718	-
Interest accrued	32,136	-
Payments made	(72,860)	-
Balance at the end of the year	<u>360,994</u>	<u>-</u>

NOTE 20: COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- Not later than one year	-	28,862
	<u>-</u>	<u>28,862</u>

Description of leasing arrangement:

On 15 November 2018 the Group entered into a 39-month property lease and elected to early adopt AASB 16: Leases. The impact of the early adoption of this accounting standard was the recognition of the lease liability in the balance sheet, refer Note 15.

(b) Expenditure commitments

Acquisition of inventories, less than one year	<u>291,102</u>	<u>-</u>
Total expenditure commitments	<u>291,102</u>	<u>-</u>

(c) Contingent asset and liabilities

There are no contingent assets or contingent liabilities at balance date.

NOTE 21: LOSS PER SHARE

	2019	2018
	\$	\$
Reconciliation of loss used in calculating loss per share:		
Loss from continuing operations	(4,020,751)	(3,727,073)
Loss used in calculating basic loss per share	(4,020,751)	(3,727,073)
Loss used in calculating diluted loss per share	(4,020,751)	(3,727,073)
	2019	2018
	No of Shares	No of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	186,924,883	167,773,817
Effect of dilutive securities:		
Equity instruments	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	186,924,883	167,773,817

NOTE 22: SHARE BASED PAYMENTS

(a) Employee Shares

In 2013 the Board established an ESOP to facilitate the acquisition of Shares, Options and Performance Rights by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi Ltdi.

The key objective of the plan is to provide an incentive for employees to align their interests with those of the shareholders. Other objectives of the ESOP include:

- To attract, motivate and retain quality employees and Directors of dorsaVi Ltd;
- To create a committed and united purpose between the employees and Directors and dorsaVi Ltd; and
- To add wealth for all shareholders of dorsaVi through the motivation of dorsaVi's employees and Directors.

Only a person who is an Eligible Person may be invited and authorised by the Board to participate in this plan. An Eligible person means:

- An employee of dorsaVi Ltd or a subsidiary of dorsaVi Ltd; or
- A Director of dorsaVi Ltd or a subsidiary of dorsaVi Ltd who holds a salaried employment or office in dorsaVi Ltd or a subsidiary of dorsaVi Ltd; or
- A contractor engaged by dorsaVi Ltd or a subsidiary of dorsaVi and whom the Group has determined is an Eligible Person to participate in this plan.

There is no maximum limit on the number of Securities that may be acquired by Eligible Persons under the ESOP. However, the Board intends to restrict further issues of Securities to no more than 5% of the Group's issued share capital. This limit will be maintained unless shareholder approval is subsequently sought to increase this level.

(b) Loan Shares and Options

The plan allows for dorsaVi to offer employees non-recourse and interest-free loans to acquire fully paid shares. On 20 September 2013, the Group's shareholders approved the giving of such financial assistance. Loan shares are treated as options in accordance with accounting standards.

Loan Shares are subject to restriction agreements imposing loan repayment obligations, and, that the holders of Shares are not able to trade them within 12 months of issuance. After 12 months, 1/3rd of the issued shares can be traded. Contingent upon continued employment with the Group and meeting loan repayment obligations, the remaining shares become available for trading at a monthly rate of 1/36th of the shares issued over the subsequent 24 months.

During the year ended 30 June 2019 no options to ordinary shares or loan shares were granted to employees (2018: Nil). During the year a total of 592,501 options were cancelled (2018: 78,333 options cancelled).

(c) Employee Performance Rights

Performance rights are subject to performance vesting conditions in accordance with each agreement. The performance rights do not vest into shares unless the performance conditions are met. During the year ended 30 June 2019, 87,941 (2018: 612,363) performance rights vested into shares. During the year ended 30 June 2019, 1,242,725 performance rights lapsed (2018: 724,971). At 30 June 2019, 1,081,000 performance rights remain outstanding.

Details of shares, options and performance rights granted are as follows:

2019								
Grant date	Expiry date	Exercise price	Balance at 1/7/2018	Granted during the year	Vested during the year	Expired during the year	Balance at 30/6/2019	Exercisable at year end
3-Jul-14	-	\$0.46	250,000	-	-	250,000	-	-
2-Sep-14	-	\$0.40	100,000	-	-	100,000	-	-
5-Nov-14	5-Nov-19	\$0.40	20,000	-	-	-	20,000	20,000
25-Feb-15	25-Feb-20	\$0.36	80,000	-	-	30,000	50,000	50,000
17-Aug-15	-	\$0.26	500,000	-	-	500,000	-	-
24-Mar-16	24-Mar-21	\$0.40	200,000	-	-	-	200,000	100,000
29-Nov-16	-	-	150,000	-	11,250	138,750	-	-
29-Nov-16	1-Oct-19	-	150,000	-	-	-	150,000	-
29-Nov-16	29-Nov-19	-	450,000	-	-	-	450,000	-
15-May-17	15-May-22	\$0.33	550,000	-	-	-	550,000	550,000
15-May-17	1-Oct-22	\$0.33	55,000	-	-	-	55,000	55,000
15-May-17	1-Oct-23	\$0.33	133,333	-	-	109,167	24,166	24,166
15-May-17	-	\$0.33	133,334	-	-	133,334	-	-
15-May-17	-	\$0.33	350,000	-	-	350,000	-	-
15-May-17	-	-	39,000	-	9,775	29,225	-	-
15-May-17	1-Oct-19	-	39,000	-	-	-	39,000	-
15-May-17	1-Jul-19	-	117,000	-	-	-	117,000	-
5-Jun-17	-	-	275,000	-	56,500	218,500	-	-
5-Jun-17	1-Oct-19	-	275,000	-	-	150,000	125,000	-
5-Jun-17	1-Jul-19	-	500,000	-	-	300,000	200,000	-
5-Jun-17	-	-	83,334	-	10,416	72,918	-	-
5-Jun-17	-	-	333,332	-	-	333,332	-	-
TOTAL			4,783,333	-	87,941	2,715,226	1,980,166	799,166

Other additional information associated with these share performance rights and option grants include:

- The weighted average remaining contractual life for equity entitlements outstanding at the end of the period was 1.27 years.
- The weighted average share price for performance rights vesting into shares during the year was \$Nil (2018: \$Nil).
- There were no options exercised during the year (2018: none exercised).
- The fair value was determined using the binomial tree method or the Black-Scholes option-pricing models:
 - a. The share price at grant date ranged from: \$0.26 to \$0.46
 - b. Expected price volatility of the Group's shares: 80%
 - c. Dividends: \$Nil
 - d. Risk free interest rate: 1.81% to 2.50%

2018								
Grant date	Expiry date	Exercise price	Balance at 1/7/2017	Granted during the year	Vested during the year	Expired during the year	Balance at 30/6/2018	Exercisable at year end
3-Jul-14	3-Jul-19	\$0.46	250,000	-	-	-	250,000	250,000
2-Sep-14	1-Sep-19	\$0.40	100,000	-	-	-	100,000	100,000
5-Nov-14	5-Nov-19	\$0.40	20,000	-	-	-	20,000	20,000
25-Feb-15	25-Feb-20	\$0.36	80,000	-	-	-	80,000	80,000
17-Aug-15	17-Aug-20	\$0.26	500,000	-	-	-	500,000	500,000
24-Mar-16	24-Mar-21	\$0.40	200,000	-	-	-	200,000	100,000
29-Nov-16	1-Oct-17	-	150,000	-	75,000	75,000	-	-
29-Nov-16	1-Oct-18	-	150,000	-	-	-	150,000	-
29-Nov-16	1-Oct-19	-	150,000	-	-	-	150,000	-
29-Nov-16	29-Nov-19	-	450,000	-	-	-	450,000	-
15-May-17	15-May-22	\$0.33	550,000	-	-	-	550,000	550,000
15-May-17	1-Oct-22	\$0.33	133,333	-	-	78,333	55,000	55,000
15-May-17	1-Oct-23	\$0.33	133,333	-	-	-	133,333	-
15-May-17	1-Oct-24	\$0.33	133,334	-	-	-	133,334	-
15-May-17	1-Jul-24	\$0.33	350,000	-	-	-	350,000	-
15-May-17	1-Oct-17	-	79,000	-	54,050	24,950	-	-
15-May-17	1-Oct-18	-	39,000	-	-	-	39,000	-
15-May-17	1-Oct-19	-	39,000	-	-	-	39,000	-
15-May-17	1-Jul-19	-	117,000	-	-	-	117,000	-
5-Jun-17	1-Jul-17	-	250,000	-	250,000	-	-	-
5-Jun-17	1-Oct-17	-	350,000	-	202,063	147,937	-	-
5-Jun-17	1-Oct-18	-	350,000	-	-	75,000	275,000	-
5-Jun-17	1-Oct-19	-	350,000	-	-	75,000	275,000	-
5-Jun-17	1-Jul-19	-	775,000	-	-	275,000	500,000	-
5-Jun-17	1-Jan-18	-	83,334	-	31,250	52,084	-	-
5-Jun-17	1-Jan-19	-	83,334	-	-	-	83,334	-
5-Jun-17	1-Jan-20	-	333,332	-	-	-	333,332	-
TOTAL			6,199,000	-	612,363	803,304	4,783,333	1,655,000

(d) Expenses Recognised from Share-Based Payment Transactions

The expense recognised in relation to the share-based payment transactions was recorded within employee benefits expense in the statement of comprehensive income were as follows:

	2019 \$	2018 \$
Share options	891	54,943
Performance rights	165,863	392,488
Total expenses recognised from share-based payment transactions	<u>166,754</u>	<u>447,431</u>

NOTE 23: SUBSIDIARIES AND RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of dorsaVi Ltd and its controlled entities listed below:

	Country of incorporation	Ownership interest held by DVL	
		2019 %	2018 %
dorsaVi Europe Ltd	UK	100	100
dorsaVi USA, Inc.	USA	100	100
Australian Workplace Compliance Pty Ltd	AUS	100	100

- dorsaVi Europe Ltd was incorporated on 3 February 2014.
- dorsaVi USA, Inc. was incorporated on 19 May 2014.
- Australian Workplace Compliance Pty Ltd was purchased on 3 July 2014.

(a) Transactions with Entities with Associates:

There were no transactions with associates or their entities during the year ended 30 June 2019. In the prior year, dorsaVi Ltd sold its 25% ownership of Superspine Forrest Hill Unit Trust and it ceased to be an associate of dorsaVi Ltd. The transaction was settled in full in July 2018.

(b) Transactions with Directors, Key Management Personnel and Other Related Parties:

During the year ended 30 June 2019, dorsaVi Ltd paid \$34,276 (2018: \$54,120) to Starfish Technology Fund II, LP on behalf of Michael Panaccio for director's fees.

Starfish Ventures Pty Ltd is considered a related party in accordance with the definition under AASB 124: Related Parties. During the first five months of the year ended 30 June 2019, Starfish Ventures Pty Ltd leased property and charged rent to dorsaVi Ltd. Total value of these rental charges was \$83,570 (2018: \$109,346). The rent was charged to dorsaVi Ltd on normal terms and conditions. The balance outstanding at balance date was \$Nil (2017: \$15,047). The Rental arrangement ceased in November 2018.

NOTE 24: AUDITOR'S REMUNERATION

	2019 \$	2018 \$
Amounts paid and payable to Pitcher Partners (Melbourne) for:		
(i) Audit and Other Assurance Services		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	116,236	94,000
Total remuneration for audit and other assurance services	<u>116,236</u>	<u>94,000</u>
(ii) Other Non-audit Services		
Taxation and other compliance services	18,727	23,450
Total remuneration for non-audit services	<u>18,727</u>	<u>23,450</u>
Total remuneration of Pitcher Partners (Melbourne)	<u><u>134,963</u></u>	<u><u>117,450</u></u>

NOTE 25: PARENT ENTITY INFORMATION

	2019 \$	2018 \$
(a) Summarised statement of financial position		
Assets:		
Current assets	17,818,775	17,886,039
Non-current assets	4,647,610	4,208,584
Total assets	<u>22,466,385</u>	<u>22,094,623</u>
Liabilities:		
Current liabilities	2,146,073	1,888,928
Non-current liabilities	25,106	41,858
Total liabilities	<u>2,171,179</u>	<u>1,930,786</u>
Net assets	<u>20,295,206</u>	<u>20,163,837</u>
Equity:		
Share capital	40,381,715	38,455,224
Share-based payment reserve	692,619	1,000,854
Accumulated losses	<u>(20,779,128)</u>	<u>(19,292,241)</u>
Total equity	<u>20,295,206</u>	<u>20,163,837</u>
(b) Summarised statement of comprehensive income		
Loss for the year	(1,961,876)	(1,504,721)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(1,961,876)</u>	<u>(1,504,721)</u>

NOTE 26: SEGMENT INFORMATION

(a) Description of Segments

For the year ended 30 June 2019, management has differentiated operating segments based on product (2018: operating segments were based on geographical areas and regulatory environments). Prior period comparatives have been adjusted to reflect segment reporting based on product categories.

The Group's chief operating decision maker has identified the following reportable segments:

- Segment 1: Clinical;
- Segment 2: Workplace; and
- Segment 3: Projects.

The operating segments have been identified based on internal reports reviewed by the Group's chief operating decision makers in order to allocate resources to the segment and assess its performance. Assets and liabilities are reported to management on a consolidated basis.

(b) Segment Information

The Group's chief operating decision maker's use segment revenue and segment result to assess the financial performance of each operating segment.

Amounts for segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. There has been no inter-segment revenue during the year.

Segment information is reconciled to financial statements and underlying profit disclosure notes as follows:

2019	Clinical \$	Workplace \$	Projects \$	Total \$
Segment revenue:				
Segment revenue from external source	1,336,817	956,624	221,551	2,514,992
Non-segment revenue	-	-	-	708,877
Total revenue				<u>3,223,869</u>
Segment result:				
Segment result from external source	1,086,076	816,371	163,948	2,066,395
Non-segment revenue	-	-	-	708,877
Non-segment expenses	-	-	-	(7,362,672)
Income tax benefit	-	-	-	566,649
Loss from continuing operations				<u>(4,020,751)</u>
2018				
Segment revenue:				
Segment revenue from external source	1,478,898	1,954,450	-	3,433,348
Non-segment revenue	-	-	-	960,923
Total revenue				<u>4,394,271</u>
Segment result:				
Segment result from external source	1,171,651	1,388,072	-	2,559,723
Non-segment revenue	-	-	-	960,923
Non-segment expenses	-	-	-	(8,161,390)
Income tax benefit	-	-	-	913,671
Loss from continuing operations				<u>(3,727,073)</u>

Revenue by geographic location:

	Australia \$	Europe \$	USA \$	Total \$
2019				
Revenue by geographic location	1,608,442	290,607	1,324,820	3,223,869
Total revenue from external source	<u>1,608,442</u>	<u>290,607</u>	<u>1,324,820</u>	<u>3,223,869</u>
2018				
Revenue by geographic location	2,415,744	725,568	1,252,959	4,394,271
Total revenue from external source	<u>2,415,744</u>	<u>725,568</u>	<u>1,252,959</u>	<u>4,394,271</u>

(c) Major Customers

In 2019 and 2018 no customer contributed greater than 10% of the Group's total revenue.

NOTE 27: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 27 to 58 in accordance with the Corporations Act 2001:

- a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- b) As stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
- c) Give a true and fair view of the financial position of the Group as at 30 June 2019 and of its performance for the year ended on that date.

In the directors' opinion, there are reasonable grounds to believe that dorsaVi Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2019.

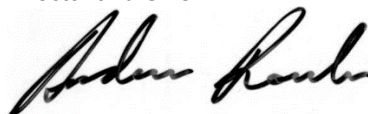
This declaration is made in accordance with a resolution of the directors.

Greg Tweedly
Chairman



Melbourne
Date: 29 August 2019

Andrew Ronchi
Director and CEO



Melbourne
Date: 29 August 2019

dorsaVi Ltd and controlled entities
ABN 15 129 742 409

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of dorsaVi Ltd "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of dorsaVi Ltd, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of a Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group incurred a net loss of \$4,020,751 during the year ended 30 June 2019 and had total net cash outflows of \$1,200,438. As at 30 June 2019, the Group's current cash reserves is \$2,766,419. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**dorsaVi Ltd and controlled entities
ABN 15 129 742 409**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

Key Audit Matter	How our audit addressed the key audit matter
<p>Recognition of revenue Refer to: Note 4 - Revenue from contracts with customers - \$2,514,992 Note 9 – Contract assets - \$179,259 Note 14 – Contract liabilities - \$1,070,347</p>	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the accounting processes and internal controls relating to the cycle; • Evaluating managements' process regarding the recognition of revenue for sales and services provided; • Evaluating management's earned, unearned and accrued revenue recognition calculations; • Selecting a representative sample of customer contracts, and performing the following procedures: <ul style="list-style-type: none"> • Obtaining a copy of the customer contract and reviewing the terms and managements revenue recognition calculations to ensure revenue has been appropriately recorded in accordance AASB 15; and • Assessing the adequacy of the disclosures in the financial statements
<p>All revenue streams have been considered under AASB 15 <i>Revenue from contracts with customers</i>.</p> <p>The Group's revenue includes revenue from integrated sales of devices and software which are not separately identifiable and accordingly are considered a bundle of goods and services. As such revenue is recognised over the licence term.</p> <p>The Group's revenue also includes revenue from consulting contracts that are recognised over time based on the hours performed as a percentage of estimated total service hours under contract.</p> <p>The accurate recording of revenue is dependent on management's judgement in certain areas including assessing licence terms of bundled goods and services, and in determining the stage of completion from consulting contracts.</p> <p>We focused on revenue recognition as a key audit matter due to the recent application of AASB 15 <i>Revenue from contracts with customers</i>, and the associated accounting judgment involved with applying the standard.</p>	

**dorsaVi Ltd and controlled entities
ABN 15 129 742 409**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalisation of development expenditure within intangible assets Refer to Note 12 - Intangible Assets - \$4,069,915</p>	
<p>The research and development of new and existing technology is part of the Group's operations. Each project undertaken represents an investment made by the business, for which future economic benefits are expected to be derived.</p> <p>The capitalisation of any development costs is highly subjective and based on management judgement and is also subject to various recognition criteria as per AASB 138 <i>Intangible assets</i>.</p> <p>Key management judgements to be made include the following:</p> <ul style="list-style-type: none"> • Stage of the development cycle - research vs development; • Ability to accurately record and allocate costs incurred for individual projects, including employee costs; and • Technical and commercial viability of individual projects undertaken. <p>We focused on capitalised development costs as a key audit matter due to the number and type of judgement and estimation events required.</p>	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the accounting processes and internal controls relating to the capitalisation of development costs; • Reviewing management reconciliations for the amounts capitalized, including: <ul style="list-style-type: none"> • Testing the mathematical accuracy of reconciliations prepared for costs that had been capitalised; • Selecting a sample of transactions from the capitalised development costs and performing the following: <ul style="list-style-type: none"> • Reviewing the employee costs allocated to the different development projects, and testing a sample of employee rates and captured hours for the internal amounts capitalised and tracing to timesheets; • Reviewing the external contractor costs allocated to the different development projects, and sampling and testing contractor costs to supporting information to substantiate the expenditure; • Evaluating management's process surrounding the capitalisation of development costs, and reviewing development projects against the recognition criteria as per AASB 138 <i>Intangible assets</i>; and • Assessing the adequacy of the disclosures in the financial statements

**dorsaVi Ltd and controlled entities
ABN 15 129 742 409**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of intangible assets Refer to Note 12 - Intangible Assets - \$4,069,915</p>	
<p>The impairment of Intangibles assets is considered a key audit matter due to the following:</p> <ul style="list-style-type: none"> • Intangibles represents 44.1% of the Group's total assets; and, • There is significant judgement required when assessing these balances for impairment and when selecting the appropriate assumptions within the impairment assessment model, including the identification of the appropriate Cash Generating Unit (CGU). <p>The outcome of the impairment assessments could vary significantly and, due to the size of the intangibles recognised, have a material impact if different assumptions and judgements were applied.</p>	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> • Assessment of management's determination of the Group's CGU based on our understanding of the nature of the Group's business. • Comparing the cash flow forecasts to Board approved forecasts, and detailed analysis of assumptions within the forecasts. • Evaluating management's impairment calculations, including: <ul style="list-style-type: none"> • Comparing the discounted cash flow forecasts to Board approved forecasts; • Assessing the reliability of the Group's discounted cash flow forecasts and business plans, including detailed analysis of key inputs and drivers including device sales, attrition rates and expenditure; • Comparing cash flow forecasts to recent financial performance; • Assessing the discount rate used in the Group's cash flow forecast, and performing sensitivity analysis on the forecast model; • Assessing the value of the Group's business utilising other valuation methodologies. • Assessing the adequacy of the disclosures in the financial statements

dorsaVi Ltd and controlled entities
ABN 15 129 742 409

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

dorsaVi Ltd and controlled entities
ABN 15 129 742 409

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

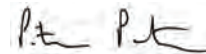
We have audited the Remuneration Report included in pages 17 to 25 of the directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of dorsaVi Ltd, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S SCHONBERG
Partner



PITCHER PARTNERS
Melbourne

29 August 2019

Shareholder Information

Corporate Governance:

The Group's Corporate Governance Statement can be obtained at <https://www.dorsavi.com/au/en/investor-relations/>

Overview:

The Group's securities are listed for quotation in the form of Ordinary Shares on the Australian Securities Exchange (ASX) and trade under the symbol "DVL". The shareholder information below was applicable as at 15 August 2019.

The Group's share capital was as follows:

Type of Security:	Number of Securities	Number of Holders
Ordinary Shares	204,016,783	650
Options	829,166	3
Performance Rights	1,081,000	4

Substantial Holders:

Names of Holders	Number of Shares Held	% of Total Shares
Starfish Technology Fund II, LP, Starfish Ventures, Michael Panaccio and Cristiana Panaccio and Micana Family Trust	90,280,662	44.25%

Unmarketable Parcels:

Based on the closing market price on 15 August 2019, there were 264 shareholders holding less than a marketable parcel (i.e. a parcel of securities of less than \$500).

Options and Performance Rights (not listed on ASX):

There were 829,166 unquoted options on issue to purchase ordinary shares under the Group's Incentive Stock Option Agreement. The Options have been issued in accordance with the terms and conditions of the dorsaVi Ltd 2013 Share Ownership Plan.

There were 1,081,000 unquoted Performance Rights granted, but not vested into ordinary shares, under the Group's Incentive Agreements. The Performance Rights have been granted in accordance with the terms and conditions of the dorsaVi Ltd 2013 Share Ownership Plan.

Restricted Securities and Escrow Agreements:

There are no securities which are restricted or subject to escrow agreements.

Voting Rights:

At a general meeting, each Shareholder present (in person or by proxy, attorney or representative) has one vote on a show of hands and one vote for each share held when voting is done via a poll.

Proxy forms will be included in each notice of meeting sent to Shareholders. Holders of issued but unexercised options are not entitled to vote.

Required Statements:

- a) There is no current on-market buy-back of the Group's securities.
b) The Group's securities are not quoted on any exchange other than the ASX.

Distribution Schedule:

Number of Shares	Number of Holders
1 – 1,000	33
1,001 - 5,000	147
5,001 - 10,000	78
10,001 – 100,000	222
100,001 and above	170
Total	650

dorsaVi Ltd's Top 20 Shareholders:

Set out below is a schedule of the 20 largest holders of each class of securities quoted.

Rank	Name	No of Shares Held	% of Total Shares
1	STARFISH TECHNOLOGY FUND II LP	60,597,345	29.70
2	STARFISH TECHNOLOGY FUND II NOMINEES A PTY LTD	13,834,928	6.78
3	STARFISH TECHNOLOGY FUND II NOMINEES B PTY LTD	13,834,927	6.78
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,353,485	4.58
5	AR BSM PTY LTD <AR BSM A/C>	7,021,814	3.44
6	DRNEWNHAM SUPER PTY LTD <DRN SUPERANNUATION FUND A/C>	6,231,516	3.05
7	CITICORP NOMINEES PTY LIMITED	4,769,619	2.34
8	MS GABRIELLE BANAY	3,233,482	1.58
9	MR BRIAN TULLY + MRS MARGARET TULLY <SUPERANNUATION FUND>	2,656,125	1.30
10	LEVENSON INVESTMENTS PTY LTD <LEVENSON INVESTMENT A/C>	2,268,929	1.11
11	449 INVESTMENTS PTY LTD <THE A&R HYNES FAMILY S/F A/C>	2,205,097	1.08
12	GARSIND PTY LTD <RUTH ROSS SUPER FUND A/C>	2,156,770	1.06
13	ANDREW RONCHI	1,861,309	0.91
14	POWERWRAP LIMITED <SCHEME A/C>	1,805,335	0.88
15	MORRMAC PTY LTD <MIMIE MACLAREN PENSION A/C>	1,666,644	0.82
16	MR STUART ANDREW LEWIN	1,579,000	0.77
17	LOUANDI SUPER FUND PTY LTD <LOUANDI SUPER FUND A/C>	1,377,798	0.68
18	STYDON CAPITAL PTY LTD	1,297,687	0.64
19	MRS ROSALIND LAWRENCE <ROSALIND LAWRENCE PSF A/C>	1,262,336	0.62
20	DR BSM PTY LTD <DR BSM A/C>	1,233,353	0.60
Total shares held by top 20 shareholders		140,247,499	68.74
Total shares held by all other shareholders		63,769,284	31.26

Corporate Directory:

Board of Directors and Company Secretary:

Mr Gregory Tweedly	Chairman
Mr Ashraf Attia	Non-Executive Director
Ms Caroline Elliott	Non-Executive Director
Dr Michael Panaccio	Non-Executive Director
Dr Andrew Ronchi	Chief Executive Officer and Executive Director
Mr Brendan Case	Company Secretary

Executive Team:

Dr Andrew Ronchi	Chief Executive Officer
Mr Damian Connellan	Chief Financial Officer
Mr David Erikson	Chief Technical Officer
Mr Matthew May	General Manager

Registered Office in Australia:

C/- Pitcher Partners, Level 13,
664 Collins Street, Docklands, VIC 3008
Tel: +61 3 8610 5000

Principal Administrative Office:

85 Denmark Street,
Kew, VIC 3101
Tel: 1800 367 728

Auditor:

Pitcher Partners
Level 13, 664 Collins Street,
Docklands, VIC 3008
Tel: +61 3 8610 5000

Share Registry:

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne, VIC 3001
Tel: + 61 3 9415 4062

Annual General Meeting Date and Place:

The Annual General Meeting will be held Thursday, 28
November 2019 at 10:00 am at the offices of Pitcher
Partners, Level 13, 664 Collins Street, Docklands,
Victoria, 3008



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