dorsaVi Ltd and controlled entities
ABN 15 129 742 408

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2015.

Rule 4.2A.3

Appendix 4D

Half-Year Report for the six months ended 31 December 2015

Name of entity: **dorsaVi Ltd and controlled entities**

ABN: 15 129 742 409

1. Reporting period

Report for the half-year ended: **31 December 2015**

Previous corresponding periods: Financial year ended 30 June 2015
Half-year ended 31 December 2014

2. Results for announcement to the market

Revenues from ordinary activities *(item 2.1)*	up	63%	to	1,341,938
Loss from ordinary activities after tax attributable to members (*item 2.2*)	down	22%	to	3,109,328
Loss for the period attributable to members *(item 2.3)*	down	22%	to	3,109,328

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	0¢	0¢
Final dividend	0¢	0¢
Previous corresponding period	0¢	0¢
Record date for determining entitlements to the dividend *(item 2.5)*	N/A	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*: N/A

3. Net tangible assets per security *(item 3)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.06	0.09

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	N/A
Date(s) of gain of control *(item 4.2)*	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 4.3)*	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	N/A

Loss of control of entities

Name of entities *(item 4.1)*	N/A
Date(s) of loss of control *(item 4.2)*	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 4.3)*.	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	N/A

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2016	N/A	$0
Final dividend year ended 30 June 2015	N/A	$0

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend:	Current year	0¢	0 ¢	0¢
	Previous year	0¢	0¢	0¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	N/A	N/A
Preference securities *(each class separately)*		
Other equity instruments *(each class separately)*		
Total	**N/A**	**N/A**

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	%Securities held
N/A	N/A

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2015 $	2014 $
Profit (loss) from ordinary activities before tax Income tax on ordinary activities	N/A	N/A
Net profit (loss) from ordinary activities after tax Adjustments	N/A	N/A
Share of net profit (loss) of associates and joint venture entities	N/A	N/A

8. The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached).

9. Independent review of the financial report *(item 9)*

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

dorsaVi Ltd
and controlled entities
ABN: 15 129 742 409

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2015

dorsaVi Ltd and controlled entities
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2015

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

The directors present their report together with the condensed financial report of the consolidated entity consisting of dorsaVi Ltd (the Company) and the entities it controlled, for the half-year ended 31 December 2015 and independent review report thereon. This financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

Directors' names

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

Name	Period of directorship
Ashraf Attia	Director since 14 July 2008
Herbert James Elliott (chairman)	Director since 29 October 2013
Michael Panaccio	Director since 16 May 2008
Andrew James Ronchi	Director since 18 February 2008
Gregory John Tweedly	Director since 29 October 2013

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

Review of operations

Revenue for the six months to December 2015 was $1,341,938 (2014: $824,870) driven by 110% growth in sales revenue to $1,291,989 (2014: $616,354) partially offset by a $155,391 reduction in interest income to $49,949 (2014: $205,340).

The loss from continuing operations after income tax for the 6 months to December 2015 was $3,109,328 (2014: $3,977,597). These results were in line with expectations as dorsaVi Ltd continues to drive its sales and marketing focus. Whilst sales revenue grew by 110% compared with the same period last year, operating expenses reduced by 8%. These expense reductions were mainly due to a focus on controlling and reducing cost across Australia, UK and the US.

The directors expect revenue in Australia, Europe and the US to continue to grow year on year. Factors impacting and driving this growth include; the continued roll out of the global marketing plan, increased sales from our established sales team in the US, product line focus, and customer-focused software development.

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

- dorsaVi Ltd relies on its ability to enhance its movement monitoring intellectual property. A failure to meet future customer requirements would lead to a loss of opportunities and adversely impact operating results and the financial position of dorsaVi Ltd.
- Over time, dorsaVi Ltd 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 Ltd's products.
- In the medical sector (but not the Elite Sports or OH&S sectors), sales and adoption rates of dorsaVi Ltd's system are, in part, likely to be influenced by the availability and level of reimbursement from government and/or insurers. Whilst dorsaVi Ltd's products already benefit from reimbursement in some circumstances, there is no guarantee that the use of dorsaVi Ltd'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 Ltd'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 Ltd's activities will be affected by currency exchange fluctuations.

- dorsaVi Ltd is not currently profitable. Proceeds from the capital raising during the half-year ended 31 December 2015 was and is primarily being used to fund the continued rollout of the dorsaVi Ltd's products. There is no guarantee that this rollout will result in profitability for the Company. If the rollout is lower or less successful than planned, dorsaVi may need to raise further capital in the future.

Cash and cash equivalents increased to $8,919,143 at 31 December 2015 (30 June 2015: $5,743,513) mainly due to a share capital raising of $7,179,800 (before issue costs) during the current half-year.

Significant changes in the state of affairs

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

- On 9 July 2015, dorsaVi Ltd announced that it had signed two leading National Football League (NFL) teams, the New Orleans Saints and Cleveland Browns as well as Major League Soccer (MLS) team, Toronto FC, and National Basketball Association (NBA) champion, Golden State Warriors, to use the Company's ViPerform technology.

- On 17 August 2015, dorsaVi Ltd announced that it had signed its largest commercial contract covering an 18 month period with Crown Resorts to provide workplace safety assessments using the Company's ViSafe technology.

- On 17 August 2015, dorsaVi Ltd issued 500,000 fully paid ordinary shares to certain employees in accordance with the Company's 2013 Employee Share Ownership Plan (ESOP). The Company provided these employees with non-recourse interest-free loans to assist the executive to subscribe for the Shares. These Shares were issued at a market price of $0.26 per share. These Shares carry a full entitlement to dividends and capital returns. dorsaVi Ltd has the discretion to determine if dividends paid can be applied against the non-recourse loan. These Shares are not subject to restrictions such that each employee is able to trade their shares if the balance of Principle Outstanding has been paid on the loan. Each employee may make payment to the Company at any time after the Execution date.

- On 18 August 2015, dorsaVi Ltd announced that it had signed the New England Patriots, the 2015 NFL Super Bowl champions, as well as the Ohio State University and Marquette University to use the Company's ViPerform technology.

- On 20 August 2015, dorsaVi Ltd announced that French company, Sodexo, had leased the Company's ViSafe technology for 12 months to test and assess its workers involved in manual handling activities and tasks in remote sites in Australia.

- On 21 August 2015, dorsaVi Ltd announced that international architecture firm, Designinc, had engaged the Company to provide support, over three years, in the review and maintenance of Designinc's Integrated Management System.

- On 2 September 2015, dorsaVi Ltd issued 15,384,616 fully paid ordinary shares to various institutional and sophisticated investors under a private placement. The shares were issued at $0.26 per share and raised $4,000,000 before costs.

- On 24 September 2015, dorsaVi Ltd issued 12,230,000 fully paid ordinary shares as part of a 1 for 10 non-renounceable pro-rata rights offer to shareholders as at 1 September 2015. The shares were issued at $0.26 per share and raised $3,179,800 before costs.

- On 29 September 2015, dorsaVi Ltd announced the signing of a three year distribution agreement with leading UK physiotherapy network, YourPhysioPlan (YPP). YPP obtained exclusive marketing rights for the Company's ViMove technology for private physiotherapy, osteopathy and chiropractic markets in the UK and Ireland and committed to achieving significant sales targets.

- On 30 September 2015, dorsaVi Ltd granted 250,000 options with an expiry date of 30 September 2020 to an employee. The strike price per Option is $0.2768 which is equal to the 5 day volume weighted average price (VWAP) of dorsaVi Ltd's ordinary Shares prior to the date of grant. The Options vested on 30 September 2015.

- On 19 November 2015, dorsaVi Ltd announced that it had entered into a three way commercial agreement with Monash Health and major global workplace insurer, Allianz, covering an 8 month period to assist Monash Health in minimising the impact of workplace manual handling tasks undertaken by nursing staff.

- Twenty four month escrows of 53,385,500 shares (subject to ASX imposed escrow agreements) and 18,835,119 shares (subject to voluntary escrow agreements) were released on 11 December 2015.

- On 11 December 2015, the Company announced the resignation of John Kowalczyk, President of dorsaVi USA Inc, effective 4 January 2016. At the same time the Company announced the appointment of Mark Heaysman as Head of Sales and Operations, dorsaVi USA Inc.

- On 11 December 2015, dorsaVi Ltd cancelled 1,000,000 options previously issued to John Kowalczyk and granted him 277,778 options with an expiry date of 11 December 2016. The strike price per Option was $0.3844 which is equal to the 20 day VWAP of dorsaVi Ltd's ordinary Shares ending on the date of grant (11 December 2015). The Options vested on date of grant.

- On 25 January 2016, the Company signed its third and largest contract with Transport for London (TFL), the operator of the London Underground rail network for the identification of manual handling tasks that are contributing to the increased risk of musculosketal injury for TFL employees. This contract, worth in excess of £100,000, will monitor TFL employees with dorsaVi's revolutionary technology, ViSafe, to provide objective data for the TFL program of reducing manual handling injury risk.

- On 3 February 2016, the Company announced that it had signed Jaguar Land Rover and Toyota, in the United Kingdom, to undertake ViSafe workplace assessments.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the directors:

Herb Elliott
Chairman
Melbourne
5 February 2016

PITCHER PARTNERS

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 auditor's review for the period ended 31 December 2015, 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 any applicable code of professional conduct.

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

F V RUSSO
Partner

5 February 2016

PITCHER PARTNERS
Melbourne

CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Half-year	
	31 Dec 2015	31 Dec 2014
	$	$
Revenue and Other Income		
Sales revenue	1,291,989	616,354
Other income	-	3,176
Interest income	49,949	205,340
	1,341,938	824,870
Less: Expenses		
Changes in inventories	(47,209)	11,903
Cost of sales	(353,741)	(26,471)
Advertising expenses	(138,097)	(307,100)
Conference expenses	(17,700)	(121,344)
Consultancy expenses	(260,742)	(297,532)
Depreciation and amortisation expenses	(54,000)	(42,538)
Device development expenses	(32,952)	(42,908)
Directors fees	(83,097)	(122,371)
Employee benefits expenses	(2,475,175)	(2,332,510)
Finance costs	(2,065)	-
Occupancy expenses	(97,496)	(62,190)
Pilot study expenses	-	(16,576)
Professional fees	(256,644)	(471,744)
Regulatory expenses	(143,458)	(63,062)
Software expenses	(87,889)	(76,643)
Travel expenses	(207,128)	(622,986)
Other expenses	(433,542)	(490,446)
	(4,690,935)	(5,084,518)
Loss before income tax benefit	(3,348,997)	(4,259,648)
Income tax benefit	239,669	282,051
Loss for the half-year from continuing operations	**(3,109,328)**	**(3,977,597)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations, net of tax	(122,509)	-
Other comprehensive income for the half-year	(122,509)	-
Total comprehensive loss for the half-year	**(3,231,837)**	**(3,977,597)**

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Half-year	
	31 Dec 2015	31 Dec 2014
	$	$
Loss per share from continuing operations attributable to equity holders of the parent entity:		
Basic loss per share	(2.20 cents)	(3.27 cents)
Diluted loss per share	(2.20 cents)	(3.27 cents)

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	31 Dec 2015 $	30 June 2015 $
Current assets		
Cash and cash equivalents	8,919,143	5,743,513
Receivables	301,973	1,058,975
Inventories	182,298	137,956
Other current assets	659,968	227,522
Total current assets	**10,063,382**	**7,167,966**
Non-current assets		
Intangible assets	599,629	524,664
Plant and equipment	303,392	324,700
Total non-current assets	**903,021**	**849,364**
Total assets	**10,966,403**	**8,017,330**
Current liabilities		
Payables	396,148	1,066,532
Borrowings	-	38,252
Provisions	233,271	255,111
Total current liabilities	**629,419**	**1,359,895**
Non-current liabilities		
Provisions	42,552	40,719
Total non-current liabilities	**42,552**	**40,719**
Total liabilities	**671,971**	**1,400,614**
Net assets	**10,294,432**	**6,616,716**
Equity		
Share capital	30,653,361	23,855,099
Reserves	(184,280)	78,697
Accumulated losses	(20,174,649)	(17,317,080)
Total equity	**10,294,432**	**6,616,716**

The accompanying notes form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Consolidated	Share capital $	Reserves $	Accumulated losses $	Total equity $
Balance as at 1 July 2014	**23,835,099**	**83,889**	**(9,299,326)**	**14,619,662**
Loss for the half-year	-	-	(3,977,597)	(3,977,597)
Total comprehensive income for the half-year	**-**	**-**	**(3,977,597)**	**(3,977,597)**
Transactions with owners in their capacity as owners:				
Issue of shares	20,000	-	-	20,000
Employee share ownership plan	-	165,549	-	165,549
Options lapsed	-	(18,406)	18,406	-
	20,000	**147,143**	**18,406**	**185,549**
Balance as at 31 December 2014	**23,855,099**	**231,032**	**(13,258,517)**	**10,827,614**
Balance as at 1 July 2015	**23,855,099**	**78,697**	**(17,317,080)**	**6,616,716**
Loss for the half-year	-	-	(3,109,328)	(3,109,328)
Exchange differences on translation of foreign operations, net of tax	-	(122,509)	-	(122,509)
Total comprehensive income for the half-year	**-**	**(122,509)**	**(3,109,328)**	**(3,231,837)**
Transactions with owners in their capacity as owners:				
Issue of shares	7,179,800	-	-	7,179,800
Share issue expenses	(381,538)	-	-	(381,538)
Employee share ownership plan	-	89,336	21,955	111,291
Options lapsed	-	(229,804)	229,804	-
	6,798,262	**(140,468)**	**251,759**	**6,909,553**
Balance as at 31 December 2015	**30,653,361**	**(184,280)**	**(20,174,649)**	**10,294,432**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Half-year	
	31 Dec 2015	31 Dec 2014
	$	$
Cash flow from operating activities		
Receipts from customers	1,304,823	325,536
Payments to suppliers and employees	(4,867,378)	(4,872,245)
Interest received	49,949	174,116
Net cash used in operating activities	(3,512,606)	(4,372,593)
Cash flow from investing activities		
Payment for plant and equipment	(9,416)	(79,109)
Payment for intangibles	(62,358)	(46,000)
Payment for business acquisition	-	(120,000)
Net cash used in investing activities	(71,774)	(245,109)
Cash flow from financing activities		
Proceeds from share issue	7,179,800	20,000
Share issue expenses	(381,538)	-
Repayment of finance facility	(38,252)	-
Net cash provided by financing activities	6,760,010	20,000
Net increase / (decrease) in cash and cash equivalents	3,175,630	(4,597,702)
Cash and cash equivalents at beginning of half-year	5,743,513	13,938,445
Cash and cash equivalents at end of the half-year	**8,919,143**	**9,340,743**

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by dorsaVi Ltd during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

dorsaVi Ltd is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

(a) Basis of preparation

This condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

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

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2015 and the corresponding half-year except as described in note 1(b).

(b) Summary of the significant accounting policies

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of these new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below.

(c) Accounting standards issued but not yet effective

— AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016).

  This Amending Standard amends AASB 116: Property, Plant and Equipment and AASB 138: Intangible Assets to:

  — establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; and

  — clarify the limited circumstances in which revenue-based methods may be used for measuring the consumption of the economic benefits embodied in an intangible asset.

  This Standard is not expected to significantly impact the Company's financial statements.

— AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Separate Financial Statements (applicable for annual reporting periods commencing on or after 1 January 2016).

This Amending Standard amends AASB 1: First-time Adoption of Australian Accounting Standards, AASB 127: Separate Financial Statements and AASB 128: Investments in Associates and Joint Ventures to allow investors to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.

This Standard is not expected to significantly impact the Company's financial statements.

— AASB 2015-1: Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (applicable for annual reporting periods commencing on or after 1 January 2016).

This Amending Standard amends a number of Australian Accounting Standards arising from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle by the International Accounting Standards Board (IASB), including:

— AASB 134: Interim Financial Reporting to clarify that certain disclosures may be incorporated in the interim financial statements by cross-reference to another part of the interim financial report.

This Standard is not expected to significantly impact the Company's financial statements.

— AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the Company on initial application of AASB 9 and associated amending Standards 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 based on an expected loss approach.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 15: Revenue from Contracts with Customers and associated Amending Standards and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15 will provide (except 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.

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

to which the provider of the goods or services expects to be entitled. The give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

- identify the contract(s) with a customer;
- identify the performance obligations under the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations under the contract(s); and
- recognise revenue when (or as) the entity satisfies the performance obligations.

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's reported revenue, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require 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-to-use assets 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 (such as property, plant and equipment or investment property); and
- 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.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

(d) Fair value measurement

The carrying amounts of the Company's financial instruments, valued at amortised cost (including receivables and payables), are reasonable approximations of the fair value of these instruments.

(e) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: DIVIDENDS

There were no dividends paid during the period.

NOTE 3: SEGMENT INFORMATION

(a) Description of segments

dorsaVi Ltd and the controlled entities is comprised of the following reportable segments:

Segment 1: Australia

Segment 2: Europe

Segment 3: United States of America

Management differentiates operating segments based on geographical areas and regulatory environments. The type of products and services from which each reportable segment derives its revenue is considered the same.

The operating segments have been identified based on internal reports reviewed by the consolidated entity's chief operating decision makers in order to allocate resources to the segment and assess its performance.

(b) Segment information

The consolidated entity's chief operating decision maker's use segment revenue and segment results to assess the financial performance of each operating segment. Due to the infancy of segment operations (i.e. both dorsaVi Europe Ltd and dorsaVi USA Inc. subsidiaries were incorporated during 2014), the chief operating decision makers only receive aggregated financial information of assets and liabilities. Accordingly there are no disclosures for the individual segment's financial position at period end.

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 reasonable be allocated to the segment based on the operations of the segment. There have been no inter-segment revenue or expenses during the period.

Segment information is reconciled to financial statements and underlying profit disclosures notes as following:

	Australia $	**Europe** $	**USA** $	**Total** $
Half-Year – 31 Dec 2015				
Segment revenue				
Total segment revenue	928,564	209,770	153,655	1,291,989
Segment revenue from external source	**928,564**	**209,770**	**153,655**	**1,291,989**
Segment result				
Total segment result	(1,994,704)	(314,642)	(799,983)	(3,109,328)
Segment result from external source	**(1,994,704)**	**(314,642)**	**(799,983)**	**(3,109,328)**

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

	Australia $	Europe $	USA $	Total $
Half-Year – 31 Dec 2015 (cont.)				
Items included within the segment result				
Foreign exchange loss	(64,735)	-	-	(64,735)
Interest income	49,922	27	-	49,949
Interest expense	(2,065)	-	-	(2,065)
Depreciation and amortisation	(54,000)	-	-	(54,000)
Income tax benefit	239,669	-	-	239,669
Half-Year – 31 Dec 2014				
Segment revenue				
Total segment revenue	541,266	65,548	9,540	616,354
Segment revenue from external source	**541,266**	**65,548**	**9,540**	**616,354**
Segment result				
Total segment result	(2,137,864)	(636,037)	(1,203,696)	(3,977,597)
Segment result from external source	**(2,137,864)**	**(636,037)**	**(1,203,696)**	**(3,977,597)**
Items included within the segment result				
Other income	3,176	-	-	3,176
Interest income	204,210	-	1,130	205,340
Depreciation and amortisation	(42,538)	-	-	(42,538)
Income tax benefit	282,051	-	-	282,051

(c) Major customers

There were no major customers who accounted for a revenue value greater than 10% of the consolidated entity's revenue.

NOTE 4: PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 31 December 2015 the Group acquired assets with a cost of $82,054 which included $9,416 purchased externally and $72,638 of devices transferred from inventories (six months ended 31 December 2014: $79,109).

No assets were disposed of during the period ended 31 December 2015.

NOTE 5: CONTRIBUTED CAPITAL

During the half-year ended 31 December 2015, the company issued 27,614,616 shares (31 December 2014: nil), at $0.26 each, through a rights issue and the placement of shares with sophisticated and institutional investors.

During the half-year ended 31 December 2015, the company issued an additional 500,000 shares (31 December 2014: 270,000) through the employee share ownership plan (ESOP), which are disclosed in note 5(b).

During the half-year to 31 December 2014 an employee paid $20,000 for shares previously issued under the ESOP.

(a) Movements in shares on issue

	Parent Equity Half-year 31 Dec 2015		Parent Equity Half-year 31 Dec 2014	
	No of Shares	**$**	**No of Shares**	**$**
Beginning of the half-year	121,800,000	23,855,099	121,450,000	23,835,099
Movement during the half-year				
– Employee share scheme	500,000	-	270,000	-
– Issued capital	-	-	-	20,000
– Shares issued in capital raising	27,614,616	7,179,800	-	-
– Cost of raising capital	-	(381,538)	-	-
End of the half-year	**149,914,616**	**30,653,361**	**121,720,000**	**23,855,099**

(b) Employee Share Ownership Plan (ESOP)

As disclosed in previous Annual Reports, the Board has established an employee share ownership plan (ESOP). This plan was established by the Company to facilitate the acquisition of shares and options by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi Ltd.

(i) Loan Shares

Between 30 June 2015 and 31 December 2015, a further 500,000 shares were granted to employees under the ESOP at an average market price of 26 cents, subject to a non-recourse loan.

(ii) Options over shares

Under the Company's Employee Share Ownership Plan 2013, dorsaVi Ltd agreed to grant options to purchase a further 527,778 ordinary shares (December 2014: 1,100,000) of the Company. The options granted vested immediately.

During the period, 1,100,000 options to purchase ordinary shares either lapsed or were cancelled.

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Details of the options granted are provided below:

Half-year ended 31 December 2015

Grant Date	Expiry Date	Exercise price	Balance at 1/07/2015	Granted during period	Exercised during period	Cancelled /expired during period	Balance at half year end	Exercisable at half-year end
08/04/2014	07/04/2017	$0.51	1,000,000	-	-	(1,000,000)	-	-
02/09/2014	01/09/2019	$0.40	100,000	-	-	(100,000)	-	-
31/10/2014	30/10/2019	$0.40	900,000	-	-	-	900,000	-
30/09/2015	30/09/2020	$0.28	-	250,000	-	-	250,000	250,000
11/12/2015	11/12/2015	$0.38	-	277,778	-	-	277,778	277,778
Total			**2,000,000**	**527,778**	**-**	**(1,100,000)**	**1,427,778**	**527,778**

Half-year ended 31 December 2014

Grant Date	Expiry Date	Exercise price	Balance at 1/07/2014	Granted during period	Exercised during period	Expired during period	Balance at half year end	Exercisable at half-year end
08/04/2014	07/04/2017	$0.51	1,000,000	-	-	-	1,000,000	-
02/09/2014	01/09/2019	$0.40	-	200,000	-	-	200,000	-
31/10/2014	30/10/2019	$0.40	-	900,000	-	-	900,000	-
Total			**1,000,000**	**1,100,000**	**-**	**-**	**2,100,000**	**-**

NOTE 6: SUBSEQUENT EVENTS

On 25 January 2016, the Company signed its third and largest contract with Transport for London (TFL), the operator of the London Underground rail network for the identification of manual handling tasks that are contributing to the increased risk of musculosketal injury for TFL employees. This contract, worth in excess of £100,000, will monitor TFL employees with dorsaVi's revolutionary technology, ViSafe, to provide objective data for the TFL program of reducing manual handling injury risk.

On 3 February 2016, the Company announced that it had signed Jaguar Land Rover and Toyota, in the United Kingdom, to undertake ViSafe workplace assessments.

NOTE 7: CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since 30 June 2015.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 7 to 18 in accordance with the *Corporations Act 2001*:

(a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and

(b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2015 and of its performance for the half-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 is made in accordance with a resolution of the directors.

Herb Elliott
Chairman
Melbourne
5 February 2016

dorsaVi Ltd and controlled entities

ABN 15 129 742 409

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of dorsaVi Ltd

We have reviewed the accompanying half-year financial report of dorsaVi Ltd and controlled entities and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of dorsaVi Ltd and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PITCHER PARTNERS

dorsaVi Ltd and controlled entities

ABN 15 129 742 409

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of dorsaVi Ltd

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of dorsaVi Ltd and controlled entities is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

F V RUSSO
Partner

5 February 2016

PITCHER PARTNERS
Melbourne