



28 April 2022

Quarterly Activities and Cash Flow Report

Quarter ended 31 March 2022

Key highlights

- Achieved total sales revenue of ~\$600k in Q3 FY22, growing 33% from the prior corresponding period (~\$450k in Q3 FY21)
- YTD FY22 total sales revenue of ~\$1.9m, growing 50% from the prior corresponding period (~\$1.2m YTD FY21)
- Annualised recurring revenue of ~\$1.5m, growing 10% from prior corresponding period (~\$1.4m in Q3 FY21)
- Positive momentum continues as new and repeat contracts are signed with major enterprise customers worth over ~\$370k
- Partnership with Medtronic progressing with initial product testing underway at several clinical sites
- Planned upgrade of leading clinical product, the 'Athletic Movement Index' undergoing final stages of development and testing
- Cash balance of \$1.4m as at 31 March 2022

Melbourne, Australia, 28 April 2022: dorsaVi (ASX: DVL) (dorsaVi or the Company) today released its Quarterly Activities Report and Quarterly Cashflow Report (Appendix 4c) for the quarter ended 31 March 2022.

Dr Andrew Ronchi, dorsaVi's Chief Executive Officer, commented:

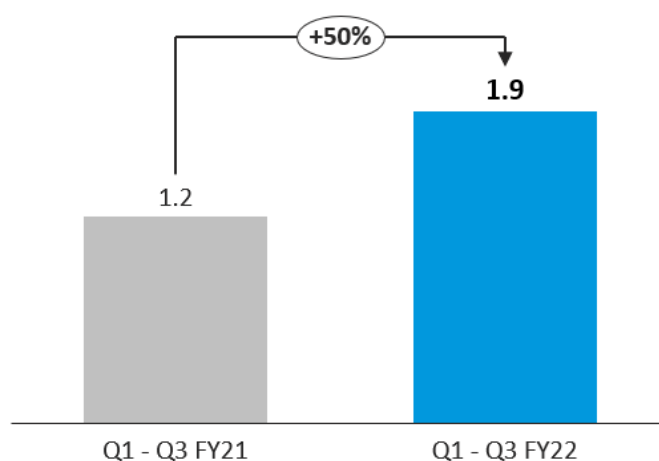
"It is pleasing to see positive momentum continuing to build with dorsaVi signing several new contracts during the quarter. We are seeing growth across both our core workplace and clinical markets, with increased demand in a post-COVID environment. We have signed a number of large-scale enterprises who have workers returning to the workplace due to increased site access and an easing of restrictions. Our clinical business continues to grow, with our focus on both key partnerships and direct selling to physical therapists diversifying our sales portfolio.

In addition to signing new customers, we have continued to invest in product development and are pleased to announce that a major upgrade to one of our bestselling products is currently in the final stages of development and testing. Our investment in product optimisation will lead to lower cost of goods, an ISO27001 compliant product suite and significantly increase our addressable market. With our increased capability and product offering along with the continued conversion of our large sales pipeline, I am confident we can build sales momentum and we are excited about the future for dorsaVi."

Financial update

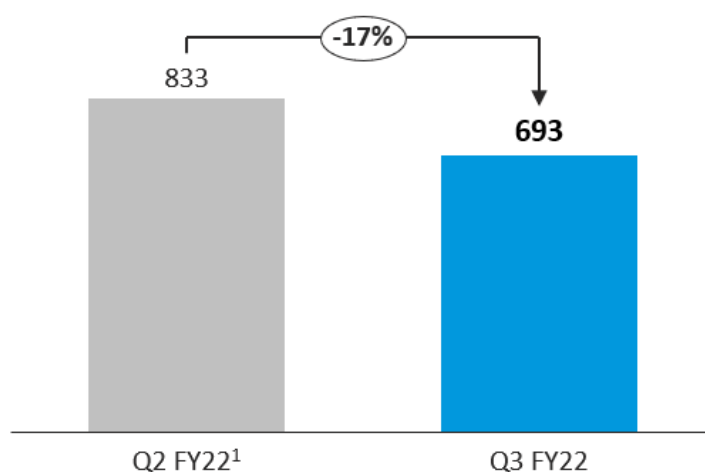
dorsaVi recognised total sales revenues of ~\$600k for Q3 FY22, growing 33% from the prior corresponding period (PCP) (~\$450k in Q3 FY21). dorsaVi has now recorded ~\$1.9m of total sales revenue this financial year, growing 50% from the PCP as shown in figure 1. Continued revenue growth comes as key markets return to pre-lockdown work practices allowing dorsaVi to convert its expanded sales pipeline into new and repeat client wins. dorsaVi's revenue growth continues to be underpinned by strong annualised recurring revenue of ~\$1.5m, highlighting the efficacy the Company's products and value they provide.

Figure 1: Total sales revenue year-to-date (A\$m)



dorsaVi has retained its lean management focus while continuing to grow revenues, demonstrating increasing operating leverage. Operating cash outflows were \$693k during the quarter, representing a 17% reduction from the previous quarter (~\$833k in Q2 FY22, excluding annual R&D rebate) as shown in figure 2. Minimising the cost base has been critical for the Company to free up cash for strategic investment in product development initiatives and allowing a broader potential client base.

Figure 2: Operating cash outflows (A\$k)



¹ Excludes R&D tax rebate

Positive momentum continues with new contract wins

dorsaVi has continued to leverage the 'return-to-work' momentum, signing multiple contracts with new and existing clients during the quarter worth over ~\$370k. In a testament to dorsaVi's strategy to target top-tier enterprise customers, the Company signed new contracts with Boeing (US), Caterpillar (US), Boral (AU), Woolworths (AU) and Incat (AU).

dorsaVi's new partnership with Boral aims to identify and mitigate manual handling risks and increase health, safety and wellbeing for Boral employees. Further, dorsaVi signed a new contract with Incat, a leader in the design and manufacture of high-speed Catamarans, following a successful initial trial through the Company's channel partnership strategy.

dorsaVi has also signed Woolworths to an additional contract, following multiple successful previous engagements. dorsaVi is proud of its continued relationship with Woolworths, which is a testimony to the Company's status as a trusted partner and thought leader regarding employee well-being.

Growing clinical market underpinned by strategic agreement with Medtronic

The clinical addressable market is growing, as the sector becomes increasingly interested in digital health solutions. dorsaVi's ongoing strategic agreement with Medtronic continues to underpin the Company's success in the clinical market as its sensor technology is validated in the eyes of other large clinical institutions. Partnering with a world leading medical technology company has also allowed dorsaVi to innovate and customise its products ahead of contemporary industry trends.

The strategic agreement with Medtronic is progressing well with early-stage product testing already underway at several clinical sites. dorsaVi's ongoing data capture and analysis workstreams will continue to support Medtronic as testing capacity increases. The Company looks forward to continuing to build the relationship with Medtronic and hopes to leverage its success within the clinical market.

Product update

dorsaVi has made significant progress upgrading one of its highest selling products in the US clinical market, the Athletic Movement Index (AMI). The AMI product has seen strong uptake by physical therapists who use the system to precisely assess the functional movement performance of their patients and rely on dorsaVi's data driven insights to provide customised rehabilitation programs.

Based on market feedback and incorporating learnings from strategic partners, dorsaVi has been able to enhance the physical movement test process for patients through the use of more advanced algorithms, increasing the accessibility of the product for patients of all ages and fitness levels. The product refinements have also resulted in a lower cost of production which will have translational benefits in other markets and allow the Company to explore various new sales channels and growth opportunities while increasing margin. Additionally, the AMI product will benefit from increased data security and privacy as per dorsaVi's recent ISO27001 certification. Beta testing is expected to begin in the near term with a full release scheduled for H1 FY23.

Cash Position

As of 31 March 2022, dorsaVi had a cash balance of \$1.4m. The Company will continue to minimise costs through its lean management strategy while executing on its expanded sales pipeline to drive greater operating leverage.

Payments related to Item 6.1 of the Appendix 4C relate to the Chief Executive Officer's salary.

This release has been authorised for lodgement to the ASX by the Company's Finance Disclosure Committee.

– ENDS –

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About dorsaVi

dorsaVi Ltd (ASX: DVL) is an ASX company focused on developing innovative motion analysis device technologies for use in clinical applications, elite sports, and occupational health and safety. dorsaVi believes its wearable sensor technology enables, for the first time, many aspects of detailed human movement and position to be accurately captured, quantified, and assessed outside a biomechanics lab, in both real-time and real situations for up to 24 hours. dorsaVi's focus is on two major markets:

- **Workplace:** dorsaVi enables employers to assess risk of injury for employees as well as test the effectiveness of proposed changes to OHS workplace design, equipment or methods based on objective evidence. dorsaVi works either directly with major corporations, or through an insurance company's customer base with the aim of reducing workplace compensation and claims. dorsaVi has been used by major corporations including Sodexo, London Underground, Vinci Construction, Crown Resorts, Caterpillar (US), Monash Health, Coles, Woolworths, Toll, Toyota, Orora (formerly Amcor) and BHP Billiton.
- **Clinical:** dorsaVi is transforming the management of patients with its clinical solutions (ViMove, ViMove2 and Professional Suite) which provide objective assessment, monitoring outside the clinic and immediate biofeedback. The clinical market is broken down into physical therapy (physiotherapists), hospital in the home and elite sports. Hospital in the home refers to the remote management of patients by clinicians outside of physical therapy (i.e. for orthopaedic conditions). Elite sports refers to the management and optimisation of athletes through objective evidence for decisions on return to play, measurement of biomechanics and immediate biofeedback to enable peak performance.

Further information is available at www.dorsavi.com

Appendix 4C

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

Name of entity

dorsaVi Ltd

ABN

15 129 742 409

Quarter ended ("current quarter")

March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	293	1,853
1.2 Payments for		
(a) research and development	(17)	(56)
(b) product manufacturing and operating costs	(56)	(190)
(c) advertising and marketing	(29)	(102)
(d) leased assets	(28)	(113)
(e) staff costs	(685)	(2,051)
(f) administration and corporate costs	(259)	(1,080)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(29)	(92)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	418
1.8 Other (provide details if material)	117	145
1.9 Net cash from / (used in) operating activities	(693)	(1,265)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(5)
(d) investments	-	-
(e) intellectual property	(16)	(25)
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(16)	(30)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(66)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(66)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,144	2,796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(693)	(1,265)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(30)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(66)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,435	1,435

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

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,355	2,012
5.2	Call deposits	80	132
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,435	2,144

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Made up of salary and superannuation to CEO (a director of the entity)		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facility	133	133
7.2	Credit standby arrangements	-	-
7.3	Convertible notes	1,155	1,155
7.4	Total financing facilities	1,288	1,288
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Loan facility (\$133k) - An unsecured \$133k insurance premium finance facility repayable over 10 months to 22 January 2023 at an interest rate of 3.4%.		
	Unsecured convertible notes with a face value of \$1 each (to the value of \$1.155m), paying interest at a rate of 10% p.a. and maturing on 6 December 2022.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(693)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,435
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,435
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 28 April 2022

Authorised by: Finance Disclosure Committee

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

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

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.