



23 February 2021

dorsaVi Half-Year Financial Results

Melbourne, Australia: dorsaVi Ltd (ASX: DVL) has today released its Appendix 4D Financial Report and financial results for the half-year ended 31 December 2020.

SUMMARY OF H1 RESULTS FOR FY21

- Total revenue of \$1.84m, up 35% on prior corresponding period (pcp). Total revenue includes sales revenue of \$788k, down 32% from pcp, due to the impact of COVID-19
- Total expenses of \$2.31m, reflecting a 69% reduction from \$7.50m in pcp. Continued lean cost base following COVID-driven reductions last year, with a \$677k reduction in operating expenditure (excluding depreciation and amortisation (D&A) and provisions for impairment), down 23% to \$2.2m from pcp and \$871k reduction in operating cash outflows, down 28% to \$2.2m from pcp
- Loss from continuing operations after tax of \$327k, a significant improvement from \$5.86m in pcp, highlighting resilience through COVID
- Improving shift towards Recognised Recurring Revenue (RRR) with RRR contributing 86% of total revenue this half year compared to 68% from pcp
- Including the shortfall placed after the half year, the Company raised \$3.7m, before costs, to fund the Company's growth strategy focused on achieving profitability
- Cash balance of \$2.95m as at 31 December 2020 (30 June 2020: \$1.69m). This excludes \$1.55m raised as part of the shortfall placement in February 2021

Commenting on the results, dorsaVi Chief Executive Officer Dr Andrew Ronchi said:

"We would like to thank our shareholders for their ongoing support during this COVID-19-driven period. We are pleased to report our business' resilient performance despite the disruptions across key US and Europe markets, underpinned by our modest growth in recurring revenue from Q1 to Q2 and new deals won. Despite COVID-19, we have seen a substantial increase in new deals won, growing from approximately \$80k in Q4 FY20, to ~\$200k and ~\$252k in the first two quarters of this year. With a solid recurring revenue base, increased buying activity in new customers and a strong focus on scalable partnerships (i.e. with QBE, Stryker, Medtronic etc.), we are confident in achieving our efficiency and cashflow targets."

OPERATIONAL HIGHLIGHTS FOR THE PERIOD

- **Strong foundation to grow supported by reliable, recurring revenues:** Despite the significant impact of COVID-19 disruptions across key markets, the Company achieved Recognised Recurring Revenue (RRR) of approximately \$679k for the half-year. While this is slightly lower than pcp, it was encouraging to see an increase of 4% from Q1 to Q2 despite Q2 seeing the reintroduction of restrictions as well as it being the typical quieter Christmas period. Over the past couple of years, the Company has actively focused on transitioning away from once-

off/consulting revenues, building a more stable revenue source and ultimately a stronger platform to grow. The Company is in a strong position going forward, with 86% of sales revenue this half-year being recurring revenue, compared to pcp where 68% was recurring revenue.

- **Exciting outlook with customer activity growing and partnership relationships advancing:** It was pleasing to see new customers engaged with dorsaVi despite the pandemic. Following the initial impact of COVID-19 in Q4 FY20 (i.e. \$80k new deals won), the Company has been able to successfully close new deals and onboard customers (\$200k and \$252k new deals closed) in subsequent quarters. With many companies focusing on cost cutting, this is a strong indication of the importance and value our technology provides. In addition, dorsaVi is excited about its partnership strategy, and continues to proactively seek opportunities to advance and leverage our relationships with QBE, Stryker and Medtronic (announced in December 2020).
- **COVID-19 driven cost reductions helping to reset cost base significantly:** Positive impact seen from cost reduction initiatives, with a reduction of \$677k in operating expenses (excluding D&A and provisions for impairment), and a reduction of \$871k in cash outflows from operating activities compared to pcp. On a cash flow basis, this translated to a significant improvement in net cash used in operating activities, down from \$1.1m in pcp to \$607k this half-year despite lower sales.
- **Successful capital raising to fund growth initiatives:** In November 2020, dorsaVi raised \$1.85m through an oversubscribed institutional placement and \$0.3m via a 1-for-4 Entitlement Offer. dorsaVi reported a cash balance of \$2.95m as at 31 December 2020, which excludes an additional \$1.55m raised as part of the shortfall placement in February 2021.

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The release of this announcement was authorised by Andrew Ronchi, CEO.

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 the physical therapy (physiotherapists) market, 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. dorsaVi's ViPerform is being used in the U.S. by the National Basketball Association (NBA), the Major League Soccer (MLS) and the National Football League (NFL). It is also used by the AFL and NRL clubs in Australia, by the English Premier League (EPL) clubs, England and Wales Cricket Board and the Board of Control for Cricket in India as well as various Olympic teams and athletes internationally. dorsaVi's Telehealth provides a virtual clinic, enabling clinicians to do business differently and take their patient consultations online.

Further information is available at www.dorsavi.com