



30 July 2021

Quarterly Activities and Cash Flow Report

Quarter ended 30 June 2021

Key highlights

- Achieved Total Sales Revenue of ~\$650k, growing 45% on Q3 FY21
- Recognised Recurring Revenue (RRR) for Q4 was \$386k, up from \$356k in Q3 (8.4% increase)
- Lean management strategy enabling strategic investment in research and development
- Promising outlook in key markets due to enhanced product and technology, and more normal work environments
- Cash balance of \$2.8m as at 30 June 2021

Melbourne, Australia, 30 July 2021: dorsaVi (ASX: DVL) (**dorsaVi** or the **Company**) today released its Quarterly Activities Report and Quarterly Cashflow Report (Appendix 4c) for the quarter ended 30 June 2021.

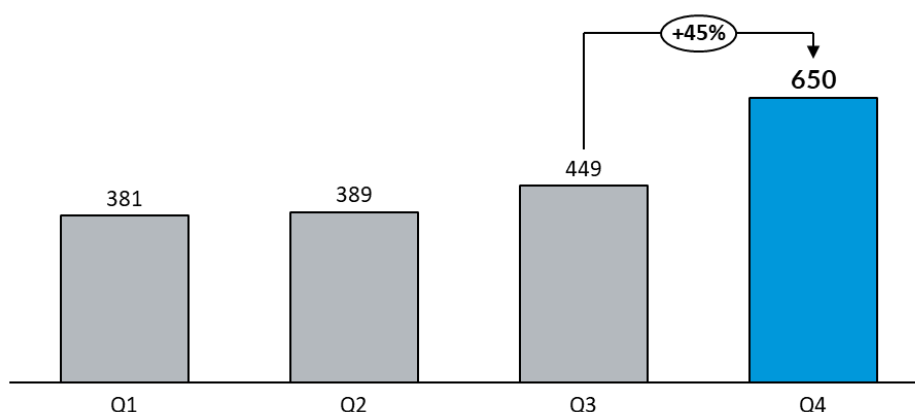
Dr Andrew Ronchi, dorsaVi's Chief Executive Officer, commented:

"It is pleasing to see the business continue our revenue growth through the COVID period. The increase in revenue marks four consecutive quarters of growth in FY21, validating our strategy of targeting larger clients. We have continued to grow our recurring revenues and aim to drive further sales to larger entities by optimising our product and investing in the future. We have optimised our cost base, which has given us greater flexibility to invest, while minimally impacting overall spend. I am excited for FY22, as we continue to grow with the right building blocks in place."

Execution of strategy delivering strong growth

dorsaVi recognised total sales revenues of ~\$650k for Q4 FY21 (+45% from Q3 FY21). The significant uplift in total sales revenue was underpinned by consistent growth in RRR and consulting revenue streams, as a direct result of the strategic focus to win large-scale customers. RRR for Q4 was \$386k, up from \$356k in Q3, showing an increase of \$30k or 8.4% QoQ. Pleasingly, dorsaVi continues to sign new customers with ~\$262k in new deals won during the quarter and we are pleased with several deals that are progressing well through the pipeline.

Figure 1: FY21 Total Sales Revenue (\$k)



Lean management fosters investment in R&D

dorsaVi continues to employ a lean management focus, driving lower operating costs and freeing up cash to enable increased investment in R&D. Strategic investment in product development fosters a more secure and optimised product, which is critical to meeting the advanced compliance requirements of more sophisticated companies. Additionally, the system improvements from this investment will lead to an improved design, increasing the appeal for large companies and subsequently increasing the Company's growth profile.

Promising outlook across key markets

Clinical:

dorsaVi continues to build on its established foundations in the clinical market, leading to an expanded pipeline of opportunity. Working with many top-tier organisations highlights the efficacy of dorsaVi's technology in the clinical space, typified by the ongoing relationship with Medtronic. This partnership has led to dorsaVi enhancing its market leading product, which has not only provided further validation, but has also increased the sales pipeline as the company can better target other large-scale clinical institutions.

Workplace:

The workplace market looks primed for growth as people return to work. dorsaVi is well positioned to capitalise on this trend as increased workers result in a greater need for optimised ergonomics and movement in labour intensive jobs. Further, given the company's strategy to partner with insurers and select partners, the sales pipeline remains robust with many organisations looking to minimise insurance spend and ensure their workforce is safe and healthy.

Well capitalised to fund growth objectives

dorsaVi remains well funded and has a cash balance of \$2.8m as at June 30 2021. The Company will continue to minimise costs through its lean management strategy, while seeking to optimise its products and invest in growth opportunities where appropriate.

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

¹ Assumes an A\$:US\$0.74 exchange rate; ² Assumes an A\$:US\$0.77 exchange rate

– 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")

June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	457	1,599
1.2 Payments for		
(a) research and development	(5)	(48)
(b) product manufacturing and operating costs	(13)	(89)
(c) advertising and marketing	(26)	(150)
(d) leased assets	(43)	(174)
(e) staff costs	(654)	(2,466)
(f) administration and corporate costs	(559)	(1,963)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	11
1.5 Interest and other costs of finance paid	(30)	(120)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	927
1.8 Other (provide details if material)	14	56
1.9 Net cash from / (used in) operating activities	(855)	(2,417)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(47)	(51)
(d) investments	-	-
(e) intellectual property	(18)	(34)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(65)	(85)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,703
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	(12)	(250)
3.5	Proceeds from borrowings	-	256
3.6	Repayment of borrowings	(34)	(96)
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	(46)	3,613
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,762	1,685
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(855)	(2,417)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(85)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(46)	3,613
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,796	2,796

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	2,676	3,642
5.2	Call deposits	120	120
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)	2,796	3,762

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	35
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>Made up of salary and superannuation to CEO (a director of the entity)</p>		

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 facilities	353	353
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	1,155	1,155
7.4	Total financing facilities	1,508	1,508
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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.</p> <p>Loan facilities (\$353k):</p> <ul style="list-style-type: none"> An unsecured \$100k insurance premium finance facility repayable over 10 months to 25 December 2021 at an interest rate of 4.1%. An unsecured US\$104k Paycheck Protection Program (PPP) loan (No 1) with a five-year term commencing 25 June 2020 at an interest rate of 1% per annum. Obtained from the US Small Business Administration (SBA) in relation to COVID19 relief assistance in the USA. Up to 100% of this loan may be forgiven by the SBA if certain conditions are met. An unsecured US\$111k Paycheck Protection Program (PPP) loan (No 2) with a five-year term commencing 25 March 2021 at an interest rate of 1% per annum. Obtained from the SBA in relation to COVID19 relief assistance in the USA. Up to 100% of this loan may be forgiven by the SBA if certain conditions are met. <p>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.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(855)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,796
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,796
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.3
	<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:

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.

Compliance statement

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

Date: 30 July 2021

Authorised by: Finance Disclosure Committee

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.