



**26 August 2021**

## **dorsaVi delivers resilient FY21 results**

**Melbourne, Australia, 26 August 2021:** dorsaVi (ASX: DVL) (dorsaVi or the Company) is pleased to announce its full-year results for the year ended 30 June 2021 (FY21).

### **Key points:**

- dorsaVi achieved FY21 total revenue (inc. other income) of \$2.78m, up 16.0% on FY20 (\$2.40m)
- FY21 total sales revenue of \$1.87m, down 7.4% on FY20 (\$2.02m), underpinned by slight decline in workplace revenue contributing \$0.74m (FY20: \$0.89m) and resilient performance in clinical revenue contributing \$1.13m (FY20: \$1.13m)
- dorsaVi achieved FY21 recurring revenue of \$1.42m, down 5.4% on FY20 (\$1.50m) in the face of challenging market conditions due to COVID-19
- dorsaVi's continued focus on lean management, enabling strategic investment in research and development
- dorsaVi signs third agreement with leading international healthcare firm Medtronic, further validating the efficacy of dorsaVi's technology in the clinical space
- dorsaVi held \$2.80m cash as at 30 June 2021

### **Business update**

dorsaVi achieved FY21 total revenue of \$2.78m, including government grants, which represents an increase of 16.0% to the previous corresponding period (pcp) (FY20: \$2.40m). During FY21, dorsaVi experienced resilient top line revenue performance, supported by a robust clinical market and strategic transition towards the more reliable recognised recurring revenue (RRR) model. In FY21, dorsaVi achieved \$1.87m of total sales revenue (FY20: \$2.02m) and RRR of \$1.42m (FY20: \$1.50m), which is largely in line with the previous financial year. Despite the challenging market conditions, dorsaVi achieved \$742k in RRR during the 2H21, which represents an increase of 9% from the first half (1H21: \$0.68m) and 4% from the pcp (2H20: \$0.71m) – showing early signs of momentum building as key markets rebound out of COVID-19 restrictions. The Company's resilient revenue performance during a global pandemic is attributed to the strategic decision to prioritise reliable recurring revenue streams over consulting revenues.

In addition to dorsaVi's resilient revenue performance, continued execution of the Company's lean management strategy has resulted in a materially stronger bottom line result compared to FY20. This was underpinned by dorsaVi's normalised total expenses (excluding provision for impairment of intangibles) decreasing 18.7% to \$5.23m in FY21 (FY20: \$6.43m). While a focused operation and lean management was initially a response to COVID-19, it now forms an integral part of the Company's proactive commercialisation strategy, which has also allowed for important R&D investment.

### **Performance in key markets**

The clinical market has remained robust, despite COVID-19 related challenges, with revenue from the clinical market remaining steady at \$1.13m in FY21 (FY20: \$1.13). Maintaining this level of revenue

performance is especially pleasing given many of dorsaVi's clinical customer base of physical therapists are experiencing a reduction in face-to-face engagements due to the global pandemic. The ongoing strategic partnership with Medtronic has resulted in a combined revenue value of US\$570k to date, while simultaneously validating dorsaVi's technology, with the majority of that revenue to be recognised in FY22. With the market expected to normalise in the future, with more communities coming out of lockdowns and restrictions, the Company expects increased organic growth in the clinical market, as well as further potential agreements with Medtronic and other leading medical organisations to drive performance.

The workplace market has experienced significant operational challenges through FY21 as lockdowns and restrictions result in key and targeted customers working from home. Despite these challenges, dorsaVi still recorded \$0.74m in revenue from the workplace market in FY21 (FY20: \$0.89m). Ongoing lockdowns and restrictions in Australia have led to site access issues and project delays for two major projects with Australian institutional customers. However, as the workplace market reopens, with the rise in vaccination rates in Australia, dorsaVi is well positioned to capitalise on this trend. As people return to work, demand is expected to increase with customers having a greater need for optimised ergonomics and movement in labour intensive jobs. dorsaVi continues to work closely with channel partners, including QBE Australia, to ensure customers are provided with dorsaVi's world leading technology to help improve their health and safety outcomes.

Facilitated by an ongoing commitment to focused operations and lean management, dorsaVi has made several strategic investments in product development throughout FY21. In line with strategic objectives, dorsaVi invested in important upgrades to the data privacy and security features of its sensors, which are a necessary prerequisite to partner with large organisations. Additionally, product improvements have also led to a materially lower cost of production for sensors, which unlocks various exciting growth opportunities.

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

*"In what has been a challenging year adversely impacted by the global pandemic, I am proud of our resilient operational and financial performance. In part, this is possible by our strategic decision to focus on larger clients and prioritise recurring revenue streams. Additionally, our commitment to running lean has underpinned the significant improvement in the bottom line for the year, compared to FY20. We have continued to invest in our market leading sensor design and also upgraded the data privacy and security features of our products. I am excited to build upon our momentum by leveraging normalised market conditions in FY22 to drive growth."*

– 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). dorsaVi's Telehealth provides a virtual clinic, enabling clinicians to do business differently and take their patient consultations online. 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](http://www.dorsavi.com)