



27 October 2021

Quarterly Activities and Cash Flow Report

Quarter ended 30 September 2021

Key highlights

- Achieved Total Revenue of ~A\$585k, up 54% on prior corresponding period (PCP), showing an uplift in sales in the US market and with major clinical customers
- Recognised Recurring Revenue (RRR) for Q1 was A\$401k, up 4% from A\$386k in Q4 FY21 and up 20% on PCP (Q1 FY20 of A\$333k)
- Promising outlook with additional workers returning to the workplace in Australia and improved US site access in Q2
- Key strategic agreement with Medtronic extended for a further 5 months following the continued success of the partnership bringing combined contract value to date of A\$785k
- Cash balance of A\$2.6m as at 30 September 2021, excluding the R&D rebate of A\$418k, received subsequent to the end of Q1

Melbourne, Australia, 27 October 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 September 2021.

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

"It is pleasing to see resilient revenue performance despite prolonged disruptions to our client's work arrangements and our ability to access their premises. Recent COVID disruptions have impeded our ability to recognise revenue and implement our pipeline of projects. As we come out of lockdown and people continue to return to work, the company is primed to execute on key workplace contracts.

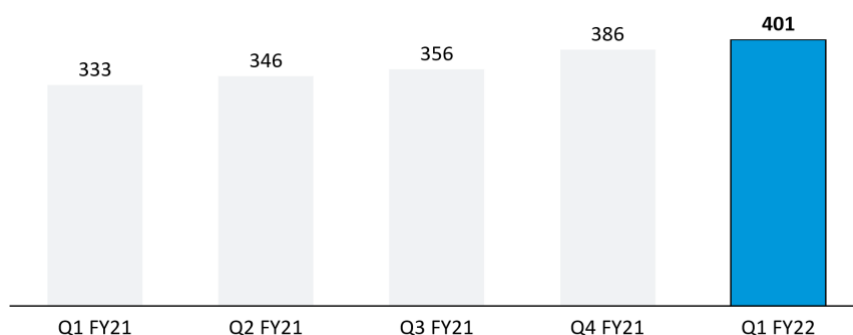
Our success in the clinical market has been underpinned by the strategic partnership with Medtronic, which has been extended for the third time, further validating the commercial and clinical applications of our sensor technology. We are also realising benefits from our relationship with US physical therapists, as we grow our presence in the US."

Resilient revenues despite disruptions to site access

dorsaVi recognised total revenues of ~A\$585k for Q1 FY22 (+54% from Q1 FY21). The strong increase in revenue, compared to the prior corresponding period, reflects new and repeat contracts with strategic partners.

The increase in recurring revenue of ~A\$68k (+20.4%), compared to the PCP, validates the recurring revenue model, despite disruptions due to continued lockdowns and modified customer working habits.

Figure 1: Recognised Recurring Revenue (A\$k)



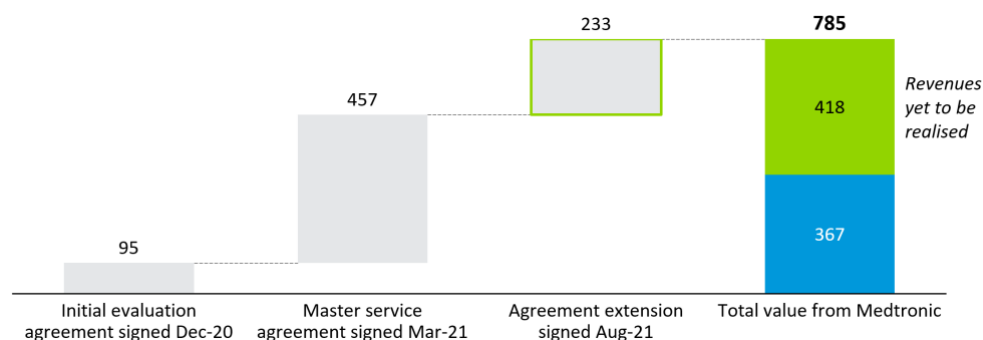
dorsaVi's resilient revenue profile in the face of extended lockdowns is largely attributed to the strategic decision to transition towards a recurring and diversified revenue stream. With a focus on large scale institutions, who are less sensitive to immediate market contractions, and an existing stable customer base, the company is well placed to grow coming out of the lockdown environment.

Pleasingly, despite the challenging environment, dorsaVi continues to sign new customers with A\$361k worth of new deals signed during the quarter. The Company looks forward to executing these deals in the near term as restrictions lift and site access begins to improve in key markets.

Key strategic agreement with Medtronic extended

The clinical market has remained robust and is continuing to grow. During the quarter, dorsaVi extended the strategically important agreement with Medtronic by a further 5 months. The extension is worth an additional ~A\$233k and aims to build on insights generated in the ongoing Master Service Agreement (announced March 2021) to optimise dorsaVi's advanced sensor technology for Medtronic's objectives. The exciting partnership continues to build from the initial evaluation agreement (announced December 2020) with a combined contract value of ~A\$785k to date, of which ~A\$418k is still to be recognised as revenue in future periods.

Figure 2: Medtronic combined contract value (A\$k)



Partnering with institutions such as Medtronic, is aligned with dorsaVi's strategy to target large scale customers, and the Company looks forward to building on this relationship and leveraging its success with Medtronic to target other large-scale enterprises in the clinical and workplace markets.

Corporate update

Subsequent to the Quarter, dorsaVi was pleased to announce the appointment of Mr Troy Di Domenico as Chief Financial Officer. Mr Di Domenico brings over 25 years of experience in senior financial and operational roles, with a track record of success in SaaS companies, geographic expansion and existing market growth. Mr Di Domenico's wealth of experience is a welcome addition to dorsaVi where he will initially commence in the CFO role, with plans to transition into a joint CFO

and COO role in the coming months. dorsaVi would like to take this opportunity to thank Damian Connellan for his role as CFO and his significant contribution to the Company during his tenure.

Additionally, Mr Greg Tweedly will step down from his position as Chairman of the dorsaVi Board at the completion of dorsaVi's AGM on 26 November 2021. Mr Tweedly first joined the Board in October 2013, and the Company thanks him for his significant contribution to the Company during his tenure. Mr Tweedly's decision provides dorsaVi with the opportunity to commence a Board renewal program and add further expertise to the Board as the Company looks to continue to invest in its market leading sensor products and accelerate its Australian and offshore sales and distribution network.

Financial update

As of 30 September 2021, dorsaVi had a cash balance of A\$2.6m, with a A\$418k Australian R&D tax rebate received subsequent to the end of the Quarter. Net cash used in operating activities was reduced by 82% compared to the previous quarter from A\$855k to A\$157, which was primarily the result of higher receipts from customers as revenues from previous quarters were realised.

As part of the US Government's COVID-19 response, dorsaVi received two loans under the US Paycheck Protection Program (PPP) totalling US\$217k. The Company is pleased to confirm that the full balance of both loans has been forgiven.

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 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). 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

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")

September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,028	1,028
1.2 Payments for		
(a) research and development	(18)	(18)
(b) product manufacturing and operating costs	(51)	(51)
(c) advertising and marketing	(38)	(38)
(d) leased assets	(38)	(38)
(e) staff costs	(707)	(707)
(f) administration and corporate costs	(316)	(316)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(33)	(33)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	14	14
1.9 Net cash from / (used in) operating activities	(157)	(157)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)
(d) investments	-	-
(e) intellectual property	(7)	(7)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(8)	(8)

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	(33)	(33)
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	(33)	(33)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,796	2,796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(157)	(157)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(33)	(33)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,598	2,598

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	2,478	2,676
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)	2,598	2,796

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	33	33
7.2	Credit standby arrangements	-	-
7.3	Convertible notes	1,155	1,155
7.4	Total financing facilities	1,188	1,188
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 (\$33k) - An unsecured \$100k insurance premium finance facility repayable over 10 months to 25 December 2021 at an interest rate of 4.1%.		
	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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(157)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,598
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,598
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.6
<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?	
	<div>Answer:</div>	
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?	
	<div>Answer:</div>	
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?	
	<div>Answer:</div>	
<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: 27 October 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.