



31 January 2022

Quarterly Activities and Cash Flow Report

Quarter ended 31 December 2021

Key highlights

- Achieved total sales revenue of ~A\$672k, growing 64% from the prior corresponding period (~A\$411k in Q2 FY21) and 15% from the previous quarter (~A\$585k in Q1 FY22)
- Strong revenue growth achieved by targeting large scale customers with increased demand for digital solutions
- Annualised recurring revenue of A\$1.45m, growing 8% from the prior corresponding period (Q2 FY21)
- Well placed to leverage favourable market conditions and execute on backlog of projects as workers continue to return to the workplace and site access resumes
- Strategic focus on channel partnership strategy leading to large sales pipeline of top tier domestic and international organisations
- Cash balance of A\$2.1m as at 31 December 2021

Melbourne, Australia, 31 January 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 December 2021.

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

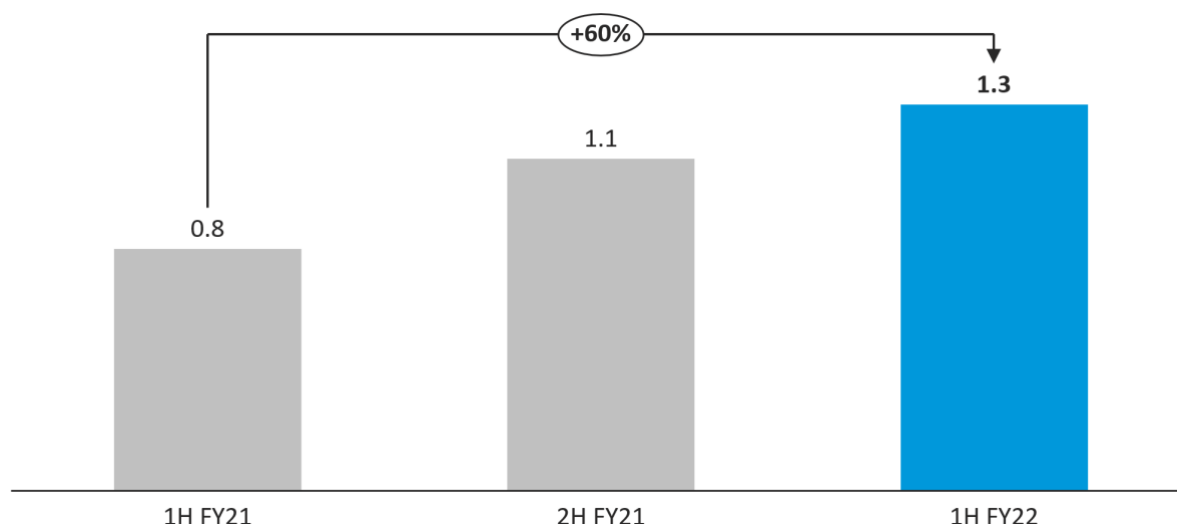
"It is pleasing to see positive momentum starting to build with sites coming back online and workers returning to the workplace globally. We recorded strong sales growth during the quarter by executing on our strategy to target large scale customers and we are well positioned to take advantage of industry tailwinds.

Improving site access has allowed us to execute on a backlog of pre-signed contracts, delivering increased revenues as onsite assessments are performed for new clients. Our sales pipeline has also grown substantially with top tier leads from our channel partners. We look forward to continuing to convert our pipeline of opportunities into new long-term clients and adding to our sustainable recurring revenue base in the second half of the year."

Positive momentum building with execution of growth strategy

dorsaVi continues to build positive momentum with the Company recording ~A\$672k of total sales revenues for Q2 FY22, growing 64% from the prior corresponding period (PCP) (~A\$411k in Q2 FY21). dorsaVi has now recorded ~A\$1.3m of sales revenue in H1 FY22, representing a 60% increase from A\$788k in H1 FY21, as shown in figure 1.

Figure 1: Total sales revenue (A\$m)



The positive trend in revenue reflects successful execution of the Company's strategy to target large scale customers, typified by ongoing partnerships with Medtronic and QBE in the clinical and workplace markets respectively. The Medtronic agreement was recently extended for a third time, and dorsaVi continues to see many new leads from the QBE partnership. The Company looks forward to advancing these mutually beneficial relationships in the second half of the year, decreasing lead times and growing its top tier customer base.

dorsaVi continues to sign new customers with YTD new deals signed of ~A\$555k, growing 20% from the PCP (~A\$463k in H1 FY21). With restrictions largely lifted in key markets, despite a resurgence of the Omicron COVID variant, dorsaVi looks forward to executing these deals in the near term and aims to leverage the favourable market conditions as people return to work.

Focus on consulting revenues as site access resumes in key markets

dorsaVi is pleased to report that client activities resumed at several sites in both Australia and the US during the quarter. This comes after a prolonged period of interruptions due to COVID-19 lockdowns which had resulted in a backlog of deals waiting to be executed and revenues realised.

With improved site access, dorsaVi has begun to realise its revenues, driven by new consulting revenues during the quarter. Importantly, the additional consulting work continues to be underpinned by annualised recurring revenue of ~A\$1.45m.

New engagements will typically involve recognising consulting style revenues early in the agreement before the successful consulting work can be leveraged to generate more predictable recurring revenues. dorsaVi will continue to execute on the backlog of contracts while working to convert initial consulting revenues to further build a base of stable recurring revenue in subsequent quarters.

Strategic alliance with channel partners leads to expanded sales pipeline

dorsaVi's sales pipeline expanded significantly during the quarter in a testament to the Company's strategy of partnering with insurers and other select organisations. Many of the new projects are with clients who have engaged dorsaVi directly following a successful initial engagement through the Company's channel partnership strategy. dorsaVi looks forward to beginning engagements with several of these new clients in the near term while also continuing to expand the sales pipeline further with top tier leads from channel partners.

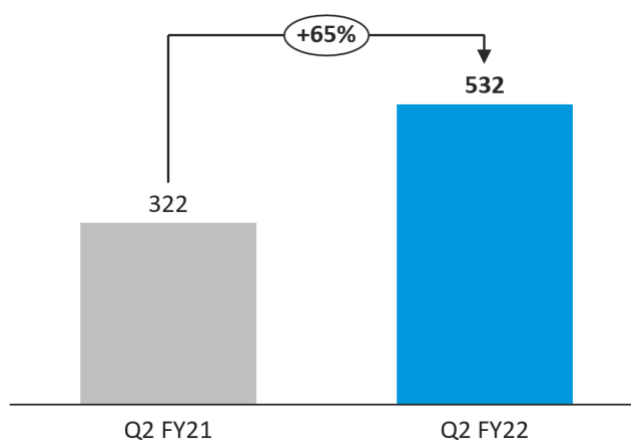
Corporate update

Mr Greg Tweedly stepped down from his position as Chairman of the dorsaVi Board at the AGM during the quarter and dorsaVi would like to thank him for his significant contribution to the Company during his tenure. With Mr Tweedly's resignation, dorsaVi has commenced a Board renewal program that aims to add additional expertise to the Board of Directors and help drive the local and international distribution of its market leading sensor products.

Financial update

As of 31 December 2021, dorsaVi had a cash balance of A\$2.1m, including a A\$418k Australian R&D tax rebate which was received during the quarter. The Company recorded receipts from customers of A\$532k in Q2 FY22 (+65% from Q2 FY21) highlighting dorsaVi's growing pipeline of opportunity and new contract wins.

Figure 2: Receipts from customers (A\$'k)



Cash expenses remain low in line with dorsaVi's ongoing commitment to running lean. The Company's lean management strategy continues to be an effective and sustainable way to keep costs down while allowing flexibility for strategic investment in product development and growth opportunities. dorsaVi aims to further reduce costs in the next reporting period as the Company transitions to new offices.

Payments related to Item 6.1 of the Appendix 4C relate to the Chief Executive Officer's salary and Non-Executive Director fees.

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). 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")

December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	532	1,560
1.2 Payments for		
(a) research and development	(21)	(39)
(b) product manufacturing and operating costs	(83)	(134)
(c) advertising and marketing	(35)	(73)
(d) leased assets	(47)	(85)
(e) staff costs	(659)	(1,366)
(f) administration and corporate costs	(505)	(821)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(30)	(63)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	418	418
1.8 Other (provide details if material)	14	28
1.9 Net cash from / (used in) operating activities	(415)	(572)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4)	(5)
(d) investments	-	-
(e) intellectual property	(2)	(9)
(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 (6 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	(6)	(14)
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)	(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	(33)	(66)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,598	2,796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(415)	(572)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(33)	(66)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,144	2,144

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	2,012	2,676
5.2	Call deposits	132	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)	2,144	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	45
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) and Non Executive Director fees.</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 facility	-	-
7.2	Credit standby arrangements	-	-
7.3	Convertible notes	1,155	1,155
7.4	Total financing facilities	1,155	1,155
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>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>		

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)	(415)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,144
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,144
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.2
	<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: 31 January 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

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

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.