

**dorsaVi Ltd and controlled entities**  
**ABN 15 129 742 409**

**HALF-YEAR INFORMATION**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**  
**PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3**

**This half-year financial report is to be read in conjunction with the financial  
report for the year ended 30 June 2022.**

# Appendix 4D

## Half-Year Report for the six months ended 31 December 2022

Name of entity: **dorsaVi Ltd and controlled entities**

ABN: 15 129 742 409

### 1. Reporting period

Report for the half-year ended: **31 December 2022**

Previous corresponding periods: Financial year ended 30 June 2022  
Half-year ended 31 December 2021

### 2. Results for announcement to the market

Revenues from ordinary activities ( <i>item 2.1</i> )	down	37%	to	1,150,736
Loss from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	increase	40%	to	957,809
Loss for the period attributable to members ( <i>item 2.3</i> )	increase	40%	to	957,809
<b>Dividends (<i>item 2.4</i>)</b>	Amount per security	Franked amount per security		
Interim dividend	0¢	0¢		
Final dividend	0¢	0¢		
Previous corresponding period	0¢	0¢		
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )	N/A			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood ( <i>item 2.6</i> ): N/A				

### 3. Net tangible assets per security (*item 3*)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.003	\$0.004

**4. Details of entities over which control has been gained or lost during the period: (item 4)**

**Control gained over entities**

Name of entities (item 4.1)	N/A
Date(s) of gain of control (item 4.2)	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	N/A

**Loss of control of entities**

Name of entities (item 4.1)	N/A
Date(s) of loss of control (item 4.2)	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	N/A

**5. Dividends** *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2023	N/A	\$0
Final dividend year ended 30 June 2022	N/A	\$0

**Amount per security**

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
<b>Total dividend:</b> Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢

**Total dividend on all securities**

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	N/A	N/A
Preference securities <i>(each class separately)</i>		
Other equity instruments <i>(each class separately)</i>		
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

**6. Details of dividend or distribution reinvestment plans in operation are described below** *(item 6):*

N/A
-----

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A
--	-----

**7. Details of associates and joint venture entities** *(item 7)*

Name of associate or joint venture entity	%Securities held
N/A	N/A

**Aggregate share of profits (losses) of associates and joint venture entities**

Group's share of associates' and joint venture entities':	2022 \$	2021 \$
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities		
<b>Net profit (loss) from ordinary activities after tax</b>	N/A	N/A
Adjustments		
<b>Share of net profit (loss) of associates and joint venture entities</b>	N/A	N/A

**8. The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached).**

**9. Independent review of the financial report** *(item 9)*

*The financial report has been independently reviewed and an unqualified conclusion has been issued with an Emphasis of Matter in relation to Going Concern.*

**dorsaVi Ltd  
and controlled entities  
ABN: 15 129 742 409**

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2022**

This half-year financial report is to be  
read in conjunction with the financial  
report for the year ended 30 June 2022

**dorsaVi Ltd and controlled entities**  
**FINANCIAL REPORT FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2022**

**TABLE OF CONTENTS**

	<b>Page</b>
Directors' Report	<b>3</b>
Auditor's Independence Declaration	<b>6</b>
Financial Report for the half-year ended 31 December 2022:	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>7</b>
Condensed Consolidated Statement of Financial Position	<b>8</b>
Condensed Consolidated Statement of Changes in Equity	<b>9</b>
Condensed Consolidated Statement of Cash Flows	<b>10</b>
Notes to the Condensed Consolidated Financial Statements	<b>11</b>
Directors' Declaration	<b>18</b>
Independent Auditor's Review Report	<b>19</b>

**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

The directors present their report together with the condensed financial report of the consolidated entity consisting of dorsaVi Ltd (the Company) and the entities it controlled (the Group) for the half-year ended 31 December 2022 and independent review report thereon.

**Directors' names**

The names of the directors in office at any time during or since the end of the half-year are:

<b>Name</b>	<b>Period of directorship</b>
Michael Panaccio	Director since 16 May 2008 and interim Chairman since 18 February 2022
Ashraf Attia	Director since 14 July 2008
Caroline Elliott	Director since 24 November 2017
Andrew Ronchi	Director since 18 February 2008

Unless otherwise stated the directors have been in office since the start of the financial period to the date of this report.

**Review of operations**

Total revenue for the six months to 31 December 2022 was \$1,150,736 (2021: \$1,818,365) reflecting a:

- A 29% decrease in sales revenue to \$890,711 (2021: \$1,256,986); and
- The US government's forgiveness, in the prior period, of US\$217,465 (A\$297,124) of loans and accrued interest for two Paycheck Protection Program loans previously provided to dorsaVi USA Inc. by the US Small Business Authority under their COVID 19 relief measures.

Operating expenditure for the six months to 31 December 2022 was \$2,373,386 (2021: \$2,787,497), a decrease of \$414,111. This 15% decrease largely reflects the continued focus of the Group on cost rationalisation.

The loss from continuing operations after income tax for the six months to 31 December 2022 was \$957,809 (2021: \$684,059).

The material business risks that are likely to have an effect on the financial prospects of the Group include:

- dorsaVi Ltd relies on its ability to enhance its movement monitoring intellectual property. A failure to meet future customer requirements would lead to a loss of opportunities and adversely impact operating results and the financial position of dorsaVi Ltd.
- Over time, dorsaVi Ltd may be subjected to increased competition if potential competitors develop new technologies or make scientific or systems advances that compare with or compete with dorsaVi Ltd's products.
- In the medical sector (but not the Elite Sports or OHS sectors), sales and adoption rates of dorsaVi Ltd's system are, in part, likely to be influenced by the availability and level of reimbursement from government and/or insurers. Whilst dorsaVi Ltd's products already benefit from reimbursement in some circumstances, there is no guarantee that the use of dorsaVi Ltd's products will receive further reimbursement.
- General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on dorsaVi Ltd's activities, as well as on its ability to fund those activities. In particular, much of its future income is expected to come from the US market and therefore dorsaVi Ltd's activities will be affected by currency exchange fluctuations.
- dorsaVi Ltd is not currently profitable. Proceeds from capital raisings were and are primarily being used to fund: continued investment in product development; selling activities in particular in the US; and, general working capital. There is no guarantee that the sales activities and the continued rollout of product will result in profitability for the Company. If either the sales or rollout are lower or less successful than planned, dorsaVi may need to, in the future, obtain additional working capital through further capital raises, alternative means of financial support including merger and acquisition opportunities, or, both.



---

**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Cash and cash equivalents, as at 31 December 2022, were \$411,705 (30 June 2022: \$449,701).

**Significant changes in the state of affairs**

The following changes in the state of affairs occurred during the period and to the date of this report:

- On 1 July 2022, dorsaVi Ltd announced the issue of 2,606,767 fully paid ordinary shares to the CEO, in lieu of cash remuneration of \$43,000 and as approved at the 2021 AGM. The impact of the grant of these shares was recognised in share-based payments as at 30 June 2022.
- On 11 July 2022, dorsaVi Ltd announced the issue of 2,750,004 options to non-executive directors, in lieu of directors' fees, at an exercise price of \$0.016 per share and an expiry date of 6 July 2027. The impact of the grant of these options was recognised in share-based payments as at 30 June 2022.
- On 29 July 2022, dorsaVi Ltd announced that it had completed a placement with institutional and sophisticated investors of 40,000,000 fully paid ordinary shares at \$0.01 per share raising \$400,000 before costs.
- On 29 July 2022, dorsaVi Ltd announced a fully underwritten 1 for 12 non-renounceable pro rata rights offer, to eligible shareholders at \$0.01 per share. The rights offer, which closed on 19 August 2022, resulted in the issue of 29,707,338 fully paid ordinary shares raising \$297,073 before costs.
- On 25 August 2022, dorsaVi Ltd issued 1,081,563 fully paid ordinary shares, at \$nil per share, under the dorsaVi ESOP on the vesting of performance rights previously granted.
- On 9 September 2022, dorsaVi Ltd issued 7,729,293 fully paid ordinary shares, at \$nil per share, to a contractor in payment for services rendered.
- On 12 September 2022, dorsaVi Ltd announced the lapsing of 978,437 performance rights previously granted.
- On 13 September 2022, dorsaVi Ltd granted 800,000 performance rights to employees under the dorsaVi ESOP. The impact of the grant of these performance rights is recognised in share based payments over their vesting period.
- On 3 October 2022, dorsaVi Ltd announced the lapsing of 55,000 options previously granted.
- On 5 October 2022, dorsaVi Ltd announced the grant of 2,357,145 options to non-executive directors, in lieu of directors' fees, at an exercise price of \$0.019 per share and an expiry date of 3 October 2027. The impact of the grant of these options was recognised in share-based payments as at 31 December 2022.
- On 25 October 2022, dorsaVi Ltd announced the lapsing of 150,000 performance rights previously granted.
- On 6 December 2022, dorsaVi Ltd issued 38,500,000 fully paid ordinary shares on the maturation and conversion of 1,155,000 convertible notes, at \$0.03 per share.
- On 5 January 2023, dorsaVi Ltd announced the grant of 2,750,004 options to non-executive directors, in lieu of directors' fees, at an exercise price of \$0.018 per share and an expiry date of 3 January 2028. The impact of the grant of these options was recognised in share-based payments as at 31 December 2022.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided with this report.

**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Panaccio', with a large, stylized initial 'P'.

Michael Panaccio  
Interim Chairman  
Melbourne

Date: 23 February 2023

**dorsaVi Ltd and controlled entities**  
**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF DORSAVI LTD**

In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:

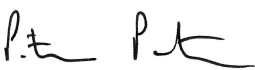
- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of dorsaVi Ltd and the entities it controlled during the period.



S SCHONBERG  
Partner

23 February 2023



PITCHER PARTNERS  
Melbourne

**CONDENSED CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 Dec 2022	31 Dec 2021 Restated
	\$	\$
<b>Revenue and other income</b>		
Sales revenue	890,711	1,256,986
Interest Income	2,192	2,896
Forgiveness of US government Paycheck Protection Program loans	-	297,124
Other gains on financial instruments	186,556	186,556
Change in fair value of derivative liability	34,677	47,303
Grant income	36,600	-
Rental income	-	27,500
	<u>1,150,736</u>	<u>1,818,365</u>
<b>Less: Expenses</b>		
Cost of sales	(102,615)	(124,104)
Advertising expenses	(109,427)	(73,834)
Consultancy expenses	(183,033)	(235,068)
Depreciation and amortisation expenses	(69,083)	(96,032)
Employee benefits expenses	(1,120,702)	(1,479,040)
Finance costs	(222,864)	(208,552)
Insurance expenses	(80,739)	(62,338)
Professional fees	(114,367)	(180,609)
Software expenses	(149,053)	(188,907)
Travel expenses	(2,718)	(2,583)
Other expenses	(218,785)	(136,430)
	<u>(2,373,386)</u>	<u>(2,787,497)</u>
<b>Loss before income tax benefit</b>	(1,222,650)	(969,132)
Income tax benefit	264,841	285,073
<b>Loss from continuing operations</b>	<u>(957,809)</u>	<u>(684,059)</u>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit and loss:</b>		
Exchange differences on translation of foreign subsidiaries net of tax	2,891	4,774
Other comprehensive income for the half-year	2,891	4,774
<b>Loss for the half-year</b>	<u>(954,918)</u>	<u>(679,285)</u>
<b>Loss per share from continuing operations attributable to equity holders of the parent entity:</b>		
Basic loss per share	(0.23 cents)	(0.19 cents)
Diluted loss per share	(0.23 cents)	(0.19 cents)

The accompanying notes form part of these condensed consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 Dec 2022 \$	30 June 2022 \$
<b>Current assets</b>		
Cash and cash equivalents	411,705	449,701
Receivables	822,728	1,204,278
Inventories	564,521	522,283
Other assets	195,009	889,137
<b>Total current assets</b>	<b>1,993,963</b>	<b>3,065,399</b>
<b>Non-current assets</b>		
Property, plant and equipment	256,351	289,937
<b>Total non-current assets</b>	<b>256,351</b>	<b>289,937</b>
<b>Total assets</b>	<b>2,250,314</b>	<b>3,355,336</b>
<b>Current liabilities</b>		
Payables	67,907	235,294
Borrowings	14,183	1,081,653
Lease liability	40,513	38,901
Provisions	103,639	225,816
Other Liabilities	387,916	488,160
<b>Total current liabilities</b>	<b>614,158</b>	<b>2,069,824</b>
<b>Non-current liabilities</b>		
Lease liability	40,029	60,573
Provisions	8,095	4,289
<b>Total non-current liabilities</b>	<b>48,124</b>	<b>64,862</b>
<b>Total liabilities</b>	<b>662,282</b>	<b>2,134,686</b>
<b>Net assets</b>	<b>1,588,032</b>	<b>1,220,650</b>
<b>Equity</b>		
Share capital	45,626,064	44,532,862
Reserves	386,067	395,390
Accumulated losses	(44,424,099)	(43,707,602)
<b>Total equity</b>	<b>1,588,032</b>	<b>1,220,650</b>

The accompanying notes form part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Consolidated Entity	Share capital	Reserves	Accumulated losses Restated	Total Equity
	\$	\$	\$	\$
<b>Balance as at 1 July 2021 reported</b>	44,532,862	401,472	(42,771,161)	2,163,173
<b>Balance as at 1 July 2021 restated</b>	44,532,862	401,472	(42,457,652)	2,476,682
Loss for the half-year restated	-	-	(684,059)	(684,059)
Exchange differences on translation of foreign operations, net of tax	-	4,774	-	4,774
<b>Total comprehensive income for the half-year restated</b>	-	<b>4,774</b>	<b>(684,059)</b>	<b>(679,285)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Employee share ownership plan	-	138,966	-	138,966
Options lapsed	-	(163,267)	163,267	-
	-	<b>(24,301)</b>	<b>163,267</b>	<b>138,966</b>
<b>Balance as at 31 December 2021 restated</b>	<b>44,532,862</b>	<b>381,945</b>	<b>(42,978,444)</b>	<b>1,936,363</b>
<b>Balance as at 1 July 2022</b>	44,532,862	395,390	(43,707,602)	1,220,650
Loss for the half-year	-	-	(957,809)	(957,809)
Exchange differences on translation of foreign operations, net of tax	-	2,891	-	2,891
<b>Total comprehensive income for the half-year</b>	-	<b>2,891</b>	<b>(957,809)</b>	<b>(954,918)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of shares	1,159,073	-	-	1,159,073
Share issue expenses	(65,871)	-	-	(65,871)
Employee share ownership plan	-	229,098	-	229,098
Options lapsed	-	(241,312)	241,312	-
	<b>1,093,202</b>	<b>(12,214)</b>	<b>241,312</b>	<b>1,322,300</b>
<b>Balance as at 31 December 2022</b>	<b>45,626,064</b>	<b>386,067</b>	<b>(44,424,099)</b>	<b>1,588,032</b>

The accompanying notes form part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<b>31 Dec 2022 \$</b>	<b>31 Dec 2021 \$</b>
<b>Cash flow from operating activities</b>		
Receipts from customers	1,067,017	1,560,354
Payments to suppliers and employees	(2,147,506)	(2,431,676)
Grant and other income received	36,600	27,500
Interest received	2,191	2,897
Finance costs	(55,793)	(67,651)
R&D incentive income received	562,263	417,831
<b>Net cash used in operating activities</b>	<u>(535,228)</u>	<u>(490,745)</u>
<b>Cash flow from investing activities</b>		
Payment for plant and equipment	(14,980)	(5,135)
Payment for intangibles	(20,517)	(9,752)
<b>Net cash used in investing activities</b>	<u>(35,497)</u>	<u>(14,887)</u>
<b>Cash flow from financing activities</b>		
Proceeds from share issue	697,073	-
Cost of raising capital	(65,871)	-
Repayment of borrowings	(79,541)	(66,310)
Payment of lease liability	(18,932)	(80,374)
<b>Net cash provided by/(used in) financing activities</b>	<u>532,729</u>	<u>(146,684)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(37,996)	(652,316)
Cash and cash equivalents at beginning of the half-year	449,701	2,796,175
<b>Cash and cash equivalents at end of the half-year</b>	<u><b>411,705</b></u>	<u><b>2,143,859</b></u>

The accompanying notes form part of these condensed consolidated financial statements.

---

**NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL  
STATEMENTS**

---

**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

This condensed consolidated half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by dorsaVi Ltd during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*. This condensed half-year financial report covers dorsaVi Ltd and controlled entities as a consolidated entity. dorsaVi Ltd is a company limited by shares, incorporated and domiciled in Australia. The address of dorsaVi Ltd's principal place of business is Unit 3, 11-13 Milgate Street, Oakleigh South, Victoria. dorsaVi Ltd is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

**(a) Basis of preparation**

This condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* as appropriate for for-profit entities and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2022. The application of new and revised Australian Accounting Standards did not have a material impact on the financial statements.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2022 and the corresponding half-year.

**(b) Going Concern**

The financial report has been prepared on a going concern basis. During the half year ended 31 December 2022, the Group incurred a loss from ordinary activities after income tax of \$957,809 (2021: \$684,059). The Group had a net decrease in cash held over the six months to 31 December 2022 of \$37,996. As at 31 December 2022, the Group's current assets exceed current liabilities by \$1,379,805 (30 June 2022: \$995,575). As at 31 December 2022, the Group's total assets exceed total liabilities by \$1,588,032 (30 June 2022: \$1,220,650).

The Group has continued its strategic focus on increasing penetration into the US market and building annuity revenue streams. The size of the US market and the scalability of annuity products is expected to continue to provide the greatest opportunity for the Group and its shareholders.

In determining the basis for preparation of the financial report, the directors have assessed the financial performance, future operating plans, financial forecasts, existing financial position and additional funding opportunities potentially available to the Group. The directors believe there are reasonable grounds to expect the Group to be able to continue as a going concern for at least 12 months from the date of issue of the financial report, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. It is acknowledged however that there are uncertainties associated with the forecast assumptions regarding the ability to maintain and grow revenues, contain and further reduce costs, and the ability to obtain additional debt or equity funding if required.

As a result of the above, the directors have concluded that the going concern basis is appropriate.

Given the circumstances detailed above, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.



## **NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**

### **(c) Rounding amounts**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

### **(d) Restatement of prior period convertible note accounting balances including embedded derivative and host liability**

The Group originally recognised an embedded derivative liability associated with its convertible notes issued in December 2019. In June 2022 it was identified that an embedded derivative asset should have been recognised on initial recognition rather than a liability. Further, it was determined that no fair value adjustment should be recognised upon initial recognition, rather the fair value adjustment shall be recognised on a straight-line basis over the term of the instrument. The comparative figures for the six months to 31 December 2021 have been restated as follows:

	<b>Previously reported (31 December 2021)</b>	<b>Adjustment</b>	<b>As restated</b>
Change in fair value of derivative liability/asset – expense	(47,303)	47,303	-
Change in fair value of derivative liability/asset - revenue	-	47,303	47,303
Other gain on financial instruments	-	186,556	186,556
Finance costs	(150,325)	(58,227)	(208,552)
Loss before income tax benefit	(1,192,067)	222,935	(969,132)
Loss after income tax benefit	(906,994)	222,935	(684,059)

In summary, the loss after income tax benefit for the half year ended 31 December 2021 decreased by \$222,935 to \$684,059.

The adjustment is a non-cash adjustment.

## **NOTE 2: SEGMENT INFORMATION**

### **(a) Description of segments**

Management differentiates operating segments based on product categories. The operating segments have been identified based on internal reports reviewed by the Group's chief operating decision makers in order to allocate resources to the segment and assess its performance. Assets and Liabilities are reported to Management on a consolidated basis.

dorsaVi Ltd and controlled entities are comprised of the following reportable segments:

**Segment 1**  
Clinical

**Segment 2**  
Workplace

### **(b) Segment information**

The Group's chief operating decision maker's use segment revenue and segment results to assess the financial performance of each operating segment. Amounts for segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. There have been no inter-segment revenue or expenses during the period.

**NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**

**NOTE 2: SEGMENT INFORMATION (cont.)**

Segment information is reconciled to financial statements and underlying profit disclosures notes as following:

<b>Half-year - 31 Dec 2022</b>	<b>Clinical \$</b>	<b>Workplace \$</b>	<b>Total \$</b>
<b>Segment revenue</b>			
Segment revenue from external source	544,018	346,693	890,711
Non-segment revenue	-	-	260,025
<b>Total revenue</b>			<u>1,150,736</u>
<b>Segment result</b>			
Segment result from external source	451,328	336,768	788,096
Non-segment revenue	-	-	260,025
Non-segment expenses	-	-	(2,270,771)
Income Tax Benefit	-	-	264,841
<b>Loss from continuing operations</b>			<u>(957,809)</u>

Included in the clinical and workplace segment revenue above is \$585,549 of recurring revenue (2021: \$725,588).

<b>Half-year - 31 Dec 2021</b>	<b>Clinical \$</b>	<b>Workplace \$</b>	<b>Total \$</b>
<b>Segment revenue</b>			
Segment revenue from external source	938,407	318,579	1,256,986
Non-segment revenue restated	-	-	561,379
<b>Total revenue restated</b>			<u>1,818,365</u>
<b>Segment result</b>			
Segment result from external source	824,228	308,654	1,132,882
Non-segment revenue restated	-	-	561,379
Non-segment expenses restated	-	-	(2,663,393)
Income Tax Benefit	-	-	285,073
<b>Loss from continuing operations restated</b>			<u>(684,059)</u>

**(c) Major customers**

During the current half year no customer contributed greater than 10% of the Group's total revenue (2021: one customer contributed 28% of total revenue). Where such revenue arises, this revenue is included in clinical and workplace segments.

**NOTE 3: LEASE LIABILITY**

	<b>31 Dec 2022 \$</b>	<b>30 June 2022 \$</b>
<b>CURRENT</b>		
Lease liability	40,513	38,901
	<u>40,513</u>	<u>38,901</u>
<b>NON-CURRENT</b>		
Lease liability	40,029	60,573
	<u>40,029</u>	<u>60,573</u>

**NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL  
STATEMENTS**

	31 Dec 2022 \$	30 June 2022 \$
<b>NOTE 4: BORROWINGS</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Premium finance liability <sup>(i)</sup>	14,183	93,724
Convertible note host debt <sup>(ii)</sup>	-	987,929
	<u>14,183</u>	<u>1,081,653</u>

(i) In March 2022, the Group entered into a finance facility for the annual insurance liability of dorsaVi Ltd. The facility is repayable monthly over a 10 month period ending in January 2023 at an interest rate of 7.1%. A similar finance facility was in place in the prior year.

(ii) In December 2019 1,155,000 convertible notes were issued with a face value of \$1 each. The notes matured in December 2022. Interest was payable at a rate of 10% p.a., monthly in arrears. In accordance with Accounting Standards, the convertible notes were considered a financial liability with a host debt contract, held at amortised cost, and an embedded derivative asset, held at fair value through the profit and loss. Accordingly, the derivative asset was revalued at each reporting date.

Upon maturity the notes converted into fully paid ordinary shares according to a 40 day VWAP calculation. In accordance with the terms of the note agreement the number of fully paid ordinary shares issued were 38,500,000.

**NOTE 5: OTHER LIABILITIES**

	31 Dec 2022 \$	30 June 2022 \$
CURRENT		
Contract liabilities	387,916	301,604
Deferred gain on financial instrument	-	186,556
	<u>387,916</u>	<u>488,160</u>

**NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**

**NOTE 6: CONTRIBUTED CAPITAL**

**(a) Movements in shares on issue of the Parent Entity**

	<b>Half-year 31-Dec-22</b>		<b>Year 30-Jun-22</b>	
	<b>No of Shares</b>	<b>\$</b>	<b>No of Shares</b>	<b>\$</b>
Beginning of the period	353,881,285	44,532,862	350,932,572	44,532,862
Movement during the period:				
- Employee share scheme	3,688,330	-	680,000	-
- Other shares issued	7,729,293	-	2,268,713	-
- Shares issued on maturing of Convertible notes	38,500,000	462,000		
- Shares issued in capital raising	69,707,338	697,073	-	-
- Cost of raising capital	-	(65,871)	-	-
End of the period	473,506,246	45,626,064	353,881,285	44,532,862

During the half-year ended 31 December 2022, the Company:

- Issued 1,081,563 shares, at \$nil each under the Employee Share Ownership Plan to employees on the vesting of performance rights.
- Issued 2,606,767 shares, at \$nil each under the Employee Share Ownership Plan to the CEO in settlement of \$43,000 of salary entitlements. This issue was approved by shareholders at the 2022 AGM.
- Issued 7,729,293 shares, at \$nil each to a contractor in settlement of \$150,000 outstanding fees.
- Issued 38,500,000 shares to convertible note holders upon the convertible notes reaching maturity and in accordance with the convertible note deed.
- Issued 69,707,338 shares, at \$0.01 each as a result of share capital raising and share purchase plan which raised \$697,073 before costs.

**(b) Employee Share Ownership Plan (ESOP)**

As previously disclosed, the Board has established an ESOP. This plan was established by the Company to facilitate the acquisition of shares, options and performance rights by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi Ltd.

**(i) Loan shares**

During the six months to 31 December 2022, no loan shares were issued (December 2021: Nil). During the six months to 31 December 2022, 50,000 loan shares were forfeited (December 2021: Nil).

**(ii) Options over shares**

Options to purchase 5,107,149 ordinary shares in the Company were granted in the six months ended 31 December 2022 (December 2021: 4,050,918). 55,000 options lapsed during the period (December 2021: Nil).

**(iii) Performance rights**

800,000 performance rights were granted during the six months to 31 December 2022 (December 2021: 2,300,000). During the six months, 1,081,563 ordinary shares were issued on the vesting of performance rights previously granted (December 2021: 200,000).

At 31 December 2022, 2,560,000 performance rights had yet to vest or expire (December 2021: 2,300,000).

**NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**

**NOTE 6: CONTRIBUTED CAPITAL (cont.)**

Details of employee loan shares, options and performance rights granted are provided below:

Grant date	Expiry date	Exercise price	Balance at 1/07/2022	Granted during period	Exercised during period	Cancelled/expired during period	Balance at half year-end	Exercisable at half year-end
25/02/2015	25/02/2025	\$0.360	50,000	-	-	(50,000)	-	-
15/05/2017	1/10/2022	\$0.326	55,000	-	-	(55,000)	-	-
15/05/2017	1/10/2023	\$0.326	24,166	-	-	-	24,166	24,166
4/12/2019	4/12/2024	\$0.084	1,280,488	-	-	-	1,280,488	1,280,488
4/12/2019	4/12/2024	\$0.070	1,116,703	-	-	-	1,116,703	1,116,703
7/01/2020	7/01/2025	\$0.034	1,846,856	-	-	-	1,846,856	1,846,856
7/04/2020	7/04/2025	\$0.022	4,801,827	-	-	-	4,801,827	4,801,827
7/07/2020	7/07/2025	\$0.016	3,693,714	-	-	-	3,693,714	3,693,714
7/10/2020	7/10/2025	\$0.049	1,412,303	-	-	-	1,412,303	1,412,303
8/01/2021	8/01/2026	\$0.061	1,171,178	-	-	-	1,171,178	1,171,178
8/04/2021	8/04/2026	\$0.063	1,297,792	-	-	-	1,297,792	1,297,792
5/07/2021	5/07/2026	\$0.041	1,778,455	-	-	-	1,778,455	1,778,455
7/10/2021	7/10/2026	\$0.031	2,400,915	-	-	-	2,400,915	2,400,915
26/11/2021	1/10/2022	-	720,000	-	(351,250)	(168,750)	200,000	-
26/11/2021	1/04/2023	-	195,000	-	-	(75,000)	120,000	-
26/11/2021	1/10/2023	-	585,000	-	-	(225,000)	360,000	-
26/11/2021	4/10/2023	-	800,000	-	-	-	800,000	-
7/01/2022	7/01/2027	\$0.028	1,650,003	-	-	-	1,650,003	1,650,003
26/03/2022	1/10/2022	-	920,000	-	(520,313)	(399,687)	-	-
26/03/2022	1/04/2023	-	345,000	-	-	(195,000)	150,000	-
26/03/2022	1/10/2023	-	1,035,000	-	-	(585,000)	450,000	-
6/04/2022	6/04/2027	\$0.032	1,571,430	-	-	-	1,571,430	1,571,430
6/07/2022	6/07/2027	\$0.016	2,750,004	-	-	-	2,750,004	2,750,004
13/09/2022	1/10/2022	-	-	320,000	(210,000)	(110,000)	-	-
13/09/2022	1/04/2023	-	-	120,000	-	-	120,000	-
13/09/2022	1/10/2023	-	-	360,000	-	-	360,000	-
3/10/2022	3/10/2027	\$0.019	-	2,357,145	-	-	2,357,145	2,357,145
3/01/2023	3/01/2028	\$0.018	-	2,750,004	-	-	2,750,004	2,750,004
<b>Total</b>			<b>31,500,834</b>	<b>5,907,149</b>	<b>(1,081,563)</b>	<b>(1,863,437)</b>	<b>34,462,983</b>	<b>31,902,983</b>

**NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS**

**NOTE 6: CONTRIBUTED CAPITAL (cont.)**

Half-year ended 31 December 2021

Grant date	Expiry date	Exercise price	Balance at 1/07/2021	Granted during period	Exercised during period	Cancelled/expired during period	Balance at half year-end	Exercisable at half year-end
5/11/2014	5/11/2024	\$0.400	20,000	-	-	(20,000)	-	-
25/02/2015	25/02/2025	\$0.360	50,000	-	-	-	50,000	50,000
15/05/2017	15/05/2022	\$0.326	500,000	-	-	-	500,000	500,000
15/05/2017	1/10/2022	\$0.326	55,000	-	-	-	55,000	55,000
15/05/2017	1/10/2023	\$0.326	24,166	-	-	-	24,166	24,166
18/09/2019	18/09/2022	-	200,000	-	(200,000)	-	-	-
4/12/2019	4/12/2024	\$0.084	1,280,488	-	-	-	1,280,488	1,280,488
4/12/2019	4/12/2024	\$0.070	1,116,703	-	-	-	1,116,703	1,116,703
7/01/2020	7/01/2025	\$0.034	1,846,856	-	-	-	1,846,856	1,846,856
7/04/2020	7/04/2025	\$0.022	4,801,827	-	-	-	4,801,827	4,801,827
7/07/2020	7/07/2025	\$0.016	3,693,714	-	-	-	3,693,714	3,693,714
7/10/2020	7/10/2025	\$0.049	1,412,303	-	-	-	1,412,303	1,412,303
8/01/2021	8/01/2026	\$0.061	1,171,178	-	-	-	1,171,178	1,171,178
8/04/2021	8/04/2026	\$0.063	1,297,792	-	-	-	1,297,792	1,297,792
5/07/2021	5/07/2026	\$0.041	1,778,455	-	-	-	1,778,455	1,778,455
30/08/2021	30/08/2021	-	-	500,000	(500,000)	-	-	-
7/10/2021	7/10/2026	\$0.031	-	2,400,915	-	-	2,400,915	2,400,915
26/11/2021	1/10/2022	-	-	720,000	-	-	720,000	-
26/11/2021	1/04/2023	-	-	195,000	-	-	195,000	-
26/11/2021	1/10/2023	-	-	585,000	-	-	585,000	-
26/11/2021	4/10/2023	-	-	800,000	-	-	800,000	-
17/12/2021	17/12/2021	-	-	2,248,713	(2,248,713)	-	-	-
7/01/2022	7/01/2027	\$0.028	-	1,650,003	-	-	1,650,003	1,650,003
<b>Total</b>			<b>19,248,482</b>	<b>9,099,631</b>	<b>(2,948,713)</b>	<b>(20,000)</b>	<b>25,379,400</b>	<b>23,079,400</b>

**NOTE 7: SUBSEQUENT EVENTS**

On 5 January 2023, dorsaVi Ltd announced the issue 2,750,004 options to non-executive directors, in lieu of directors' fees, at an exercise price of \$0.018 per share and an expiry date of 3 January 2028. The impact of the grant of these options was recognised in share based payments as at 31 December 2022.

Aside from the above, no matters or circumstances have arisen since 31 December 2022 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## **DIRECTORS' DECLARATION**

---

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 7 to 17, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Michael Panaccio  
Interim Chairman  
Melbourne  
Date: 23 February 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of dorsaVi Ltd and controlled entities****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of dorsaVi Ltd, the 'Company' and its controlled entities 'the Group', which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of dorsaVi and controlled entities does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a net loss before tax of \$957,809 for the period ending 31 December 2022 and had a net decrease in cash held over the six months to 31 December 2022 of \$37,996. As at 31 December 2022, the Group's current cash reserves are \$411,705. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Responsibility of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



### Auditor's Responsibility for the Review of the Financial Report

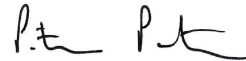
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S SCHONBERG

Partner



PITCHER PARTNERS

Melbourne

23 February 2023