



28 April 2023

Quarterly Activities and Cash Flow Report

Quarter ended 31 March 2023

Key highlights

- Receipts from customers of ~\$623k in Q3 FY23, growing ~84% from the previous quarter (~\$338k in Q2 FY23)
- Net operating cash outflow of ~\$190k in Q3 FY23 (excluding government grants), improved by ~71% from the previous quarter (~\$651k in Q2 FY23)
- Cash expenses for the quarter decreased by ~18% compared to the previous quarter
- dorsaVi achieved sales revenue of ~\$362k in Q3 FY23
- Subsequent to the quarter, dorsaVi signed ~\$100k¹ agreement with University of Rochester, validating dorsaVi's technology with a leading American institution
- Released new "Run Module" under the ViMove+ brand
- Successfully completed \$750k Placement supported by new and existing sophisticated investors
- Cash balance of \$1.2m as at 31 March 2023

Melbourne, Australia, 28 April 2023: dorsaVi (ASX: DVL) (**dorsaVi** or the **Company**) today released its Quarterly Activities Report and Quarterly Cashflow Report (Appendix 4c) for the quarter ended 31 March 2023.

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

"I am pleased to share with you the progress we have made this quarter as we continue to work towards a sustainable business model. The material decrease in cash outflows is a testament to the hard work we have been doing, delivering greater operating leverage on a sustainably lower cost base. It is pleasing to see this trend continue quarter on quarter."

Our recent agreement with leading American institution, University of Rochester validates our company's technology and allows us to explore new uses for our product. It is great to see the highly credentialed Dr Haddas lead our study, who is one of the foremost leaders within the spinal motion industry."

We also upgraded our highly popular ViMove+ product to include a new Run module which provides brand-new running assessments, expanding our patient target group and increasing our recurring revenue."

In March, we were pleased to have received strong support for our capital raise. With backing by new and current shareholders, the raise demonstrates significant confidence in our plans and in our technology."

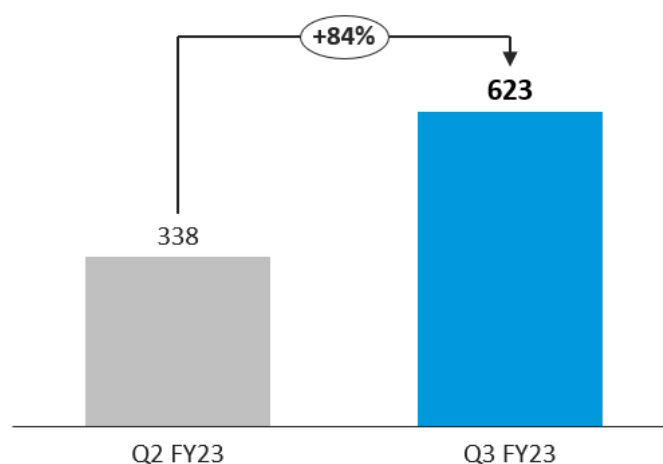
Financial update

dorsaVi recognised sales revenues of ~\$362k for Q3 FY23 and signed new contracts worth ~\$167k. Contracts signed during the quarter are testament to the Company's efforts in building its client portfolio and addressing a market need for advanced sensor technology. The value of these contracts will be recognised as revenue in subsequent periods.

dorsaVi's annualised recurring revenue (ARR) base is ~\$1.1m. dorsaVi expects its stable revenue base to grow in tandem with the release of the new Run module for its best-selling product, ViMove⁺.

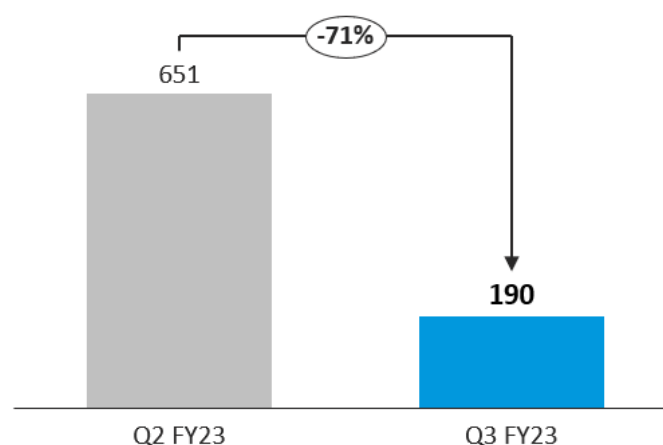
The Company recorded receipts from customers of ~\$623k in Q3 FY23, growing ~84% from the previous quarter (~\$338k in Q2 FY23) as shown in Figure 1. The increase in customer receipts is led by our larger Clinical and Workplace customers.

Figure 1: Receipts from customers (A\$k)



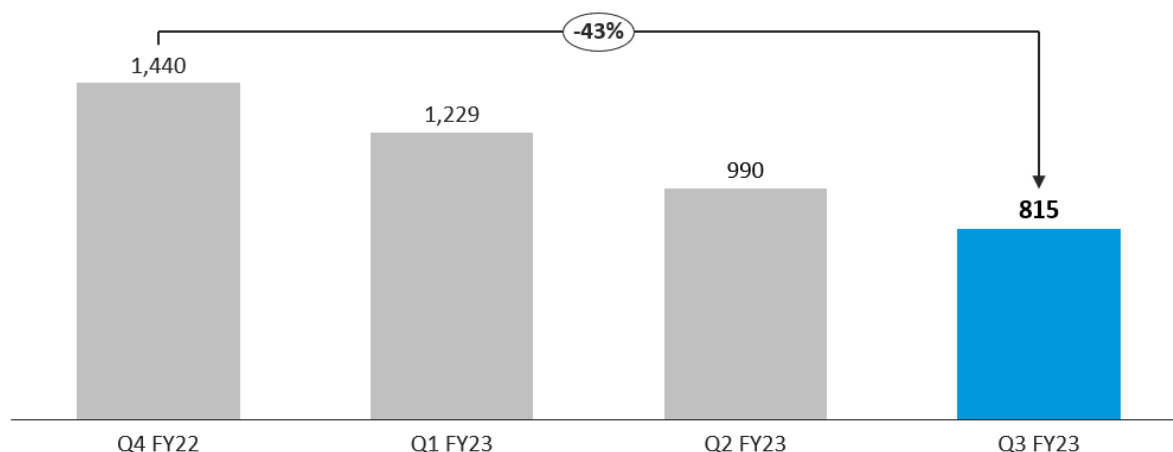
dorsaVi recorded net operating cash outflows of ~\$190k in Q3 FY23, improving by ~71% compared to the previous quarter as shown in Figure 2. The substantial decrease in operating cash outflow for the quarter highlights dorsaVi's successful execution of its lean management strategy.

Figure 2: Net operating cash outflow (excludes government grants) (A\$k)



dorsaVi also continued to reduce its cash expenses for the quarter, which are down ~18% compared to the previous quarter, and ~43% since Q4 FY22, as shown in Figure 3. Lower cash expenses reflects dorsaVi's cost reduction strategy which aims to reduce costs in a sustainable manner.

Figure 3: Cash expenses (A\$k)



Leading US institution, University of Rochester, agrees to strategic partnership

Subsequent to the quarter, dorsaVi announced a new project with the highly regarded University of Rochester Medical Center, which will generate ~\$100k¹ in revenue over a 12-month period. The agreement has the potential to be extended for up to 5 years, expanding the profile of dorsaVi's high-quality client base and diversifying its revenue stream.

Led by Director of the University of Rochester Medical Center, Dr. Haddas, the study will involve investigative research into spinal motion and patterns of movement using dorsaVi's wearable sensor technology and advanced algorithms alongside the University's brand-new gait and motion lab. Dr. Haddas has expertise across clinical biomechanics, rehabilitation sciences, and healthcare engineering. The project utilising our technology will help generate new insights to patterns of movement and potentially improve outcomes for patients with spinal conditions.

New upgrade to dorsaVi's ViMove+ product

dorsaVi recently upgraded its flagship ViMove+ product with the new "Run module" which expands the Company's addressable market and enhances the product usefulness for its clinical client base. The upgrade highlights the Company's focus on continuously improving its product offering in line with partner and customer needs. The Run module provides clinicians with the ability to capture real-time data, which is automatically analysed by dorsaVi's AI based algorithms, generating advanced insights into key running metrics and identify potential inefficiencies in a patient's movement. dorsaVi aims to accelerate sales growth as the upgrade provides further modes of assessment and an enhanced value proposition.

Cash position

As of 31 March 2023, dorsaVi had a cash balance of ~\$1.2m.

The Company completed a capital raising during the quarter consisting of a Placement which was strongly supported by new and current shareholders. Completion of the capital raise resulted in gross proceeds of ~\$750k, strengthening dorsaVi's balance sheet. The proceeds will primarily be used to undertake growth initiatives including development of the Company sales pipeline for both the workplace and clinical markets, and for general working capital purposes.

Further, the Company entered into a \$200k loan facility secured against its 2023 R&D tax rebate. The facility has an annualised interest rate of 16% and is repayable on the earlier of the receipt of the 2023 rebate, or the 30th of November 2023.

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 the ASX by the Company's Finance Disclosure Committee.

¹Assumes a A\$:US\$0.67 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")

March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	623	1,690
1.2 Payments for		
(a) research and development	(1)	(10)
(b) product manufacturing and operating costs	(39)	(142)
(c) advertising and marketing	(36)	(145)
(d) leased assets	(10)	(32)
(e) staff costs	(421)	(1,580)
(f) administration and corporate costs	(305)	(1,072)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(3)	(53)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	599
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(190)	(741)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(15)
(d) investments	-	-
(e) intellectual property	(13)	(34)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	(f) other non-current assets	-	-
	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	(13)	(49)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	750	1,447
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	(49)	(115)
3.5	Proceeds from borrowings	302	302
3.6	Repayment of borrowings	(26)	(108)
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	977	1,526
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	412	450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(190)	(741)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(49)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	977	1,526

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,186	1,186

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	1,106	332
5.2	Call deposits	80	80
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)	1,186	412

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	25
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)		

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

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	Unsecured loan facility	92	92
7.2	Credit standby arrangements	-	-
7.3	Secured loan facility	200	200
7.4	Total financing facilities	292	292
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 facility (\$102k) - An unsecured \$102k insurance premium finance facility repayable over 10 months to 25 December 2023 at an interest rate of 6.4%.</p> <p>Loan facility (\$200k) – A \$200k loan facility secured against the Company's 2023 R&D tax rebate at an annualised interest rate of 16% and repayable on the earlier of the receipt of the R&D tax rebate or 30 November 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(190)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,186
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,186
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.23
<p><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></p>		
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:	
<p><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></p>		

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: 28 April 2023

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.