



30 January 2024

Quarterly Activities and Cash Flow Report

Quarter ended 31 December 2023

Key highlights

- dorsaVi achieved sales revenue of ~\$316k in Q2 FY24, growing 8% from the previous quarter (~\$293k in Q1 FY24)
- Maintained strong base of ~\$1.1m annualised recurring revenue, underpinning future growth
- Signed two new multi-year contracts with leading US institutions for a total value of ~US\$113,000 (AU\$168,500¹)
- Appointed Dr Michael Winlo to dorsaVi's Board of Directors, bringing significant technology, healthcare and leadership experience to the Company
- Successfully completed a \$500k two-tranche Placement with strong support from sophisticated investors
- Cash balance of \$871k at 31 December 2023

Melbourne, Australia, 30 January 2024: 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 2023.

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

"I am pleased to report that dorsaVi has delivered a quarter of steady growth across the business. We expanded our footprint in the US healthcare market by signing contracts with two well regarded US institutions, Norton Healthcare and Georgia Southern University, building upon the momentum achieved last year through our agreement with University of Rochester. We look forward to exploring further enterprise sales opportunities with major institutions in the US.

Dr. Michael Winlo joined our Board of Directors during the quarter and is already making a significant impact. We look forward to leveraging his valuable insights, diverse expertise and relationships in the global technology and healthcare industries to drive growth in dorsaVi. With our cash position strengthened by a successful capital raising, we are looking forward accelerating sales growth underpinned by increasing demand for our AI enabled suite of products."

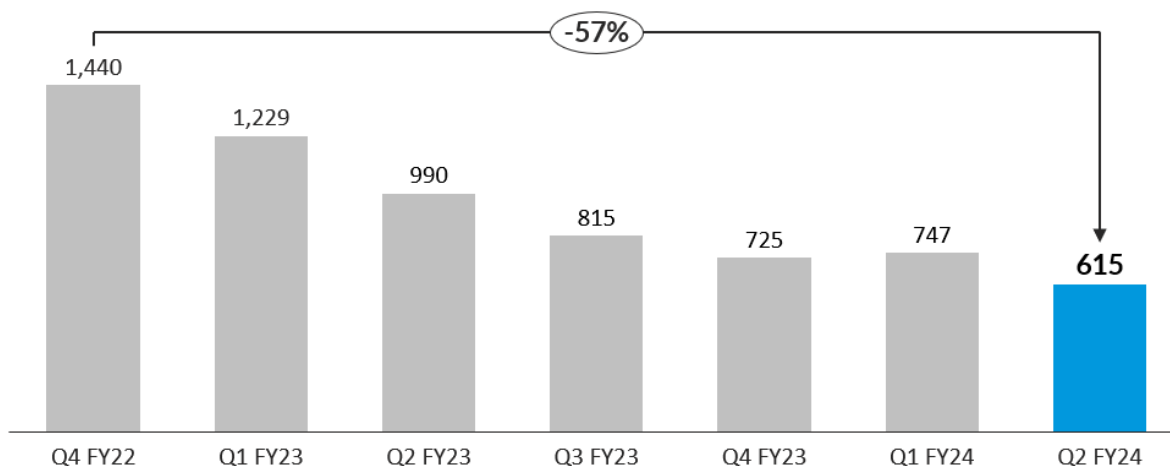
Financial update

dorsaVi achieved sales revenue of ~\$316k in Q2 FY24 representing an improvement of 8% compared to the previous quarter (\$293k in Q1 FY24). The Company's revenue profile is underpinned by ~\$1.1m in annualised recurring revenue (ARR) which is in line with the previous quarter, highlighting dorsaVi's high customer retention rates and the value that its products provide to customers. dorsaVi plans to

grow ARR with the release of new product modules and enhancements, particularly leveraging the Company’s AI expertise, to offer expanded use cases and a higher value proposition to customers. dorsaVi continues to leverage its strategic partnership with QBE, which is critical to developing product awareness and driving enterprise sales lead generation.

The Company recorded cash expenses of ~\$615k during the quarter, representing a reduction of 18% compared to the previous quarter (~\$747k in Q1 FY24), and a reduction of ~57% since Q4 FY22 as shown in Figure 1 below. dorsaVi has continued to actively manage its expenses with a view to sustainably minimise its cost base and provide a platform to generate increased operating leverage as revenues grow.

Figure 1: Cash expenses (A\$k)



New contracts signed with leading US institutions

During the quarter, dorsaVi announced that it has signed two new contracts with leading institutions in the US market for a combined value of ~US\$113,000 (AU\$168,500¹) for a period of 2 years. The agreements were signed with Norton Healthcare and Georgia Southern University.

Norton Healthcare is a leader in serving adult and paediatric patients from throughout Greater Louisville, Southern Indiana, the commonwealth of Kentucky and beyond. The contract is expected to generate ~A\$99,900¹ in sponsored research support over a 24-month period, with the potential for further extension. The study will rely on dorsaVi’s wearable sensor technology and advanced AI and Machine Learning algorithms to drive greater insights into patient patterns of movement.

In collaboration with dorsaVi, Georgia Southern University will investigate running biomechanics using dorsaVi’s wearable sensors to capture data and potential biomarkers relating to stress fractures in runners. The agreement with Georgia Southern University is expected to generate ~AU\$68,600 in sponsored research support over a 24-month period. The study will be led by Associate Professor Haley Worst with funding coming from the US Department of Defence (DOD).

The agreements with Norton Healthcare and Georgia Southern University signify a material step forward for the Company, targeting longer term contracts with large and well-established enterprises within the US healthcare market. The contracts follow the signing of an agreement with the University of Rochester in FY23, which further validates dorsaVi’s strategic focus on the US market and builds upon positive sales momentum.

¹Assumes an A\$:US\$0.67 exchange rate

Corporate update

During the quarter, dorsaVi appointed Dr Michael Winlo to the Company's Board of Directors as Non-Executive Director. Dr Winlo is a distinguished medical professional and entrepreneur with proven leadership experience across the biotechnology, pharmaceutical and technology sectors. Dr Winlo's extensive managerial experience within both public and private markets will help guide dorsaVi through its next phase of growth.

The Company completed a capital raising during the quarter consisting of a placement which was strongly supported by new and existing sophisticated investors. dorsaVi received commitments totalling \$500k via the placement with the proceeds to be used primarily to accelerate growth sales and marketing initiatives and for ongoing product development including development of new AI features.

The placement was completed in two tranches, the first tranche for the issue of 40m shares to raise \$400k under dorsaVi's existing LR7.1 and LR7.1A capacity and a second tranche of 10m shares to raise a further \$100k subject to shareholder approval at a General Meeting (GM). Shares issued under the first tranche of the placement settled in early November last year and shares issued under the second tranche are expected to settle approximately one week following the GM, subject to dorsaVi receiving shareholder approval.

Further details for the place and timing of the GM will be provided to shareholders, together with a notice of meeting, in due course.

Cash position

As of 31 December 2023, dorsaVi had a cash balance of \$871k, including receipts of \$278k from the Australian R&D tax rebate (net of loan repayment), \$400k from the first tranche of the placement and \$98k from the tax refund. As announced in dorsaVi's Q1 FY24 Quarterly Report, the Tennessee Department of Revenue incorrectly deducted ~\$98k from the Company's US bank account. This amount was subsequently refunded in full in October 2023 (Q2 FY24) resulting in no YTD cash flow impact.

dorsaVi expects to receive \$100k from the second tranche of the placement during Q3 FY24, subject to shareholder approval at a GM.

Payments related to Item 6.1 of 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.

- 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")

December 2023

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	198	704
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(29)	(64)
(c) advertising and marketing	(6)	(23)
(d) leased assets	(4)	(14)
(e) staff costs	(228)	(613)
(f) administration and corporate costs	(324)	(621)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	(24)	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	499	499
1.8 Other (provide details if material)	98	-
1.9 Net cash from / (used in) operating activities	183	(154)
<p>Refer item 1.8: On the 9th of August 2023 (Q1 FY24), the Tennessee Department of Revenue incorrectly deducted USD \$64,805 (AUD \$98k) from the US bank account. This amount was subsequently refunded in full in October 2023 (Q2 FY24) – resulting in a nil YTD cash flow impact overall.</p>		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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	(8)	(16)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(9)	(17)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	400	400
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	(26)	(26)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(200)	(200)
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	174	174

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	538	879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	183	(154)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	174	174
4.5	Effect of movement in exchange rates on cash held	(15)	(11)
4.6	Cash and cash equivalents at end of period	871	871

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	790	457
5.2	Call deposits	81	81
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)	871	538

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	38
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>Salary and superannuation to CEO (a director of the entity)</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Unsecured loan facility	-	-
7.2 Credit standby arrangements	-	-
7.3 Secured loan facility	-	-
7.4 Total financing facilities	-	-
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.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	183
8.2 Cash and cash equivalents at quarter end (item 4.6)	871
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	871
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: N/A	
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: N/A	
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: N/A	
<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: 30 January 2024

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.