



30 April 2024

Quarterly Activities and Cash Flow Report

Quarter ended 31 March 2024

Key highlights

- dorsaVi achieved sales revenue of \$331k in Q3 FY24, with \$401k of cash receipts received during the quarter growing 103% from the previous quarter (\$198k in Q2 FY24)
- Cash expenses decreased by 9% compared to the previous quarter (\$615k in Q2 FY24) and by 32% on prior corresponding period (pcp) (\$815k in Q3 FY23)
- Net operating cash outflow of \$153k in Q3 FY24 (excluding government grants), improved by 52% from the previous quarter (\$316k in Q2 FY24)
- Signed two new contracts worth a combined \$189k over a 4-year period
- Upgraded dorsaVi's flagship ViMove⁺ product with real-time facial tracking and post quarter, released an AI Natural Movement Algorithm to drive growth in aged care market
- Strengthened leadership with the appointment of Mr Gernot Abl as Non-Executive Director
- dorsaVi holds cash balance of \$731k at 31 March 2024

Melbourne, Australia, 30 April 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 March 2024.

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

"I am pleased to share these positive quarterly results, reflected in our sales growth and lower cost base. It's great to build upon our sales momentum with the signing of a leading Australian university, which adds to our credibility in the clinical research market, and Fire Rescue Victoria, which opens us to a new market in Australia across the emergency services landscape. While optimising our expenses, we have enhanced our privacy protections with a real-time facial tracking feature which enables us to engage with more enterprise customers.

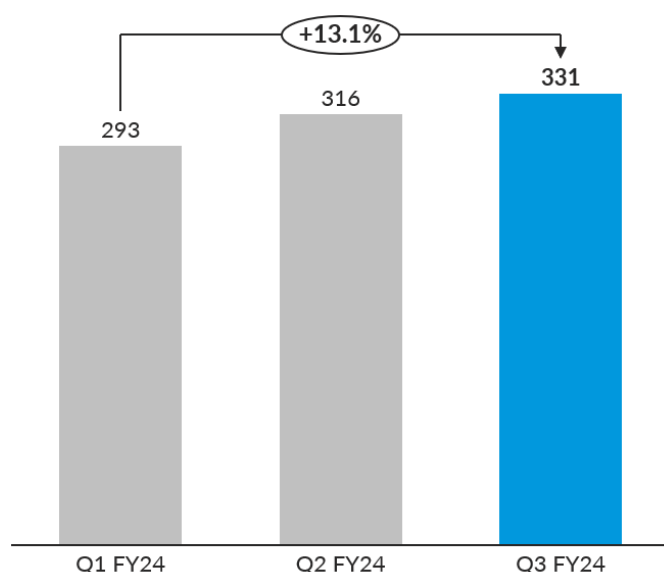
In addition, we have unlocked new markets with the development and implementation of our AI Natural Movement Algorithm after the quarter. We are confident to scale and increase recurring revenue leveraging these important enhancements. We also welcomed Mr Gernot Abl to our Board of Directors and look forward to leveraging his diverse technology and executive leadership experience to drive further growth."

Financial update

dorsaVi recognised sales revenue of \$331k in Q3 FY24, representing an improvement of 5% compared to the previous quarter (\$316k in Q2 FY24), and three consecutive quarters of growth as shown in Figure 1. dorsaVi's base of recurring revenue remained strong with the Company recording \$1.1m of

annualised recurring revenue (“ARR”) during the quarter. The stable revenue base provides a strong platform for dorsaVi to continue executing its growth plans, led by recent AI-based improvements to its technology portfolio. dorsaVi continues to leverage its strategic partnership with QBE to drive new enterprise sales leads.

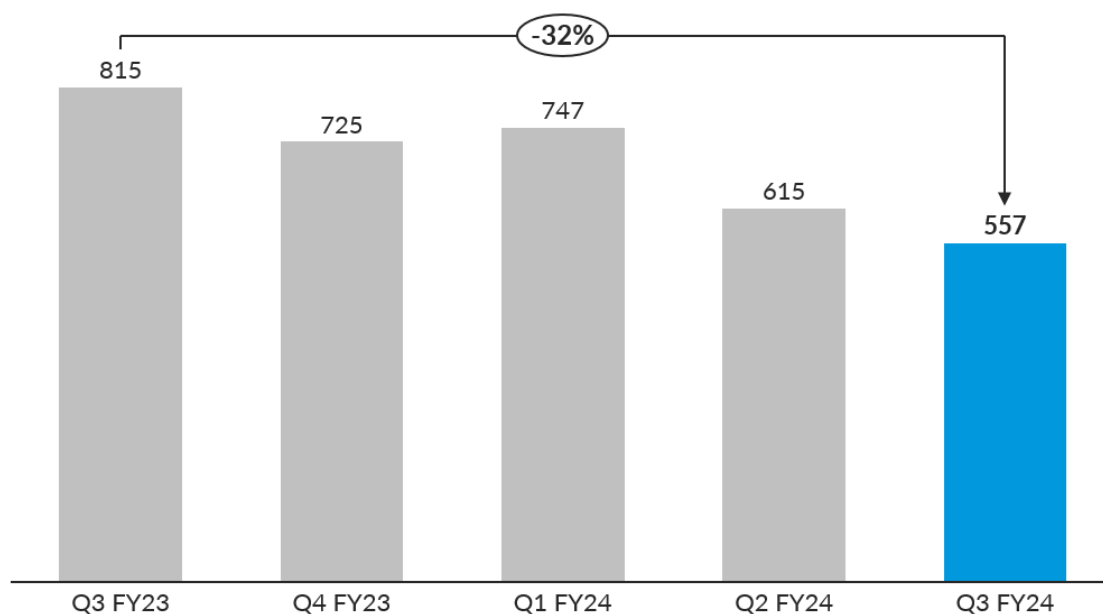
Figure 1: Sales revenue (A\$k)



dorsaVi recorded cash receipts from customers of \$401k during the quarter, growing 103% from the previous quarter (\$198k in Q2 FY24). The Company continued to lower its cost base, recording cash expenses of \$557k which represents a 9% reduction compared to the previous quarter (\$615k in Q2 FY24), and a 32% reduction since Q3 FY23 as shown in Figure 2.

As a result, dorsaVi achieved net operating cash outflows of \$153k in Q3 FY24, which represents an improvement of 52% on the previous quarter (\$316k in Q2 FY24). The continued reduction in cash expenses is a result of dorsaVi effectively executing on its cost reduction strategy, with a view to generating increased operating leverage as the Company secures more contracts on a lower cost base.

Figure 2: Cash expenses (A\$k)



Customer update

During the quarter, dorsaVi signed new 4-year deals with Fire Rescue Victoria (“FRV”) and a leading Australian university for a combined value of \$189k.

FRV engaged with dorsaVi to assist in managing workplace safety as part of its new worker safety program. The FRV program utilises two of dorsaVi’s leading products, the ViMove⁺ Athletic Movement Index (“AMI”) product to assess quality of worker movements and remedy movement asymmetries, and ViSafe⁺ Insights to assess workplace tasks and provide feedback in real time. Signing FRV represents a new market opportunity for dorsaVi in the emergency services sector, as the market has desirable characteristics with significant need for advanced solutions relating to assessing complex human movement.

dorsaVi has also collaborated with a leading Australian University to research spinal motion and patterns of movement. The study relies on dorsaVi’s wearable sensor technology and advanced algorithms to derive new insights.

dorsaVi continues to expand its customer portfolio across the workplace, clinical and research markets. While some new customer signings may not be financially material on an individual basis, these new deals signify a growing market acceptance of dorsaVi’s solutions within key Australian markets.

Product update

During the quarter, dorsaVi announced the integration of real-time facial tracking to the Company’s flagship ViMove⁺ product. The new feature de-identifies individuals during video capture through facial blurring and allows dorsaVi to provide contactless movement analysis, whilst complying with ISO27001 and privacy requirements. The feature is a significant technical hurdle required before working with major enterprise-scale clients. dorsaVi looks forward to leveraging the new capability in discussions with prospective customers.

Subsequent to the quarter, dorsaVi announced the release of a video AI algorithm for tracking of the upper limb, following the request of a major US physiotherapy customer. The AI algorithm automatically reports the range and speed of metrics for upper limb movement using video analysis. Integrating upper limb analytics into the ViMove⁺ platform builds on the Company’s existing foundation of lower limb and spinal analysis, allowing dorsaVi to assist a broader cohort of patients and athletes.

Post quarter, dorsaVi completed the development and implementation of its AI Natural Movement Algorithm (“AI NMA”). The AI NMA captures unique monitoring data on patients outside of a clinical setting to identify when movements exceed normal thresholds in a natural environment such as a patient’s home. Clinicians and physical therapists can assess how patients move at home, meeting the growing need for non-intrusive, in-home monitoring solutions for the aged care sector. The new capability allows dorsaVi to drive new sales in the aged care market, with the potential for expanded use cases in post-spinal surgery patient analysis and quality assurance.

Corporate update

During the quarter, dorsaVi appointed Mr Gernot Abl to the Company’s Board of Directors, replacing Dr Ashraf Attia as Non-Executive Director at dorsaVi. Mr Abl is an experienced and accomplished executive, with over 20 years of entrepreneurial, business strategy and investment experience¹. Mr

¹ See ASX release 13 March 2024

Abl's leadership experience across a diverse range of early-stage businesses will be vital in guiding dorsaVi's growth plans.

Subsequent to the quarter, Ms Caroline Elliott stepped down as Non-Executive Director at dorsaVi to pursue other opportunities. dorsaVi's Board will commence a hiring process in the coming months to bring in a new director with experience in AI applications.

dorsaVi appointed MVAB Bennett as its new Company auditor in the quarter, following the resignation of Pitcher Partners and ASIC'S consent to the resignation in accordance with section 329(5) of the Corporations Act(Act). MVAB Bennett's appointment is effective until the next Annual General Meeting ("AGM") and in accordance with section 327C of the Act, a resolution will be put to shareholders at the 2024 AGM to confirm the appointment of MVAB Bennett.

As of 31 March 2024, dorsaVi held a cash balance of \$731k. As announced in October 2023, dorsaVi expects to receive \$100k from the second tranche of its placement during Q4 FY24, subject to shareholder approval at a General Meeting. 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")

March 2024

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	401	1,105
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(37)	(101)
(c) advertising and marketing	(18)	(41)
(d) leased assets	(11)	(25)
(e) staff costs	(283)	(896)
(f) administration and corporate costs	(207)	(828)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	8
1.5 Interest and other costs of finance paid	(1)	(28)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	499
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(153)	(307)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(3)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	(1)	(17)
	(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	(3)	(20)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(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
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	871	879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(153)	(307)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	174

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	16	5
4.6	Cash and cash equivalents at end of period	731	731

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	650	790
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)	731	871

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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	-	-
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	<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>N/A</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(153)
8.2	Cash and cash equivalents at quarter end (item 4.6)	731
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	731
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.78
<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: 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	
<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: 30 April 2024

Authorised by: The Board of Directors

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.