



30 July 2024

## Quarterly Activities and Cash Flow Report Quarter ended 30 June 2024

### Key highlights

- In Q4 FY24, dorsaVi achieved sales revenue of \$363k (increase of 10% to Q3 FY24: \$331k) and annualised recurring revenue of \$1.1m, providing a strong base to drive future growth
- During the quarter, dorsaVi received cash receipts of \$304k and had net operating cash outflow of \$356k (excluding government grants)
- Post quarter, dorsaVi completed a data collection and analysis agreement Norton Healthcare, which generated ~\$100k over a 2-year period
- Released new features to expand market potential, including an advanced Video AI Upper Limb module and an industry-validated AI Natural Movement Algorithm
- dorsaVi holds cash balance of \$478k at 30 June 2024, which excludes proceeds from the \$1.1m capital raising announced post quarter

**Melbourne, Australia, 30 July 2024:** dorsaVi (ASX:DVL) (dorsaVi or the **Company**) today released its Quarterly Activities Report and Quarterly Cashflow Report (Appendix 4C) for the quarter ended 30 June 2024.

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

*"We are delighted to report another milestone quarter for dorsaVi, demonstrated by our continued momentum in the US market and strategic growth. Backed by a strong recurring revenue base, we grew sales and completed data collection and analysis with Norton Healthcare, deepening our ties and impact in the US clinical healthcare sector. We also launched new AI-based tools and features, such as our Video AI Upper Limb module and the AI Natural Movement Algorithm which enhances our solutions and expands our market reach into the disability and aged care sectors.*

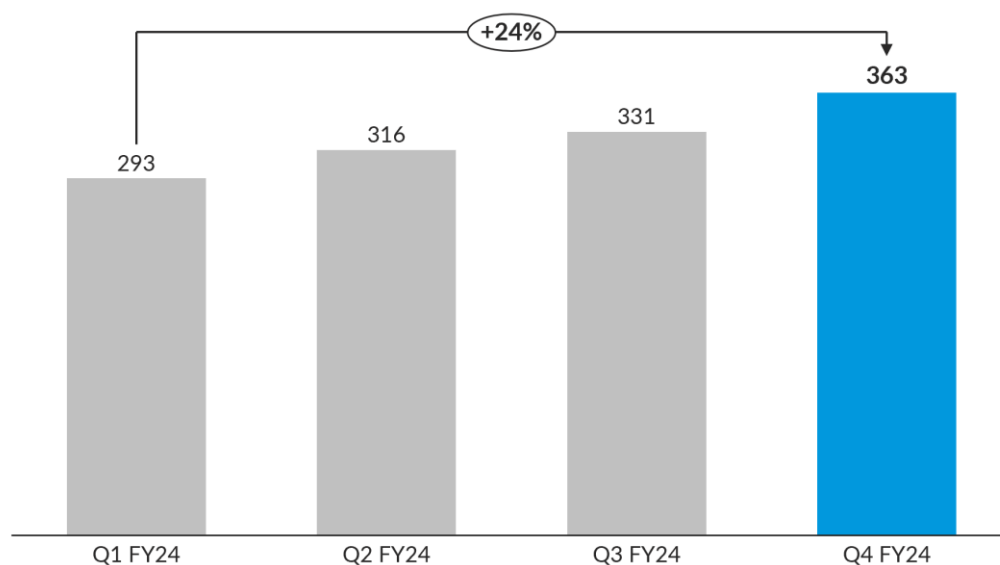
*Post quarter, we strengthened our financial position with the completion of a capital raise which received strong support from sophisticated investors. Looking ahead, we remain focused on executing on our growth plans and delivering value to our shareholders."*

### Financial update

In Q4 FY24, dorsaVi recognised sales revenue of \$363k, representing an improvement of 10% compared to the previous quarter (Q3 FY24: \$331k) and four consecutive quarters of growth (refer to Figure 1). During the quarter, dorsaVi retained its strong base of recurring revenue, recording \$1.1m of annualised recurring revenue (**ARR**). The Company aims to leverage the recent release of its new product modules and advanced AI algorithms to grow ARR and expand dorsaVi's addressable market.

dorsaVi recorded cash receipts from customers of \$304k during the quarter (Q3 FY24: \$401k) and cash expenses of \$662k, (Q3 FY24: \$557k). As a result, dorsaVi recorded Q4 FY24 net operating cash outflows (excluding government grants) of \$356k.

**Figure 1: Sales revenue (A\$'k)**



### **Customer update**

Subsequent to the quarter, dorsaVi completed the data collection and analysis for a clinical study with Norton Healthcare, which generated ~\$100k in sponsored research support over a 2-year period. Norton Healthcare is a leading hospital system in the US, serving adult and paediatric patients from throughout Greater Louisville, Sothern Indiana, the commonwealth of Kentucky and beyond.

Norton Healthcare engaged with dorsaVi to research and investigate spinal motion and patterns of movement pre- and post-surgery. The study, which was led by Steven Glassman, M.D., (Medical Director at Norton Leatherman Spine in Louisville, KY) utilised dorsaVi's wearable sensor technology and advanced AI and Machine Learning algorithms to drive insights into patient movement. The Company believes the outcome of the clinical study will strengthen its position as a leading provider of wearable sensor devices.

The successful completion of this agreement signifies increasing acceptance of dorsaVi's solutions among leading healthcare providers in the US.

### **Product update**

During the quarter, dorsaVi unveiled its new Video AI algorithm designed for upper limb tracking, in response to the request from a prominent US physical therapy client. The AI algorithm autonomously generates detailed reports on the range and speed of upper limb movements through video analysis. By incorporating upper limb metrics into dorsaVi's ViMove+ platform, the Company builds upon its existing capabilities in lower limb and spinal assessments, thereby expanding dorsaVi's ability to support a wider range of patients and athletes.

dorsaVi also finalised the development and integration of its AI Natural Movement Algorithm (AI NMA) into its existing sensor technology. Embedded onto a single sensor, dorsaVi's AI NMA captures unique movement data from patients outside of clinical settings, identifying instances when movements exceed normal thresholds in everyday environments. This allows clinicians and physical therapists to evaluate how patients move in their natural surroundings, addressing the increasing demand for non-intrusive, in-home monitoring solutions. The AI NMA has been validated against Vicon's gold standard

of movement analysis, paving the way for dorsaVi to pursue new sales opportunities in the aged care and disability care markets.

### Corporate update

During the quarter, Ms Caroline Elliott stepped down as Non-Executive Director at dorsaVi after 7 years of service. As disclosed, dorsaVi's Board will review potential candidates, ideally with experience in AI applications, in line with the Board renewal program announced at the AGM in 2021.

As at 30 June 2024, dorsaVi held a cash balance of \$478k, which excludes proceeds from the capital raising subsequent to the quarter. Payments related to Item 6.1 of Appendix 4C relate to the Chief Executive Officer's salary.

On 24 July 2024, the Company announced a \$1.1m capital raising, comprising of a two-tranche placement, which was supported by existing shareholders and sophisticated investors (titled "dorsaVi secures commitments for \$1.1m placement"). The proceeds raised will be used to accelerate the commercialisation of AI enhanced products in the US, expand AI features and solutions, and for general working capital.

This release has been authorised for lodgement to the ASX by the Company's Finance Disclosure Committee.

- ENDS -

### For further information about dorsaVi, please contact:

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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](http://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")**

June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	304	1,409
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(23)	(124)
(c) advertising and marketing	(24)	(65)
(d) leased assets	(11)	(36)
(e) staff costs	(249)	(1,145)
(f) administration and corporate costs	(351)	(1,179)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	10
1.5 Interest and other costs of finance paid	(4)	(32)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	22	521
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(334)</b>	<b>(641)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(3)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) investments	-	-
(e) intellectual property	(2)	(19)
(f) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(22)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	100	500
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	(7)	(33)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>93</b>	<b>267</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	731	879
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(334)	(641)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(22)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	93	267
4.5	Effect of movement in exchange rates on cash held	(10)	(5)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>478</b>	<b>478</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	396	650
5.2 Call deposits	82	81
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>478</b>	<b>731</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	-
<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>	
Salary and superannuation to CEO (a director of the entity)	

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Unsecured loan facility	-	-
7.2 Credit standby arrangements	-	-
7.3 Secured loan facility	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(334)
8.2 Cash and cash equivalents at quarter end (item 4.6)	478
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	478
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.43
<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: No. The Company expects net cash outflows to improve over the next quarters, aided by receipt of a R&D grant and growth of its pipeline of opportunities in relation to ViMove+, its AI technology plan, and continued cash preservation and cost management efforts.	
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: Yes. As announced on 24 July 2024, the Company has raised \$1.1 million through a placement.	
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: Yes. On the basis net cash outflows are expected to reduce in coming quarters, proceeds from the recently completed capital raise, and the Company's demonstrated ability to raise funds historically.	
<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 July 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.