



27 November 2020

The Manager, Listings
ASX Limited
Company Announcements Office
Level 4 Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2020 Annual General Meeting – Chairman’s Address and CEO Presentation

We attach a copy of the Chairman’s address and the CEO’s presentation to be delivered to shareholders at the dorsaVi Ltd virtual Annual General Meeting to be held today, Friday, 27 November 2020 at 9:00 am (Melbourne time).

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Case', followed by a vertical line.

Brendan Case
Company Secretary



**DORSAVI LTD
AGM 27 NOVEMBER 2020
OPENING ADDRESS BY
MR GREG TWEEDLY, CHAIRMAN, DORSVI LTD**

ADDRESS BY GREG TWEEDLY

2020 has been a challenging year in many ways, none more significant than having to navigate through a global pandemic. The dorsaVi business has shown great resilience in working through this period:

- reducing costs accordingly
- whilst continuing to show a level of growth in recurring revenue.

To assist in future growth and optimising opportunities post COVID, I'm pleased to open this address by confirming that dorsaVi has recently raised \$2.15m at an issue price of A\$0.032 per share through a placement and an Entitlement Offer over the past month or so.

- dorsaVi has successfully received funds from institutional and sophisticated investors for approximately A\$1.85m via an oversubscribed institutional placement.
- dorsaVi has also received funds through a 1 for 4 non-renounceable entitlement offer to eligible shareholders for an additional \$300k.
- In relation to the shortfall under the Entitlement Offer, dorsaVi reserves the right to place or otherwise issue the shortfall at its discretion at the Offer Price or higher.

It's important to note that through this process, all Directors participated in the entitlement offer consistent with the details announced to the market on 22 October 2020.

Proceeds raised will be used to accelerate product development, drive commercialisation activities in the US, deliver enhanced solutions to high-value customers, invest in sales and marketing initiatives and as working capital to improve business efficiencies.

I will now turn to dorsaVi's day to day business.

In 2020 the company continued to focus on building recurring revenue, reducing costs through operational changes and navigating the challenges posed by COVID. The company has been able to show continued growth in challenging circumstances, growing recurring revenue through FY2020.

At the AGM last year Andrew and I articulated that building recurring revenue and reducing our cash expenses were priorities for the company. In order to achieve this, we needed to transition the business from relying largely on consulting revenue from the workplace market to recurring revenue contracts, which we believe to be the correct long-term decision. The transition to recurring revenue is progressing well with 74% of the FY2020 sales revenue being recurring revenue, which has increased from 51% in FY2019 and 25% in FY2018, noting that sales revenue in FY2020 reduced by 19.7% on the FY 2019 sales revenue (\$2.02m FY20 from \$2.51m FY19).

Operational changes continued to be implemented in FY2020 and have been made even more stringent, especially during COVID times with our cash expenses reducing from \$7.7m in FY2019 to \$5.6m in FY2020.

Our CEO has returned to Australia from close to 3 years in the US and is confident he can continue to build on the remote relationships with major corporates that he developed during his time in the US.

The company's non-executive directors received shareholder approval at the 2019 AGM, to accept options in lieu of directors' fees and all dorsaVi staff have taken a reduction to their usual hours during COVID, with the executive team taking significant salary reductions.

I would like to thank the Directors, executive team and the dorsaVi staff for accepting these changes during this difficult time.

In relation to the workplace and clinical markets that we operate in, the largest market for dorsaVi is the US workplace market.

dorsavi secured important deals in the workplace market including:

- New York Insurer (PERMA) and
- the large healthcare provider, Northwell Health.

In Australia deals were secured with various organisations including:

- BHP Australia,
- VISY Board; and
- Sydney Water.

Our Workplace recurring revenue has stayed firm during the COVID period with most customers continuing to pay their monthly subscriptions for the use of myViSafe.

In the last quarter of FY2020, dorsaVi secured a partnership with major workers compensation insurer, QBE Australia.

Insurers continue to be an important channel partner for dorsaVi, introducing our technology and providing data insights to customers.

With our clinical customers, the impact of COVID was more immediate with many clinics in the US being closed for March and April, leading to some of our clinical customers requesting their subscriptions be put on hold. There was a temporary slowing of new sales in Q3 although later in Q4 sales activity started to build again with clinical sales at pre-COVID levels.

The large clinical franchise groups in the US market continue to be a major strategic opportunity for dorsaVi, and Select Medical now has dorsaVi products in over 75 of their 2,000 sites.

Other strategic deals in the clinical market include a 2nd stage deal with Stryker in the orthopaedic market.

With the additional capital raising funds secured,

- we are confident that the hard decisions we have made these past two years,
- our management of the COVID related changes, and
- our strategic focus toward building recurring revenue

are the right decisions for the company and the shareholders.

Digital health solutions, and being able to provide health services remotely, have become a hot topic with major businesses involved in delivering health solutions. This has been accelerated by the impact of COVID,

with corporate executive teams prioritising projects that provide efficient, technology-based solutions aiming to reduce health costs and minimise injuries in the workplace. dorsaVi's data driven solutions have been shown to improve health outcomes in clinical trials and reduce injuries in workplaces. dorsaVi is well positioned to expand our product offering through relationships with strategic partners in major health and workplace markets.

Finally, on behalf of the board I'd like to thank Andrew and the entire dorsaVi team for their dedication and commitment, and to you our shareholders for your support and loyalty.

I'd now like to invite Andrew to give shareholders an operational update on the company.



CEO AGM Presentation

27 NOVEMBER 2020



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All financial information in this Presentation is in Australian dollars (\$) or AUD unless otherwise stated. This Presentation includes certain pro forma financial information. Any such pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of dorsaVi's views on its, nor anyone else's, future financial position and/or performance and does not constitute a forecast. Any pro forma historical financial information has been prepared by dorsaVi in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards (AAS). In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission, and such information does not purport to comply with Article 3-05 of Regulation S-X.

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EXECUTIVE SUMMARY

Commercial stage wearables device company	<ul style="list-style-type: none">• Revenue generating medical device company commercialising innovative motion analysis technologies that accurately measures muscle activity and movement• Technology has attracted blue-chip customers including Amazon, Caterpillar and Heathrow Airport, and is validated by FDA, CE Mark and TGA regulatory approvals
Clear value proposition targeting >US\$4bn markets	<ul style="list-style-type: none">• Seventh generation product developed and tailored specifically for both the workplace and clinical markets• Core focus on penetrating US workplace market via direct to corporates and through network effect of insurance companies, supported by stable position in clinical market
Optimised operations with a clear strategy	<ul style="list-style-type: none">• From FY18 - FY20, recurring revenue has grown 33% CAGR, now contributing ~74% of total revenue¹• Over the same period, gross margin has increased from 75% to 95%, and cash expenses² are down from \$9.8m to \$5.7m, with ~\$3.5m-\$4m expected in FY21
Strong pipeline of exciting opportunities	<ul style="list-style-type: none">• dorsaVi is targeting >25% recurring revenue growth in FY21, with strong tailwinds in both workplace and clinical markets• Additional whitespace for growth conducting several early-stage engagements/discussions with high-value customers including QBE, Stryker and firms in the US Emergency Services market
Well capitalised to execute growth initiatives	<ul style="list-style-type: none">• Successfully raised ~A\$2.15m via an oversubscribed institutional placement and entitlement offer• Funds raised will be used to accelerate product development, drive commercialisation activities in US and deliver enhanced solutions to high-value customers, targeting cash flow positive in FY22

¹ In FY20, recurring revenue contributed 74% of total revenue, up from 25% in FY18

² Defined as cash payments for non-financing, operational expenses and capital expenses but excluding expenses such as depreciation and share based payments

UNIQUE, VALIDATED AND PROVEN TECHNOLOGY



WHAT IS OUR TECHNOLOGY?

Wearable sensors that measure movement and muscle activity at 200 frames per second paired with patented algorithms



HOW DOES IT WORK?

Movement - measured through use of accelerometers, magnetometers and gyroscopes

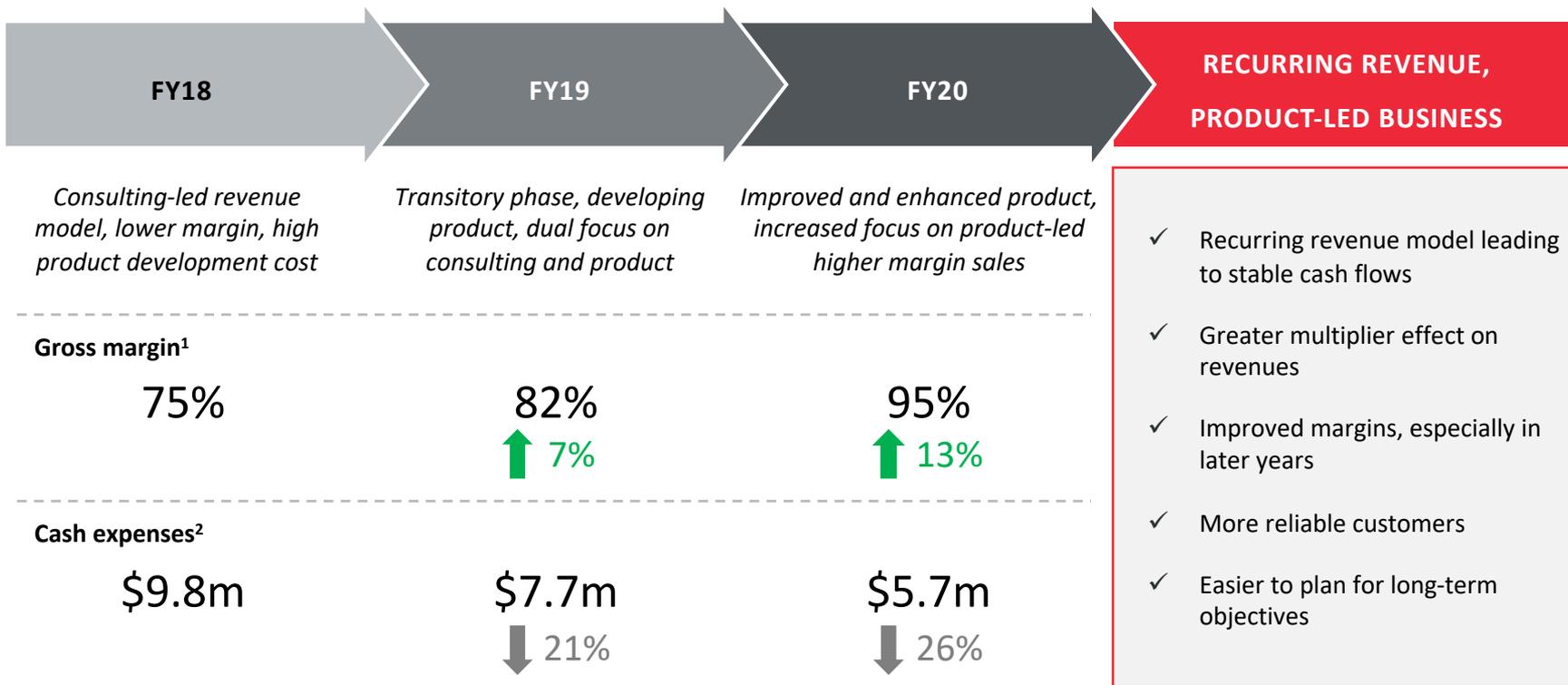
Muscle - measured through adhesive electrodes near the surface of the skin



WHAT MAKES IT UNIQUE?

- ✓ Real time measurement with multiple sensors
- ✓ Product range tailored to different markets (workplace, clinical)
- ✓ Video synchronised with data
- ✓ Vibration analysis
- ✓ Clinically validated algorithms
- ✓ FDA, CE Mark and TGA approved

SUCCESSFUL TRANSITION FROM LOW TO HIGH MARGIN REVENUE



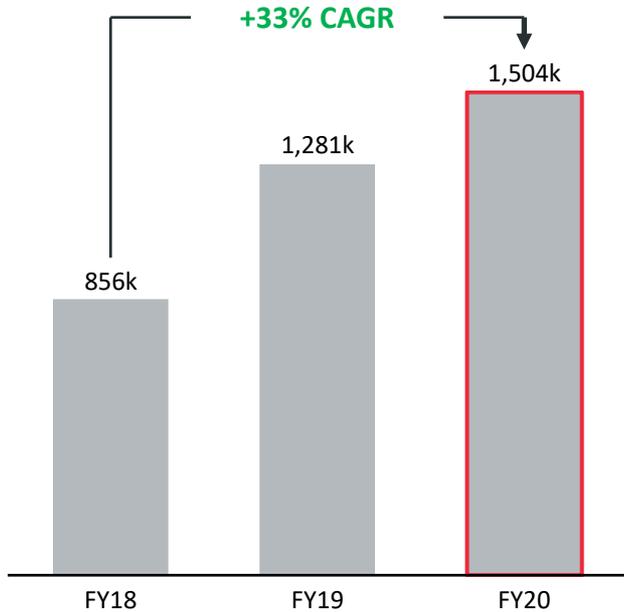
Source: Company financials

¹ Defined as revenue less cost of sales. Adjusted gross margin (operating revenue less total direct expenses) of 58%, 60% and 74% in FY18, FY19 and FY20 respectively

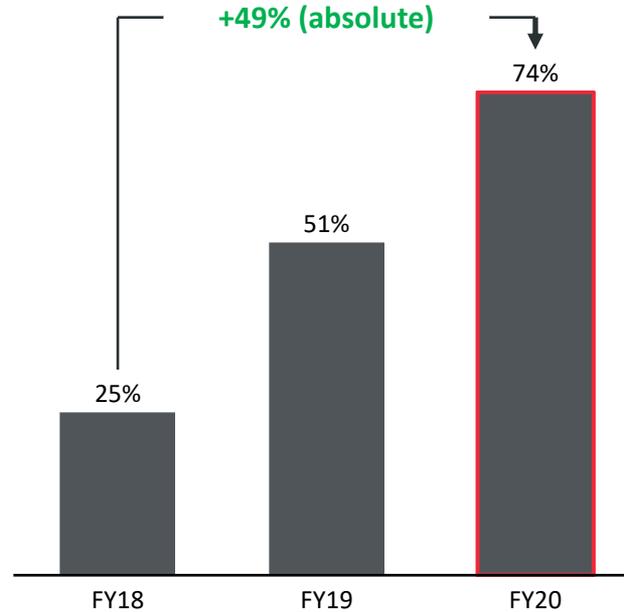
² Defined as cash payments for non-financing, operational expenses and capital expenses but excluding expenses such as depreciation and share based payments

INCREASING RECURRING REVENUE UNDERPINS DORSAVI'S STRATEGY

Recurring revenue (A\$k)



Recurring revenue as a % of total



TARGETING TWO VALUABLE TARGET MARKETS IN THE US



Core product lines

ViMove2™



myViSafe™
powered by **dorsaVi**



Workplace

CORPORATE

Contract with large, labour-intensive operating companies aiming to reduce workplace injuries

INSURANCE

Contract with insurance companies to reduce workplace claims from their corporate customers



Clinical

PHYSIO
aka Physical Therapy

Provision of sensors to physical therapists aiming to optimise patient outcomes

HOSPITAL IN THE HOME

Provision of sensors from clinicians to patients for remote management of orthopaedic conditions

US\$2.5bn

~850k business sites¹ @

\$3k per year

US\$1.7bn

~105k clinical sites @ \$3k per year²

~1.5m procedures per year @ \$800 per kit³

¹ Total no. of business sites calculated based on distribution of sites for businesses with 100-999 employees, 1,000-4,999 employees and 5,000+ employees

² Assumes 1.5 ViMove kits on average per site

³ Based on number of large joint replacements projected for 2020; Journal of Rheumatology April 2019

WELL POSITIONED TO DELIVER NEXT PHASE OF GROWTH

Building blocks now firmly in place..

- ✓ Years of R&D to optimise technology
- ✓ Validated products with proven market leaders
- ✓ Established sales teams in different continents

..to deliver strong operating leverage..

- ✓ Recurring revenue with low customer churn
- ✓ High gross margins
- ✓ Scalable operations at low marginal cost

..and take advantage of strong tailwinds

- ✓ Increasing corporate focus to reduce workplace injuries
- ✓ Increasing adoption of technology by the health sector
- ✓ Increasing demand for our novel data



CLEAR PLAN TO CASH FLOW POSITIVE IN FY22

FY21

FY22

Cash
flow

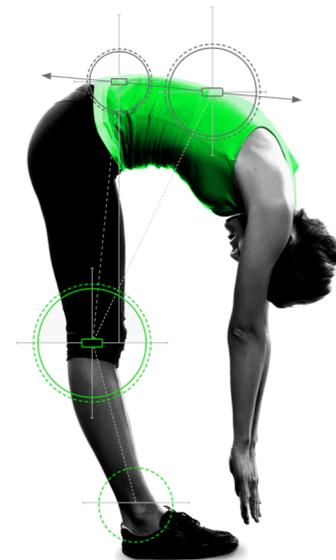


Increase inflows – dorsaVi is targeting >25% recurring revenue growth in FY21 (see next page for further details)

- Build recurring revenue
- Diversify sales channel
- Expand corporate partnerships
- Monetisation of pilot products
- Expand sales via channel partners (i.e. QBE)
- Maintain customer retention rate of >90%
- Secure new deals with new product and platform
- Realise return on investment from targeted marketing

Reduce outflows – dorsaVi expects cash expenses¹ of ~\$3.5m-\$4m in FY21 (down from \$5.7m in FY20)

- Renewed cost base following COVID
- New York and London offices rent reductions
- Mitigate travel and business expenses
- Delivery of product pipeline at optimised cost
- Less R&D spend required
- Maintain gross margin of ~90%



TARGETING RECURRING REVENUE GROWTH OF >25% IN FY21 WITH SIGNIFICANT WHITESPACE AHEAD



Build recurring revenue

Continue growing revenue with proven product, supported by strong tailwinds:

- ✓ Increased focus on workplace safety and data-driven insights
- ✓ Increased deployment of wearable technologies in OHS spending
- ✓ Healthcare professionals seeking point of difference
- ✓ Increased demand for data and the ability to monitor patients remotely

Grow channel partners

Focus on strategic agreements with key channel partners and large upside:

- ✓ **Stryker:** First phase completed, now deep into second phase
- ✓ **QBE:** Signed with Australian branch; in early conversations with US / UK
- ✓ **Emergency Services Market:** In discussions to work with US fire and police departments

New global platform

In talks with S&P500 customers, aided by scalable platform and new features:

- ✓ Enhanced product and software
- ✓ Video with movement/muscle data
- ✓ All-in synchronised data stream
- ✓ Reports to safety professional and workers in real-time
- ✓ Data transfer to dorsaVi's servers for more sophisticated analysis

INVESTMENT HIGHLIGHTS



SCALABLE WORLD-CLASS TECHNOLOGY

Tailored motion sensor products developed over several years, uniquely available to the workplace and clinical market, and differentiated by its global approvals (FDA, TGA, CE Mark)



SUCCESSFUL TRANSITION TO HIGHER MARGIN, PRODUCT-LED MODEL

Strong platform to continue growing recurring revenue as business executes on a product-led strategy, transitioning away from lower margin, less scalable consulting model



CLEAR AND VALIDATED STRATEGY IN PURSUING NEXT PHASE OF GROWTH

Core focus on penetrating US\$2.5bn US workplace market via direct to corporates or through insurance companies, supported by stable revenues from existing position in the clinical market



APPROACHING A SIGNIFICANT VALUE INFLECTION POINT

Clear plan targeting cash flow positive in FY22, with significant upside from potential channel partners (QBE, Stryker, Emergency Services market in US) and enhanced product platform coming to market



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