



31 August 2022

dorsaVi Full-Year Financial Results

Key highlights

- dorsaVi achieved sales revenue of ~\$2.4m in FY22, growing ~26% from the previous financial year (~\$1.9m in FY21)
- Receipts from customers of ~\$2.3m in FY22, growing ~46% from the previous financial year (~\$1.6m in FY21)
- Net operating cash outflow of ~\$2.7m in FY22 (excluding government grants and tax incentives), down 16% from previous financial year (~\$3.3m in FY21)
- Clinical market revenue up ~44% compared to FY21, with multiple growth pathways ahead including the new 'Athletic Movement Index' (AMI) product and the continued strategic partnership with Medtronic
- Positive outlook in the workplace market as return-to-work momentum builds, highlighted by the renewal of the strategic agreement with QBE for a further 3 years
- Cash balance of ~\$450k as at 30 June 2022 with a capital raising launched subsequent to the period, raising an additional ~\$700k

Melbourne, Australia, 31 August 2022: dorsaVi (ASX:DVL) (dorsaVi or the Company) is pleased to announce its full-year results for the year ended 30 June 2022 (FY22).

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

"FY22 has been a pivotal year for the company, highlighted by a much-anticipated return to pre-pandemic practices. Many of our corporate customers returned to the workplace, while our clinical customers were able to treat patients in person. We recorded strong financial results for the year, steadily growing revenues, while positioning the company for future success by improved operational efficiencies.

We extended strategic agreements with leading companies Medtronic and QBE, typifying the value proposition of our products and cementing our position as a trusted partner for leading institutions. Further, we made several improvements to our product suite to increase our addressable market including becoming ISO 27001 certified (a key data security upgrade) and introducing our new AMI product which is already seeing promising traction.

We remain well funded to pursue our growth objectives after raising capital subsequent to the financial year. Strong support for the transaction from existing shareholders was a powerful endorsement of our strategy and vote of confidence in the future of the company. With funding secured, we look forward to executing on our operational goals - accelerating growth while maintaining a lean cost base. FY23 aims to be a transformative year for dorsaVi, and we are excited for the future."

Financial update

dorsaVi recorded ~\$2.4m of sales revenue for FY22, growing ~26% from the previous financial year (~\$1.9m in FY21) as shown in Figure 1. Sales growth during FY22 was driven by strategically targeting large scale customers who are increasingly looking to improve patient outcomes and promote healthy workplaces. Further, dorsaVi's annualised recurring revenue base has remained stable at ~\$1.3m, highlighting the stickiness of the platform while providing a strong foundation for future growth.

Figure 1: Sales revenue (A\$m)

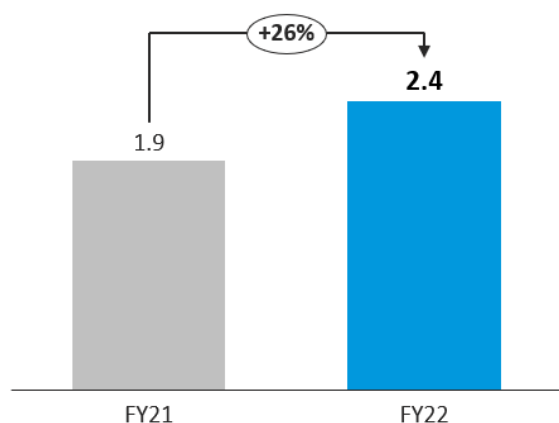
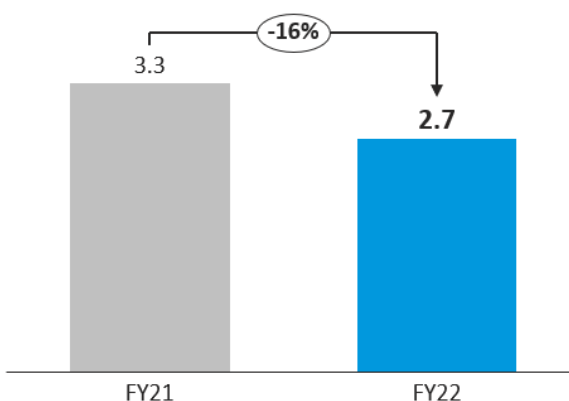


Figure 2: Net operating cash outflow (A\$m)¹



¹ Excludes government grants and tax incentives

The Company recorded net operating cash outflows of ~\$2.7m in FY22 (excluding government grants and tax incentives), decreasing ~16% from FY21 as shown in Figure 2. The improved result was largely driven by material growth in customer receipts which increased 46% to ~\$2.3m in FY22 (~\$1.6m in FY21), combined with the implementation of several lean management initiatives to reduce expenditure. The stronger cash inflows were supported by the Company continuing to convert its sales pipeline and winning new customer contracts. Further, sustainable cost reductions were made across the business by realising operating efficiencies, lowering overheads, and optimising the workforce as key compliance and product development milestones were achieved. Minimising costs remains a priority for dorsaVi, and the Company expects these initiatives to materially impact operational expenditure in FY23 and beyond. dorsaVi looks forward to delivering increased operating leverage by continuing to grow revenues on a sustainably lower cost base through FY23.

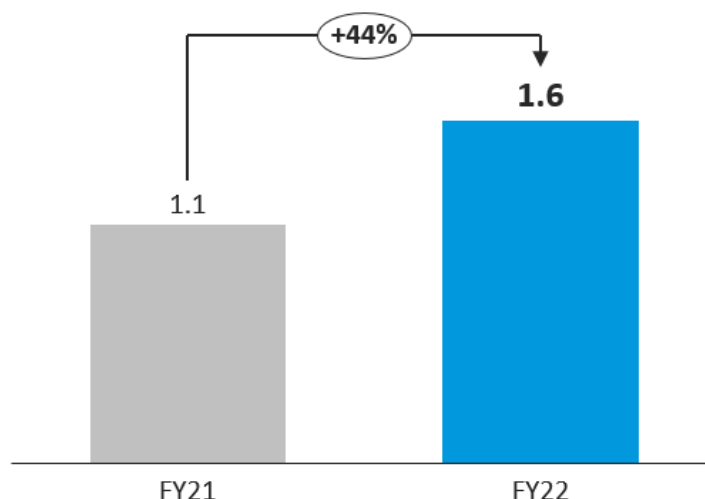
Clinical market growth

The clinical market experienced growth as face-to-face engagements resumed for physical therapists and clinical partnerships were extended. Leveraging off this trend, the Company recorded sales revenue of ~\$1.6m in the clinical market, growing ~44% from the previous financial year (~\$1.1m in FY21) as shown in Figure 3.

dorsaVi's ongoing strategic agreement with Medtronic continues to underpin the Company's success in the clinical market by validating its products in the eyes of other large institutions. The agreement was extended during the year (announced August 2021) and is progressing well with testing underway at several clinical sites.

dorsaVi released the new AMI product during the year (released commercially on 28 June 2022) which aims to capitalise on digitisation trends in the healthcare sector and grow the Company's addressable market by offering enhanced functionality and a superior value proposition to customers. The AMI product will offer the highest levels of patient data privacy and security given the strategic investment into making the entire product platform ISO 27001 compliant.

Figure 3: Clinical market sales revenue (A\$m)



Momentum building in workplace market

dorsaVi recorded sales revenue of ~\$727k in the workplace market, largely in line with the previous financial year. Many companies began the process of re-opening offices and work sites during the first half of the financial year following a prolonged period of interruptions due to the pandemic. While onsite activities have not yet returned to pre-pandemic levels, the 'return-to-work' momentum is building with many organisations now having an increased focus on improving health and safety outcomes for their employees. The sales were complimented by the strong customer portfolio, with dorsaVi being a trusted partner to many top-tier organisations such as Boeing (US), Caterpillar (US), Boral (AU) and Woolworths (AU).

Additionally, dorsaVi extended its strategic agreement with QBE during the year (announced June 2022). The Company initially partnered with QBE in July 2020 and looks forward to furthering the relationship with QBE customers, improving workplace health and safety, and gaining a lucrative sales channel through exposure to the insurer's client portfolio.

Well capitalised to support growth objectives

As of 30 June 2022, dorsaVi had a cash balance of ~\$450k. Subsequent to the period, the Company launched a capital raising to raise up to ~\$700k, consisting of a placement to new and existing investors (\$400k) and a 1 for 12 fully underwritten non-renounceable entitlement offer (\$297k). dorsaVi is now in a robust financial position with the funds required to commercialise new products in key markets, accelerate the conversion of the sales pipeline, as well as to support ongoing product development.

The Company also received a ~\$418k Australian R&D tax rebate during the year and had both US Paycheck Protection Program (PPP) loans forgiven, totalling US\$300k.

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:

Company

Andrew Ronchi
Chief Executive Officer
+61 417 882 267
Email: ar@dorsavi.com

Investors

Dean Dribbin
Vesparum Capital
+61 3 8582 4800
Email: dorsavi@vesparum.com

About dorsaVi

dorsaVi Ltd (ASX: DVL) is an ASX listed 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