31 October 2024

Quarterly Activities and Cash Flow Report
Quarter ended 30 September 2024

Key highlights

- **In Q1 FY25, dorsaVi achieved sales revenue of $324k (decrease of 10.7% to Q4 FY24: $363k)**
- **During the quarter, dorsaVi received cash receipts of $398k and had net operating cash outflow of $358k (excluding government grants)**
- **dorsaVi completed a data collection and analysis agreement with Norton Healthcare, which generated ~$100k over a 2-year period**
- **dorsaVi released new product 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 $629k at 30 September 2024, which excludes proceeds from the $550k capital raising and R&D Tax rebate of ~$415k, both to be received post quarter end**

Melbourne, Australia, 31 October 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 September 2024.

Financial update

In Q1 FY25, dorsaVi recorded cash receipts from customers of $398k during the quarter (Q4 FY24: $304k) and cash expenses of $756k, (Q4 FY24: $662k). As a result, dorsaVi recorded Q4 FY24 net operating cash outflows (excluding government grants) of $358k.

dorsaVi recognised sales revenue of $324k, representing a decrease of 10.7% compared to the previous quarter (Q4 FY24: $363k) on the back of four consecutive quarters of growth. The reduction in revenue in Q1 was mainly due to finishing a project with a US research group who had initially proposed a multiyear study but did not receive grant funding for subsequent years, causing a $30k per quarter reduction in recurring revenue.

During the quarter recurring revenue reduced to an annualised figure of $817k with the goal being to build off this base with new contracts and the growth expected from Video AI products.

Customer update

During 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.

In the workplace market, dorsaVi announced signing contracts with major Australian enterprises in mining, healthcare and shipping sectors via its commercial agreement with one of Australia's leading insurers (announced June 2022). The new contracts represent a combined revenue of ~A$110k with the revenue being recognised during Q1 and Q2.

Product update

During the quarter, dorsaVi consolidated work on its new Video AI algorithms designed for upper limb tracking, lower limb tracking and running assessments. These algorithms have been optimised to allow local processing rather than requiring interaction at the server level, allowing customers to do rapid assessments in the clinical environment. For a busy clinician is their practice, this immediate access to data and reports saves time and allows instant feedback to the patient and reporting to physicians and doctors, without the need to switch software or take notes. These features make the dorsaVi ViMove+ product more scalable for large franchise groups in the US Physical Therapy market. These upgrades have been in response to specific requests from a large franchise US physical therapy client and a prominent EPL team.

dorsaVi has also developed, beta tested and now released our workplace product ViSafe+ Premium in the Australian and US workplace markets. Beta testing is now complete and a wide scale release is planned that aims to boost recurring revenue in this large market (>$7Bn)[1] . The corporate world seeks objective data allowing C suite leaders to make decisions based on facts and data rather than opinion alone. The ViSafe+ product now allows the workplace customers to track movement as well as muscle activity/exertion allowing a more accurate understanding of when a worker or a task is causing higher levels of stress on the body. The electro-myographic technology (EMG) has been a core part of dorsaVi's consulting product although has not been part of the self-serve product that workplace customers use themselves. This is a true differentiator compared to competitors and this feature has been well received by existing customers to date.

Corporate update

During the quarter, Mr Vineet Agarwal was appointed to the Board as a Non-Executive Director on 16 September 2024. Mr. Agarwal is a seasoned professional with significant commercial expertise spanning nearly twenty years in the technology sector. Mr Agarwal currently serves as Product Management Senior Director at Qualcomm Incorporated (NASDAQ: QCOM), where he works on the Snapdragon X products. Previously, Vineet worked at Advanced Micro Devices (NASDAQ: AMD), where he oversaw the successful management and product launch of the Ryzen Client product line. At AMD, Mr Agarwal was instrumental in the development of the Ryzen AI, which integrates advanced AI capabilities directly into central processing units. Prior to AMD, Mr. Agarwal held strategic roles at Qualcomm (NASDAQ: QCOM), including Director of Program Management and Senior Manager, driving the development of QCOM's Snapdragon platform.

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[1] *Total Addressable Market calculation involves multiplying # of potential customers in Australia and USA by dorsaVi's average selling price (ASP). Assumes an annual ASP of $3,000 per kit and minimum 2 kits sold per customer.*

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.

As at 30 September 2024, dorsaVi held a cash balance of $629k, which excludes proceeds to be received subsequent to the end quarter for Tranche 2 of the capital raising, amounting to $550k and an R&D Tax rebate of ~$415k.

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 Board.

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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

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

dorsaVi Ltd

ABN	**Quarter ended ("current quarter")**
15 129 742 409	September 2024

Consolidated statement of cash flows			Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		398	398
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(49)	(49)
	(c)	advertising and marketing	(23)	(23)
	(d)	leased assets	(11)	(11)
	(e)	staff costs	(277)	(277)
	(f)	administration and corporate costs	(396)	(396)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		3	3
1.5	Interest and other costs of finance paid		(3)	(3)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(358)**	**(358)**

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

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
	(d) investments	-	-
	(e) intellectual property	(2)	(2)
	(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**	**(2)**	**(2)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	550	550
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	(33)	(33)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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**	**517**	**517**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	478	478
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(358)	(358)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	517	517
4.5	Effect of movement in exchange rates on cash held	(6)	(6)
4.6	**Cash and cash equivalents at end of period**	**629**	**629**

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	547	396
5.2	Call deposits	82	82
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)**	**629**	**478**

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	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Payments to related parties and their associates included at 6.1 include:
- Salary and superannuation to CEO (director of the entity) - $39K
- Director Fees Paid - $20K

7.	**Financing facilities** *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.*	**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 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)	(358)
8.2	Cash and cash equivalents at quarter end (item 4.6)	629
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	629
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.76

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.

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: Yes, the Company will continue to have the same level of current net operating cash flows but is also working on reducing the outflows for the next quarter.

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: The Company has $550,000 to be received for tranche 2 of the capital raising, as announced on 24 July 2024, which is expected to be received subsequent to the end of the quarter, The Company is also expecting to receive its FY24 R&D refund, which is expected to be $415,000 and received during the December 2024 quarter.

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, refer to the responses above in 8.6.2.

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.

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: 31 October 2024

Authorised by: 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.