



25 August 2023

## dorsaVi Full-Year Financial Results

### Key highlights

- dorsaVi achieved total sales revenue of ~\$1.8m in FY23, with ~\$1.0m of new contracts signed during the financial year
- Retained a strong base of ~\$1.1m in annualised recurring revenue, with significant growth in the fourth quarter
- Net operating cash outflows of ~\$1.6m in FY23 (excluding government grants and tax incentives), down ~39% from the previous financial year (~\$2.7m in FY22)
- Positive outlook in the clinical market underpinned by new ViMove+ product upgrades and milestone strategic partnerships with Medtronic and the University of Rochester
- Workplace market poised for growth with increasing demand for AI-enabled sensor technology
- Cash balance of \$879k as at 30 June 2023

**Melbourne, Australia, 25 August 2023:** dorsaVi (ASX:DVL) (dorsaVi or the Company) is pleased to announce its full year results for the year ended 30 June 2023 (FY23).

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

*"We are proud of the operational progress we have made this financial year. Our relentless commitment to advancing our technology, particularly in the realm of AI, has kept us at the forefront of industry trends. The decision to concentrate on enhancing our technology and securing pivotal partnerships has laid a robust foundation for growth in the upcoming financial year as we are able to target increasingly sophisticated clients.*

*Our sensor technology is better than ever, validated through our strategic partnerships with industry leaders. Strategic partnerships continue to be a core part of our strategy and guide the way for our product improvements. During the financial year, we expanded our AI capability and utilised this technology advancement in our new Run Module, to help physical therapists assess running performance and assist in rehabilitation.*

*Looking ahead, we are excited about the growth opportunities that lie in front of us. We have strategically positioned ourselves for success with a top-tier customer base, robust sales funnel and AI-enabled technology that our clients are demanding. We are looking forward to FY24."*

### Financial update

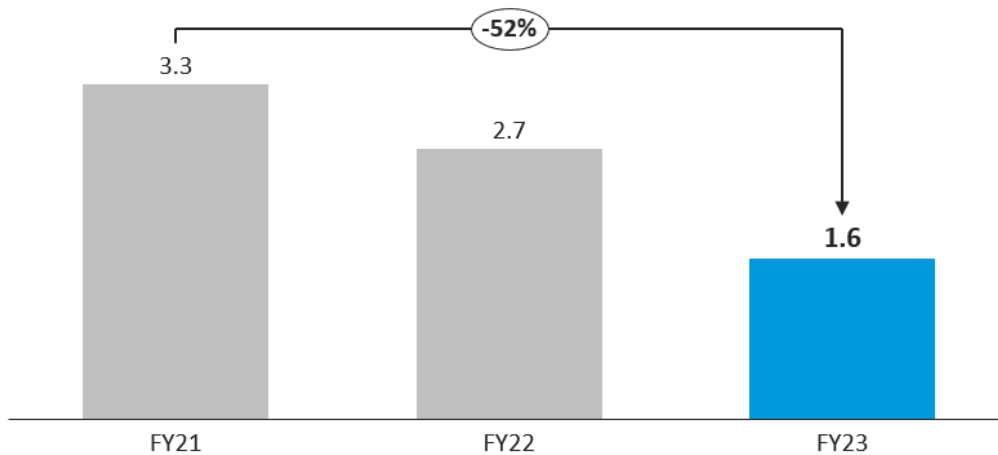
dorsaVi recorded sales revenues of ~\$1.8m during FY23, representing a decrease from FY22 as the Company focused on expanding the AI capability of its devices to appeal to top-tier customers and drive sales in the new financial year. dorsaVi retained a strong base of ~\$1.1m in annualised recurring

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revenue during the period, which continues to underpin a resilient revenue profile and lay the foundation for sustainable growth. The Company signed new contracts worth over ~\$1.0m during FY23, which is a testament to the growing demand for AI-enabled solutions of which dorsaVi is in a strong position to capitalise on. Our new subscription sales were moderate for the first three quarters of the financial year, with significant growth in the fourth quarter which we will see the benefit of in FY24 and beyond.

The Company recorded net operating cash outflows of ~\$1.6m during FY23 (excluding government grants and tax incentives), decreasing ~39% from the previous financial year (~\$2.7m in FY22) and 52% from FY21 (~\$3.3m in FY21). This marks the third consecutive year of reductions as shown in Figure 1. The result is largely driven by a reduction in cash expenses, with the Company recording ~\$3.8m in cash expenses during FY23, down ~27% compared to the previous financial year (~\$5.1m in FY22). Importantly the reduction in cash expenses has progressively lowered quarter on quarter during the financial year from ~\$1.2m in quarter one to ~\$0.7m in quarter four. This comes as a direct result of dorsaVi's lean management strategy which aims to minimise the cost base by lowering overhead costs and optimising the workforce. With a low and sustainable cost base in place, dorsaVi looks forward to growing sales and generating operating leverage in the next financial year.

**Figure 1: Net operating cash outflow (excludes government grants and tax incentives) (A\$m)**



### Positive outlook in clinical market

dorsaVi continues to achieve operational milestones in the clinical market. During the financial year, the Company continued to engage with its strategic partners and further develop its groundbreaking technology into new applications.

The Company was pleased to announce that its partnership with Medtronic had resulted in the development of a new sensor application to assess movement quality for patients with spinal conditions. The new application is now being used in clinical trials in the US and the strategic partnership with Medtronic was extended, worth an additional ~\$202k, to focus on further optimising the technology to create new insights for complex spinal conditions. dorsaVi is working closely with Medtronic and looks forward to continuing to co-develop the product on the pathway to commercialisation.

dorsaVi signed a new strategic agreement during the financial year with the University of Rochester Medical Center. The agreement is initially worth ~\$100k over a 12-month period, with the potential to extend the project for up to 5 years. The project will be led by the well-respected Assistant Professor and Director of the Rochester University Medical Center, Dr. Ram Haddas who has extensive experience in clinical biomechanics, kinesiology, rehabilitation sciences, healthcare engineering and wearable devices. For the project, dorsaVi will leverage its leading wearable sensor technology to

generate new insights into patterns of movement and spinal motion. Partnering with another leading clinical institution brings further validation to dorsaVi's technology and diversifies the Company's revenue stream within the clinical market.

**Workplace market poised for growth**

Businesses in the workplace market continue to look for innovative solutions to reduce injuries and improve employee wellbeing. dorsaVi's AI-enabled solutions are seeing increased traction amongst businesses who value the objective data that the Company can provide. The Company executed on multiple successful engagements during the financial year, with dorsaVi's ongoing partnership with QBE Australia providing a strong and growing list of new potential customers. The QBE partnership continues to drive new business leads and has resulted in improved health and safety outcomes for many of its top-tier customer base. dorsaVi has a contract with the insurer to help reduce workplace injuries for its customers and has the ability to sign directly with QBE customers to generate further revenue. The Company looks forward to continuing the relationship with QBE and is seeking to grow the workplace business with greater expected market potential in the new financial year.

Our top tier customers are re-engaging with dorsaVi with new budgets focused on mitigating ergonomic and manual handling issues that have not been addressed over the past 3 years. We are excited to be working with these top tier clients including BHP, Woolworths, Caterpillar and Boeing who have been excellent customers prior to Covid and have returned to dorsaVi during the financial year, seeking data insights and preventative initiatives to reduce the workplace injuries.

**AI enabled product updates**

During the financial year, dorsaVi announced that it had expanded its library of modules with the release of the new "Run Module" to its flagship ViMove+ product. This new module leverages cutting edge AI-driven algorithms to offer a simple and effective method for physical therapists to assess the running performance of patients. The expanded library of ViMove+ modules further enhances the value proposition of the product and aims to drive greater sales growth and recurring revenues.

The Company is also finalising enhancements to the Run Module to include an AI-based video tracking function, as announced subsequent to the end of the financial year. This enhancement addresses a significant unmet need for clinicians who have traditionally been required to use video tracking and sensor technology separately. dorsaVi's solution leverages next generation AI algorithms, adding further functionality to the Company's suite of AI-powered modules.

**Cash Position**

As at 30 June 2023, dorsaVi had a cash balance of ~\$879k.

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

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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)

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