# dorsaVi Ltd and controlled entities

# APPENDIX 4E
# PRELIMINARY FINANCIAL REPORT
# FOR THE YEAR ENDED
# 30 JUNE 2023

**Provided to the ASX under listing rule 4.3A**

## ABN: 15 129 742 409

## ASX CODE: DVL

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**Attachment**

Annual Report for the year ended 30 June 2023

## dorsaVi Ltd and controlled entities

**ABN: 15 129 742 409**

## APPENDIX 4E - YEAR ENDED 30 JUNE 2023

**Details of the reporting period and the previous corresponding period**

Reporting period: Year ended 30 June 2023

Previous corresponding period: Year ended 30 June 2022

**Results for announcement to the market**

| | June 2023 ($) | June 2022 ($) | Change ($) | Change (%) |
|---|---|---|---|---|
| **Revenue** | **2,053,414** | **3,472,871** | **(1,419,457)** | **-41%** |
| **Loss from ordinary activities after tax attributable to members** | **(1,820,582)** | **(1,536,074)** | **(284,508)** | **19%** |
| **Loss for the period attributable to members** | **(1,820,582)** | **(1,536,074)** | **(284,508)** | **19%** |

| | June 2023 (cents) | June 2022 (cents) | Change (cents) |
|---|---|---|---|
| **Net Tangible asset per share** | **0.30** | **0.21** | **0.09** |

**Explanation of Results**

The consolidated loss from continuing operations, after income tax, attributable to the members of dorsaVi Ltd was $1,820,582 (2022: $1,536,074).

As at 30 June 2023, net assets of the Group were $1,678,658 (2022: $1,220,650).

Total revenue for the 2023 financial year was $2,053,414 (2022: $3,472,871). Sales revenue was $1,750,317 (2022: $2,353,154), a 26% decrease. Total revenue also included the change in the fair value of the derivative asset included in the carrying value of the convertible note of $34,677 (2022: $298,523) and other gains on financial instruments of $186,556 (2022: $373,113). In the prior year total revenue included the forgiveness, by the US Federal government, of Paycheck Protection Program loans of $299,622 (2023: nil).

Clinical income was $1,050,751 for the 2023 financial year (2022: $1,626,109), a 35% decrease.

Workplace income, utilising ViSafe technology, was $699,566 for the 2023 financial year (2022: $727,045), a 4% decline.

Total expenditure was $4,360,114 for the 2023 financial year (2022: $5,571,208), a decrease of 22% largely due to reductions in employee benefits expenses.

During the financial year there were no returns to shareholders in any form.

This report should be read in conjunction with any public announcements made by dorsaVi Ltd in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and *ASX Listing Rules*.

The information provided in this report contains all the information required by *ASX Listing Rule 4.3A*.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

Refer to the attached annual report

**Consolidated Statement of Financial Position**

Refer to the attached annual report

**Consolidated Statement of Changes in Equity**

Refer to the attached annual report

**Consolidated Statement of Cash Flows**

Refer to the attached annual report

**Dividends**
The board has declared no dividend for the years ended 30 June 2023 (2022: $Nil). There are no dividend reinvestment plans in operation.

**Statement of Accumulated Losses**

| | Consolidated Entity | |
|---|---|---|
| | **2023** | **2022** |
| | **$** | **$** |
| Balance at the beginning of year | (43,707,602) | (42,457,652) |
| Net loss attributable to members of the parent entity | (1,820,582) | (1,536,074) |
| Reversal of share-based payment reserve | 243,730 | 286,124 |
| Total available for appropriation | (45,284,454) | (43,707,602) |
| Dividends paid | - | - |
| Balance at end of year | (45,284,454) | (43,707,602) |

**Details of entities over which control has been gained or lost during the period**
There was no gain or loss in control of entities during the year ended 30 June 2023.

**Audit of the Financial Report**

The financial report has been audited and an unqualified opinion has been issued with an Emphasis of Matter in relation to Going Concern.

Date: 25 August 2023

Finance Disclosure Committee
dorsaVi Ltd

dorsaVi™

# Annual Report
# 2023

**dorsaVi Limited** | ABN 15 129 742 409

# dorsaVi Ltd
# (ABN: 15 129 742 409)

# Annual Report
# For the Year Ended 30 June 2023

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# CHAIRMAN and CEO REVIEW

Dear Shareholders,

It is our pleasure to present dorsaVi's FY23 Annual Report.

While the year has posed unique challenges as interest rates have risen and company spend has reduced, we are proud of our team's focus, discipline, and hard work which has led dorsaVi to achieve several operational milestones. We have not only transformed our product offerings but have also leveraged cutting edge AI technology to revamp our platform, setting the company up for future success. We have further ingrained ourselves with key strategic partners, from both the clinical and workplace markets and have importantly maintained our recurring revenue from physical therapists across the USA. We will continue to look to grow recurring revenues through our diverse pipeline as it remains a key priority for FY24. We also aim to drive greater operating leverage, given our refined and sustainable cost base. Pleasingly, we have continued to employ our cost optimisation strategy, and believe we have a sustainable cost base going forward, with sufficient flexibility to drive new sales and grow revenue. FY24 aims to be a transformative year as we look to further cement our position as a leader in the wearable technology sector.

We continue to push our sensor technology to the forefront of innovation with a rigorous commitment to product development allowing us to stay ahead of industry trends. Our sensor devices and cutting-edge AI powered software platform continue to generate interest from potential clients, which we aim to leverage to drive new sales. We remain focused on cultivating our strategic partnerships and were pleased to announce the release of a new sensor application co-developed with our long-standing partner Medtronic. This application is for spinal conditions and comes as the result of our collaboration with Medtronic spanning more than two years where our medical grade hardware and proprietary AI algorithms were instrumental in making the project possible. We look forward to continuing to co-develop this product through its use in clinical trials and onwards to commercialisation.

In further validation of our technology, we are honoured to partner with the University of Rochester Medical Center to commence a clinical project. The project is being led by Assistant Professor and Director Dr. Ram Haddas, a leading expert in the spinal motion industry. Our technology will be used alongside the University's state of the art gait and motion laboratory.

Our ongoing work with leading clinical and research institutions continues to underpin improvements in our own best-in-class product portfolio, as we leverage insights to develop new product releases and upgrades. We were excited to expand our library of modules, adding the new "Run Module" to our bestselling ViMove+ product, offering enhanced functionality and value to our customer base. The upgrades provide clinicians with the ability to generate and analyse objective, real time data during the running motion, to identify biomechanical inefficiencies, assess performance and guide rehabilitation.

We remain focused on leveraging our strong operating progress and best-in-class products to win more customers and build further demand in the workplace market through our relationship with leading insurer, QBE. We have a longstanding contract with QBE to deliver ergonomic insights and strategies to limit injuries at work to QBE's client base. Not only does this provide a strong source of revenue, but it also allows us to directly target large scale entities who could directly benefit from our market leading technology. This relationship has directly resulted in several new leads, with many more clients in the pipeline.

Our customers are re-engaging with dorsaVi and 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 this financial year, seeking data insights and preventative initiatives to reduce the workplace injuries.

We have successfully reduced our expenses for the third consecutive year. This achievement is a direct outcome of our lean management strategy which focused on establishing a lower and sustainable cost base.

We strengthened our financial position during the year by completing two capital raisings with substantial support from our existing shareholders. We consider this a significant endorsement of our strategy and vote of confidence in our ability to grow and scale.

On behalf of the Board, we would like to thank our shareholders for their ongoing support and say thanks to our fellow Board members, and the entire dorsaVi team for their outstanding contribution. Moving forward, we believe we are approaching a point of inflection; to drive sales growth and generate increased operating leverage in the upcoming financial year, given the strength of our product suite. Sincerely,

Michael Panaccio

Interim Chairman

Andrew Ronchi

Chief Executive Officer

# Financial Report

## For the year ended 30 June 2023

**dorsaVi Limited** | ABN 15 129 742 409

# Financial Report
# For the Year Ended 30 June 2023

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# Directors' Report

The directors present their report together with the financial report of the Group consisting of dorsaVi and the entities it controlled, for the financial year ended 30 June 2023 and auditor's report thereon.

**Directors**

The names of directors in office at any time during or since the end of the year are:

| Name | Designation | Appointed |
|---|---|---|
| Michael Panaccio | Non-Executive Interim Chairman | 16 May 2008 (assumed role of Interim Chairman on 18 February 2022) |
| Ashraf Attia | Non-Executive Director | 14 July 2008 |
| Caroline Elliott | Non-Executive Director | 24 November 2017 |
| Andrew Ronchi | Chief Executive Officer, Executive Director | 18 February 2008 |

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

**Principal Activities**

The principal activity of dorsaVi Ltd and its controlled entities during the financial year was the development and sale of innovative motion analysis technologies. These technologies are commercialised via license, sale or fixed fee consultancy. There has been no significant change in the nature of these activities during the financial year.

**Results**

The consolidated loss from continuing operations, after income tax, attributable to the members of dorsaVi Ltd was $1,820,582 (2022: $1,536,074).

**Review of Operations**

The Group consists of four entities:

1. dorsaVi Ltd;
2. dorsaVi Europe Ltd, a wholly owned subsidiary incorporated and domiciled in the UK;
3. dorsaVi USA, Inc., a wholly owned subsidiary incorporated and domiciled in the US; and
4. Australian Workplace Compliance Pty Ltd, a wholly owned subsidiary domiciled in Australia.

As at 30 June 2023, net assets of the Group were $1,678,658 (2022: $1,220,650).

Total revenue for the 2023 financial year was $2,053,414 (2022: $3,472,871). Sales revenue was $1,750,317 (2022: $2,353,154), a 26% decrease. Total revenue also included the change in the fair value of the derivative asset included in the carrying value of the convertible note of $34,677 (2022: $298,523) and other gains on financial instruments of $186,556 (2022: $373,113). In the prior year total revenue included the forgiveness, by the US Federal government, of Paycheck Protection Program loans of $299,622 (2023: nil).

**Clinical**

Clinical income was $1,050,751 for the 2023 financial year (2022: $1,626,109), a 35% decrease.

**Workplace**

Workplace income, utilising ViSafe technology, was $699,566 for the 2023 financial year (2022: $727,045), a 4% decline.

**Expenditure**

Total expenditure was $4,360,114 for the 2023 financial year (2022: $5,571,208), a decrease of 22% largely due to reductions in employee benefits expenses.

The material business risks that are likely to have an effect on the financial prospects of the Group include:

- Over time, dorsaVi may be subjected to increased competition if potential competitors develop new technologies or make scientific or systems advances that compare with or compete with dorsaVi's products.

- In the medical sector (but not the Elite Sports or OHS sectors), sales and adoption rates of dorsaVi's system are, in part, likely to be influenced by the availability and level of reimbursement from government and/or insurance payers. Whilst dorsaVi's products already benefit from reimbursement in some circumstances, there is no guarantee that the use of dorsaVi's products will receive further reimbursement.
- General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on dorsaVi's activities, as well as on its ability to fund those activities. In particular, much of its future income is expected to come from the US markets and therefore dorsaVi's activities will be affected by currency exchange fluctuations.
- dorsaVi is not currently profitable. Proceeds from the initial float and subsequent capital raisings were and are primarily being used to fund, both, the commercial rollout of dorsaVi's products and continued product development. There is no guarantee that the commercial rollout will result in profitability for the Group. If the commercial roll out is slower or less successful than planned, dorsaVi may need to raise additional capital in the future.

**Significant Changes in the State of Affairs**

The following changes in the state of affairs occurred during the period:

- On 1 July 2022, dorsaVi Ltd announced the issue of 2,606,767 fully paid ordinary shares to the CEO, in lieu of cash remuneration of $43,000 and as approved at the 2021 AGM. The impact of the grant of these shares was recognised in share-based payments as at 30 June 2022.
- On 11 July 2022, dorsaVi Ltd announced the issue of 2,750,004 options to non-executive directors, in lieu of directors' fees, at an exercise price of $0.016 per share and an expiry date of 6 July 2027. The impact of the grant of these options was recognised in share-based payments as at 30 June 2022.
- On 29 July 2022, dorsaVi Ltd announced that it had completed a placement with institutional and sophisticated investors of 40,000,000 fully paid ordinary shares at $0.01 per share raising $400,000 before costs.
- On 29 July 2022, dorsaVi Ltd announced a fully underwritten 1 for 12 non-renounceable pro rata rights offer, to eligible shareholders at $0.01 per share. The rights offer, which closed on 19 August 2022, resulted in the issue of 29,707,338 fully paid ordinary shares raising $297,073 before costs.
- On 9 September 2022, dorsaVi Ltd issued 1,081,563 fully paid ordinary shares, at $nil per share, under the dorsaVi ESOP on the vesting of performance rights previously granted.
- On 9 September 2022, dorsaVi Ltd issued 7,729,293 fully paid ordinary shares, at $nil per share, to a contractor in payment for services rendered.
- On 12 September 2022, dorsaVi Ltd announced the lapsing of 978,437 performance rights previously granted.
- On 13 September 2022, dorsaVi Ltd granted 800,000 performance rights to employees under the dorsaVi ESOP. The impact of the grant of these performance rights is recognised in share based payments over their vesting period.
- On 3 October 2022, dorsaVi Ltd announced the lapsing of 55,000 options previously granted.
- On 5 October 2022, dorsaVi Ltd announced the grant of 2,357,145 options to non-executive directors, in lieu of directors' fees, at an exercise price of $0.019 per share and an expiry date of 3 October 2027. The impact of the grant of these options was recognised in share-based payments as at 31 December 2022.
- On 25 October 2022, dorsaVi Ltd announced the lapsing of 150,000 performance rights previously granted.
- On 6 December 2022, dorsaVi Ltd issued 38,500,000 fully paid ordinary shares on the maturation and conversion of 1,155,000 convertible notes.
- On 3 January 2023, dorsaVi Ltd announced the lapsing of 630,000 performance rights previously granted.
- On 5 January 2023, dorsaVi Ltd announced the grant of 2,750,004 options to non-executive directors, in lieu of directors' fees, at an exercise price of $0.018 per share and an expiry date of 3 January 2028.
- On 24 March 2023, dorsaVi Ltd announced that it had completed a placement with institutional and sophisticated investors of 68,181,818 fully paid ordinary shares at $0.011 per share raising $750,000 before costs
- On 4 April 2023, dorsaVi Ltd announced the grant of 2,200,002 options to non-executive directors, in lieu of directors' fees, at an exercise price of $0.019 per share and an expiry date of 3 April 2028
- On 8 May 2023, dorsaVi Ltd granted 7,400,000 performance rights to employees under the dorsaVi ESOP. The impact of the grant of these performance rights is recognised in share based payments over their vesting period
- On 10 May 2023, dorsaVi Ltd issued 11,132,849 fully paid ordinary shares, at $nil per share, to contractors in payment for services rendered.
- On 31 May 2023, dorsaVi Ltd issued 390,000 fully paid ordinary shares, at $nil per share, under the dorsaVi ESOP on the vesting of performance rights previously granted.
- On 2 June 2023, dorsaVi Ltd announced the lapsing of 200,000 performance rights previously granted.

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years with the exception of the following:

- On 5 July 2023, dorsaVi Ltd announced the issue of 3,450,705 fully paid ordinary shares to the CEO, in lieu of cash remuneration of $43,000 and as approved at the 2022 AGM. The impact of the grant of these shares was recognised in share-based payments as at 30 June 2023.
- On 5 July 2023, dorsaVi Ltd announced the issue of 3,000,003 options to non-executive directors, in lieu of directors' fees, at an exercise price of $0.019 per share and an expiry date of 3 July 2028. The impact of the grant of these options was recognised in share-based payments as at 30 June 2023.

**Likely Developments**

The following likely developments, in the business of the Group, are expected to influence its future financial results:

- The Group expects to increase, year on year, the recurring revenue proportion of total clinical and workplace revenue.
- The Group expects that product, including the new Run product recently released, will continue to support revenue growth.

**Environmental Regulation**

The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

**Dividend Paid, Recommended and Declared**

No dividends were paid, declared or recommended since the start of the financial year.

**Equity Instruments**

There were no options over unissued ordinary shares granted to executives by dorsaVi Ltd during the financial year. During the financial year, 7,400,000 performance rights were granted to executives and 1,471,563 performance rights vested into shares. Further details regarding performance rights and shares granted as remuneration are provided in the Remuneration Report below.

There were 10,307,154 options over unissued ordinary shares granted to non-executive directors during or since the financial year end in lieu of the payment of directors' fees. These options represent 1.85% of the Group's issued capital as at the date of this report. Further details regarding options granted as remuneration are provided in the Remuneration Report below.

**Shares under Option**

Unissued ordinary shares of dorsaVi Ltd under option at the date of this report are as follows:

| Date Options Granted | Number of Unissued Ordinary Shares under Option | Exercise Price of Options | Expiry Date of the Options |
|---|---|---|---|
| 15 May 2017 | 24,166 | $0.33 | 1 October 2023 |
| 4 December 2019 | 1,280,488 | $0.084 | 4 December 2024 |
| 4 December 2019 | 1,116,703 | $0.070 | 4 December 2024 |
| 7 January 2020 | 1,846,856 | $0.034 | 7 January 2025 |
| 7 April 2020 | 4,801,827 | $0.022 | 7 April 2025 |
| 7 July 2020 | 3,693,714 | $0.016 | 7 July 2025 |
| 7 October 2020 | 1,412,303 | $0.049 | 7 October 2025 |
| 8 January 2021 | 1,171,178 | $0.061 | 8 January 2026 |
| 8 April 2021 | 1,297,792 | $0.063 | 8 April 2026 |
| 5 July 2021 | 1,778,455 | $0.041 | 5 July 2026 |
| 7 October 2021 | 2,400,915 | $0.031 | 7 October 2026 |
| 7 January 2022 | 1,650,003 | $0.028 | 7 January 2027 |
| 6 April 2022 | 1,571,430 | $0.032 | 6 April 2027 |
| 6 July 2022 | 2,750,004 | $0.016 | 6 July 2027 |
| 3 October 2022 | 2,357,145 | $0.019 | 3 October 2027 |
| 3 January 2023 | 2,750,004 | $0.018 | 3 January 2028 |
| 3 April 2023 | 2,200,002 | $0.019 | 3 April 2028 |
| 3 July 2023 | 3,000,003 | $0.019 | 3 July 2028 |
| | 37,102,988 | | |

No option holder has any right under the options to participate in any other share issue of the Group.

**Shares Issued on Exercise of Options**

To the date of this report, there have been no shares issued during or since the end of the year as a result of the exercise of an option over unissued shares.

**Shares Subject to Performance Rights**

Unissued ordinary shares of dorsaVi Ltd subject to performance rights at the date of this report are as follows:

| Date Performance Rights Granted | Number of Unissued Ordinary Shares subject to Performance Rights | Issue Price of Shares | Vesting Date of Performance Rights |
|---|---|---|---|
| 26-Nov-21 | 360,000 | - | 1-Oct-23 |
| 26-Nov-21 | 800,000 | - | 4-Oct-23 |
| 26-Mar-22 | 810,000 | - | 1-Oct-23 |
| 1-May-23 | 2,850,000 | | 1-Oct-23 |
| 1-May-23 | 1,000,000 | | 1-Apr-24 |
| 1-May-23 | 3,550,000 | | 1-Oct-24 |
| | 9,370,000 | | |

A performance right holder does not have any right to participate in any other share issue of the Group until the performance rights vest and are converted to ordinary shares.

**Shares Issued on Vesting of Performance Rights**

During the year ended 30 June 2023 and to the date of this report, 1,471,563 shares were allocated on the vesting of 1,471,563 performance rights. During the year ended 30 June 2023 and to the date of this report, 2,063,437 performance rights lapsed. There remain 9,370,000 performance rights that do not convert to issued shares unless performance conditions are met, and they vest.

**Information on Directors and Company Secretary**

**Michael Panaccio, BSc (Hons), MBA, PhD, FAICD – Non-executive Director and Interim Chairman**

Michael Panaccio serves on the Audit and Risk Committee and the Nomination and Remuneration Committee. He was appointed to the Board on 16 May 2008.

Michael is one of the founding directors of Starfish Ventures Pty Ltd, an Australian based venture capital manager. He was formerly an Investment Manager with JAFCO Investment (Asia Pacific). Prior to joining JAFCO, Michael was Head of the Department of Molecular Biology at the Victorian Institute of Animal Sciences. Michael has previously been a director of numerous technology businesses in Australia and the US including ImpediMed Ltd, SIRTeX Medical Ltd, Protagonist Therapeutic Inc and Energy Response Pty Ltd. Michael has been Interim Chairman since 18 February 2022.

No other Directorships of listed companies were held during the three years to 30 June 2023. Michael is also a director of Starfish Ventures Pty Ltd.

**Ashraf Attia, PhD, FAICD – Non-executive Director**

Ash Attia was appointed as a director of dorsaVi on 14 July 2008 and chairs the Nomination and Remuneration Committee and serves on the Audit and Risk Committee.

Ash has had senior management experience in multinational operations for over 30 years within the medical devices, biotechnology and diagnostics industries. He is currently Chief Executive Officer of Bionic Vision Technologies, a company developing an implantable device to restore sight to the blind. Prior to Bionic Vision , Ash held the position of Vice President of Asia Pacific, Middle East and Israel at TransMedics Inc, a company based in Boston, USA and has commercialized a revolutionary system in the area of heart, lung and Liver organ transplants and preservation. He has held several senior executive roles with global medical devices organizations and has special expertise in the areas of commercialisation, business development, clinical, regulatory, R&D, strategic marketing, sales and distribution management.

No other directorships of listed companies were held during the three years to 30 June 2023.

**Caroline Elliott, B. Ec, CA, GAICD – Non-executive Director**

Caroline Elliott is chair of the Audit and Risk Committee and was appointed to the Board on 24 November 2017.

Caroline is currently a Director and Chair of the National Film and Sound Archive of Australia and a director of St John's Ambulance Australia (Vic) and Wiltrust Nominees Pty Ltd. She has previously held non-executive director roles at Cell Therapies Pty Ltd, Peter MacCallum Cancer Centre and the Public Transport Ombudsman Limited. She is currently the Chief Executive Officer at apparel business, The Propel Group Pty Ltd, and was previously the CFO and Company Secretary at Optal Ltd.

No other directorships of listed companies were held during the three years to 30 June 2023.

**Andrew Ronchi, B. App. Sci. (Physio), PhD (RMIT Eng), GAICD – Chief Executive Officer, Director**

Andrew Ronchi was appointed to the Board on 18 February 2008.

Before co-founding dorsaVi, Andrew was a practising physiotherapist both at an AFL club and in private practice. Andrew has been founding partner in five physiotherapy centres, the largest of these employing 28 staff (including 13 physiotherapists). Andrew completed a PhD in Computer and Systems Engineering, investigating the reliability and validity of transducers for measuring lumbar spine movement. As CEO of dorsaVi Ltd, Andrew is responsible for all aspects of the Group's operations.

No other directorships of listed companies were held during the three years to 30 June 2023.

**Brendan Case, MComLaw (Melb), BEc, CPA, Grad Dip App Fin, Dip FP, FCIS**

Brendan Case has served as dorsaVi Ltd's secretary since 29 October 2013 and has more than 20 years of company secretarial, corporate governance and finance experience. He is a former Associate Company Secretary of National Australia Bank Limited (NAB), former secretary of NAB's Audit and Risk Committees and has held senior management roles in risk management and regulatory affairs.

**Directors' Meetings**

The number of meetings of the board of directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

| | Board of Directors | | Audit and Risk Committee | |
|---|---|---|---|---|
| | Eligible to Attend | Attended | Eligible to Attend | Attended |
| A Attia | 11 | 9 | 3 | 3 |
| C Elliott | 11 | 10 | 3 | 3 |
| M Panaccio | 11 | 11 | 3 | 3 |
| A Ronchi | 11 | 11 | - | - |

| | Nomination and Remuneration Committee | |
|---|---|---|
| | Eligible to Attend | Attended |
| A Attia | 2 | 2 |
| M Panaccio | 2 | 2 |

**Directors' Interest in Shares, Performance Rights or Options as at the date of this report.**

| Names of Holders | Ordinary Shares | Options |
|---|---|---|
| M Panaccio | 101,191,008 | 10,191,108 |
| A Ronchi | 21,516,694 | - |
| A Attia | 624,973 | 10,191,108 |
| C Elliott | 501,543 | 10,191,108 |

The directors have no interests in performance rights. As approved by shareholders at the 2021 and 2022 Annual General Meetings (AGM), non-executive directors have been progressively granted 10,307,154 options over ordinary shares in dorsaVi Ltd over the course of the year ended 30 June 2023 and up to the date of this report (2022: 8,372,352 options). The details of each non-executive director's entitlement to options granted and a summary of the related terms is included in table 5 of this report.

**Indemnification and Insurance of Directors and Officers**

The Group has insured its Directors, Secretary and executive officers for the financial year ended 30 June 2023. Under the Group's Directors and Officers Liability Insurance Policy, the Group cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium.

The Group also indemnifies every person who is or has been an officer of the Group against any liability (other than for legal costs) incurred by that person as an officer of the Group where the Group requested the officer to accept appointment as Director.

To the extent permitted by law and subject to the restrictions in section 199A and 199B of the *Corporations Act 2001*, the Group indemnifies every person who is or has been an officer of the Group against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Group.

**ASIC Instrument on Rounding of Amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

**Indemnification and Insurance of Auditors**

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any auditors of the Group.

**Proceedings on behalf of the Group**

No person has applied for leave of Court to bring proceedings on behalf of the Group.

**Auditor’s Independence Declaration**

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

**Non-audit Services**

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the board of directors. Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners (Melbourne), network firms of Pitcher Partners, and other non-related audit firms, as detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by dorsaVi Ltd and have been reviewed and approved by the Audit Committee to ensure they do not impact on the integrity and objectivity of the auditor; and

- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, as they did not involve reviewing or auditing the auditor’s own work, acting in a management or decision making capacity for dorsaVi Ltd or any of its related entities, acting as an advocate for dorsaVi Ltd or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of dorsaVi Ltd or any of its related entities.

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Amounts Paid and Payable to Pitcher Partners Melbourne for Non-audit Services: | | |
| Taxation and Other Compliance Services | 11,450 | 12,500 |
| Total Remuneration for Non-audit Services | 11,450 | 12,500 |

**Remuneration Report (Audited)**

The Directors present the Group's 2023 Remuneration Report, which details the remuneration information for dorsaVi Ltd's, Directors and other Key Management Personnel (KMP).

**A. Details of the Key Management Personnel**

| | Period of Responsibility | Position |
|---|---|---|
| Non-Executive Directors: | | |
| Caroline Elliott | Full Year | Independent, Non-Executive Director |
| Ashraf Attia | Full Year | Independent, Non-Executive Director |
| Michael Panaccio | Full Year | Non-Executive Director and Interim Chairman since 18 February 2022 |
| | | |
| Executive Director: | | |
| Andrew Ronchi | Full Year | Chief Executive Officer/Director |
| | | |
| Executives: | | |
| Troy Di Domenico | Full Year | Chief Financial Officer |
| Dan Ronchi | Full Year | Chief Technical Officer |
| Yasmine Pateras | Resigned, 31 July 2022 | Workplace Manager |

**B. Remuneration Policies**

**Nomination and Remuneration Committee (N&RC)**

The N&RC of the Board of Directors is responsible for making recommendations to the Board on the remuneration arrangements for each Non-Executive Director, Executive Director/Chief Executive Officer (CEO) and each Executive reporting to the CEO. The current members of the N&RC are: Ashraf Attia and Michael Panaccio.

The N&RC assess the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing directors and executive team. In determining the level and composition of executive remuneration, the N&RC may also engage external consultants to provide independent advice.

The primary responsibility of the N&RC is to review and recommend to the Board:

- Executive remuneration and incentive policies and practices;
- The Executive Director's total remuneration having regard to remuneration and incentive policies;
- The design and total proposed payments from any executive incentive plan and reviewing the performance hurdles for any equity-based plan;
- The remuneration and related policies of Non-Executive Directors for serving on the board and any committee (both individually and in total); and
- Any other responsibilities as determined by the N&RC or the Board from time to time.

**Remuneration Strategy**

The remuneration strategy of dorsaVi Ltd is designed to attract, motivate and retain Employees, Executives and Non-Executive Directors in Australia, the United States and Europe by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group. To this end, the key objectives of the Group's reward framework are to:

- Align remuneration with the Group's business strategy;
- Offer an attractive mix of remuneration benchmarked against the applicable market's region and country practices;
- Provide strong linkage between individual and Group performance and rewards;
- Offer remuneration based on merit and individual skill matching the role requirements with their experience and responsibilities;
- Align the interests of executives with shareholders and share the success of the Group with the employees; and
- Support the corporate mission statement, values and policies through the approach to recruiting, organizing and managing people.

**Remuneration Structure**

In accordance with best practice corporate governance, the structure of the Non-Executive Directors and Executive remuneration is separate and distinct.

**Non-Executive Director Remuneration Structure**

The ASX Listing Rules specify that an entity must not increase the total aggregate amount of remuneration of Non-Executive Directors without the approval of holders of its ordinary securities.

The Board, and since its inception the N&RC, considers the level of remuneration required to attract and retain Non-Executive Directors with the necessary skills and experience for the Group's Board. This remuneration is reviewed with regard to market practice and Non-Executive Directors' duties and accountability.

The constitution provides that the Non-Executive Directors are entitled to remuneration for their services as determined by the Board up to an aggregate limit of $500,000 (which may be increased with Shareholder approval). The Group has previously obtained advice about remuneration levels for Directors of listed companies and, based on that advice, set the following annual Non-Executive Directors' fees:

- Chairman: $75,092 plus superannuation;
- Other Directors: $50,000 plus superannuation; and
- Further fees for acting as chairman of a committee: $5,000 plus superannuation per committee.

The Group determines the maximum amount for remuneration, including thresholds for share-based remuneration for Executives, by resolution. The remuneration received by the Non-Executive Directors for the year ended 30 June 2023 is detailed in table 1 of this section of the report.

As approved at the 2022 AGM, Non-Executive Directors were, in lieu of the payment of directors' fees, during the year ended 30 June 2023 granted 10,307,154 options over ordinary shares. Refer table 5 below for details of the options granted.

**Executive Remuneration Structure**

The Group provides a remuneration package that incorporates both cash-based remuneration and share-based remuneration. The contracts for service between the Group and Executives are on a continuing basis the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment thereby aligning Executives with shareholder interests.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary and superannuation); and
- Variable remuneration – short term incentives (STI) in the form of an annual incentive plan and long-term equity incentive (LTI). STI and LTI are currently only provided to KMP by way of share-based payments and include no cash component.

**Fixed Remuneration**

**Objective**

Fixed remuneration is reviewed annually by the Board and N&RC. The process consists of a review of the Group and individual performance, relevant comparative remuneration from external and internal sources and where appropriate, external advice on policies and practices.

**Structure**

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and allowances (such as motor vehicle allowance). It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

**Variable Remuneration – Short-Term Incentive (STI)**

**Objective**

The key objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the Executives charged with meeting those targets.

**Structure**

Any STI granted depend on the extent to which specific targets set at the beginning of the financial year or on appointment are met. The Key Milestones or Key Performance Indicators (KPI's) cover individual, team and organisational financial measures of performance. Typically included are measures such as: Achieving sales/revenue targets and/or growth, and meeting Group compliance requirements. These measures were chosen as they represent the key drivers for the short-term success of dorsaVi.

The Group has predetermined benchmarks that must be met in order to trigger STI under the STI scheme. Either on an annual or financial year basis, after consideration of performance against the Key Milestones or KPIs, the N&RC, in line with their responsibilities determine the amount, if any, of the STI to be awarded to each Executive. This process usually occurs within one month after the trigger date. Typically, STI awards are made under the Employee Share Ownership Plan (ESOP) and are delivered in the form of share options or performance rights. Each option entitles the holder to one fully paid ordinary share of dorsaVi Ltd at an exercise price to be determined in accordance with the ESOP or by determination by the N&RC. Each performance right vested entitles the holder to one fully paid ordinary share of dorsaVi Ltd at $Nil price.

The annual STI available for executives across the Group are subject to the approval of the N&RC.

**Variable Remuneration – Long-Term Incentive (LTI)**

**Objective**

The objectives of providing long term incentives are: To motivate and retain key dorsaVi employees; to attract quality employees; to create commonality of purpose between dorsaVi and its employees; to add wealth for all shareholders of the Group through the motivation of dorsaVi's employees; and by allowing dorsaVi's employees to share in the rewards of the success of dorsaVi through the acquisition of, or entitlements to, shares and options.

**Structure**

The Board offers LTIs to reward the performance of employees, which is in alignment with shareholders' interests and the long-term benefit of the Group. LTI awards are made under the Employee Share Ownership Plan (ESOP) and are delivered in the form of share options, performance rights or loan for shares. Each option entitles the holder to one fully paid ordinary share of dorsaVi Ltd at an exercise price to be determined in accordance with the ESOP or by determination by the N&RC. Each performance right vested entitles the holder to one fully paid ordinary share of dorsaVi Ltd at $Nil price.

Where an LTI participant ceases employment prior to vesting in their award, the options and unvested performance rights are forfeited unless the N&RC applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

Options and performance rights have been granted, under the ESOP. Refer table 5 for details of options and performance rights granted to Executives under the ESOP.

**Employment Agreements**

The Group has entered into employment agreements with all Executives, including the CEO. The Group may terminate an Executive's employment agreement by providing written notice or providing payment in lieu of the notice period (based on the fixed component of the Executive's remuneration). The Group may terminate the contract at any time without notice if serious misconduct has occurred.

The notice periods for key management personnel are as follows:

| Name | Notice Period |
|---|---|
| Andrew Ronchi | 5 months |
| Troy Di Domenico | 3 months |
| Dan Ronchi | 1 month |

### CEO Remuneration

In June 2021 Andrew Ronchi agreed to a fixed cash remuneration of A$190,000 plus superannuation. Upon termination of Andrew Ronchi's employment contract, he will be subject to a restraint of trade for a maximum of 12 months.

## C. Details of Key Management Personnel Remuneration

**(a) Non-Executive Directors' Remuneration: Table 1**

| 2023 | Short-Term Salary fees | Post-employment Pension Plan | Share-based payments Options | TOTAL | Total performance related | Options as % of total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | % | % |
| **Non-Executive Directors** | | | | | | |
| A Attia | - | - | 44,000 | 44,000 | - | 100% |
| C Elliott | - | - | 44,000 | 44,000 | - | 100% |
| M Panaccio [(i)] | - | - | 44,000 | 44,000 | - | 100% |
| | **-** | **-** | **132,000** | **132,000** | **-** | |

| 2022 | Short-Term Salary fees | Post-employment Pension Plan | Share-based payments Options | TOTAL | Total performance related | Options as % of total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | % | % |
| **Non-Executive Directors** | | | | | | |
| G Tweedly | 9,627 | 963 | 15,018 | 25,608 | - | 59% |
| A Attia | - | - | 44,000 | 44,000 | - | 100% |
| C Elliott | - | - | 44,000 | 44,000 | - | 100% |
| M Panaccio [(i)] | - | - | 44,000 | 44,000 | - | 100% |
| | **9,627** | **963** | **147,018** | **157,608** | **-** | |

(i) Michael Panaccio provides his services via Starfish Ventures Pty Ltd.

**(b) Executives' Remuneration: Table 2**

| | Short-Term | | Post-employment | Share-based payments | Total | Total performance related | Share based payments as % of total |
|---|---|---|---|---|---|---|---|
| **2023** | Salary, fees | Other | Pension Plan | Equity [(ii)] | | | |
| | $ | $ | $ | $ | $ | % | % |
| Executive Director: | | | | | | | |
| A Ronchi | 158,335 | - | 16,625 | 45,817 | 220,777 | - | 20.8 |
| Executives: | | | | | | | |
| T Di Domenico | 200,000 | - | 21,000 | 9,420 | 230,420 | - | 4.1 |
| D Ronchi | 108,065 | 31,418 | - | - | 139,483 | - | - |
| Y Pateras [(i)] | 12,434 | - | 939 | - | 13,373 | - | - |
| | **478,834** | **31,418** | **38,564** | **55,237** | **604,053** | **-** | **9.1** |

(i) Resigned 31 July 2022
(ii) Share based payments comprise the grant of performance rights and shares, and, for accounting purposes, are valued the same as options.

| | Short-Term | | Post-employment | Share-based payments | Total | Total performance related | Share based payments as % of total |
|---|---|---|---|---|---|---|---|
| **2022** | Salary, fees | Other | Pension Plan | Equity [(ii)] | | | |
| | $ | $ | $ | $ | $ | % | % |
| Executive Director: | | | | | | | |
| A Ronchi | 190,000 | - | 19,000 | 43,000 | 252,000 | - | 17.1 |
| Executives: | | | | | | | |
| T Di Domenico [(i)] | 149,231 | - | 14,923 | 8,024 | 172,178 | - | 4.7 |
| D Connellan [(v)] | 23,409 | - | - | - | 23,409 | - | - |
| D Ronchi | 117,435 | - | 11,743 | - | 129,178 | - | - |
| J Goldin [(iii)] | 158,446 | - | 3,080 | - | 161,526 | - | - |
| M May [(iv)] | 29,774 | - | 1,154 | - | 30,928 | - | - |
| Y Pateras | 90,000 | - | 9,000 | - | 99,000 | - | - |
| | **758,295** | **-** | **58,900** | **51,024** | **868,219** | **-** | **5.9** |

(i) Commenced 4 October 2021.
(ii) Share based payments comprise the grant of performance rights and shares, and, for accounting purposes, are valued the same as options.
(iii) Foreign currency amounts are converted into AUD at the average exchange rates applicable throughout the year.
(iv) Resigned 21 July 2021
(v) Retired 4 October 2021

## D. Relationship between Remuneration and Group Performance

### (a) Remuneration Not Dependent on Satisfaction of Performance Condition

The non-executive remuneration policy is not directly related to Group performance. The Board considers a remuneration policy based on short-term returns may not be beneficial to the long-term creation of wealth by the Group for shareholders.

### (b) Remuneration Dependent on Satisfaction of Performance Condition

A portion of the Executive Remuneration is based on attainment of performance conditions. Performance-based remuneration may include short-term and long-term incentive plans. Performance-based remuneration granted to key management personnel has regard to Group performance over a twelve month to 3-year period.

**Summary of the performance conditions for KMP with performance-linked equity instruments: Table 3**

| KMP | Conditions for vesting of Options and Performance Rights |
|---|---|
| Andrew Ronchi | Key Milestones as determined by and at the discretion of the Board |
| Troy Di Domenico | Key Milestones as determined by and at the discretion of the Board |
| Dan Ronchi | Key Milestones as determined by and at the discretion of the Board |

The conditions were selected to promote the creation of shareholder wealth during the period.

### (c) Consequences of Group's Performance on Shareholder Wealth

**Summary of Group Performance and Key Performance Indicators: Table 4**

| **Company Performance** | **2023** | **2022** | **2021** | **2020** | **2019** |
|---|---|---|---|---|---|
| Revenue | 2,053,414 | 3,472,871 | 2,802,821 | 2,861,418 | 3,223,869 |
| % increase/(decrease) | (41%) | 24% | (2%) | (11%) | (27%) |
| Loss after tax | (1,820,582) | (1,536,074) | (2,412,872) | (6,863,794) | (4,020,751) |
| % (increase)/decrease | (19%) | 36% | 65% | (71%) | (8%) |
| Change in share price | (8%) | (56%) | 69% | (68%) | (58%) |
| Dividend paid to shareholders | - | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total remuneration of director and KMP | 736,053 | 1,025,827 | 1,110,996 | 1,152,605 | 1,543,180 |
| Total performance-based remuneration | 55,237 | 51,024 | 112,452 | 66,874 | 142,567 |

## E. Key Management Personnel's Share-Based Compensation
## (a) Details of Compensation Equity

Table 5

| 2023 | | | | | | | Terms and conditions for each grant | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Grant Date (i), (ii) | Number Granted | Value per unit at grant date | Vested during the year | Year in which equity may vest | Vest | Removed during the year | Exercise Price | Expiry Date | First Exercise Date | Last Exercise Date |
| | | $ | | | % | | $ | | | |
| Non-Executive Directors: | | | | | | | | | | |
| A Attia: | | | | | | | | | | |
| 28-Nov-19 | 293,334 | 0.026 | 293,334 | 2020 | 100% | - | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 255,814 | 0.026 | 255,814 | 2020 | 100% | - | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 423,077 | 0.026 | 423,077 | 2020 | 100% | - | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,100,001 | 0.010 | 1,100,001 | 2020 | 100% | - | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 846,155 | 0.029 | 846,155 | 2020 | 100% | - | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 323,530 | 0.034 | 323,530 | 2021 | 100% | - | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 268,293 | 0.041 | 268,293 | 2021 | 100% | - | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 297,298 | 0.037 | 297,298 | 2021 | 100% | - | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 407,408 | 0.027 | 407,408 | 2021 | 100% | - | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 550,001 | 0.031 | 550,001 | 2022 | 100% | - | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| 7-Jan-22 | 550,001 | 0.028 | 550,001 | 2022 | 100% | - | 0.028 | 7-Jan-27 | 7-Jan-22 | 7-Jan-27 |
| 6-Apr-22 | 523,810 | 0.032 | 523,810 | 2022 | 100% | - | 0.032 | 6-Apr-27 | 6-Apr-22 | 6-Apr-27 |
| 6-Jul-22 | 916,668 | 0.016 | 916,668 | 2022 | 100% | - | 0.016 | 6-Jul-27 | 6-Jul-22 | 6-Jul-27 |
| 3-Oct-22 | 785,715 | 0.019 | 785,715 | 2022 | 100% | - | 0.019 | 3-Oct-27 | 3-Oct-22 | 3-Oct-27 |
| 3-Jan-23 | 916,668 | 0.018 | 916,668 | 2023 | 100% | - | 0.018 | 3-Jan-28 | 3-Jan-23 | 3-Jan-28 |
| 3-Apr-23 | 733,334 | 0.019 | 733,334 | 2023 | 100% | - | 0.019 | 3-Apr-28 | 3-Apr-23 | 3-Apr-28 |
| 3-Jul-23 | 1,000,001 | 0.019 | 1,000,001 | 2023 | 100% | - | 0.019 | 3-Jul-28 | 3-Jul-23 | 3-Jul-28 |
| | **10,191,108** | | **10,191,108** | | | **0** | | | | |
| C Elliott: | | | | | | | | | | |
| 28-Nov-19 | 293,334 | 0.026 | 293,334 | 2020 | 100% | - | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 255,814 | 0.026 | 255,814 | 2020 | 100% | - | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 423,077 | 0.026 | 423,077 | 2020 | 100% | - | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,100,001 | 0.010 | 1,100,001 | 2020 | 100% | - | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 846,155 | 0.029 | 846,155 | 2020 | 100% | - | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 323,530 | 0.034 | 323,530 | 2021 | 100% | - | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 268,293 | 0.041 | 268,293 | 2021 | 100% | - | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 297,298 | 0.037 | 297,298 | 2021 | 100% | - | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 407,408 | 0.027 | 407,408 | 2021 | 100% | - | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 550,001 | 0.031 | 550,001 | 2022 | 100% | - | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| 7-Jan-22 | 550,001 | 0.028 | 550,001 | 2022 | 100% | - | 0.028 | 7-Jan-27 | 7-Jan-22 | 7-Jan-27 |
| 6-Apr-22 | 523,810 | 0.032 | 523,810 | 2022 | 100% | - | 0.032 | 6-Apr-27 | 6-Apr-22 | 6-Apr-27 |
| 6-Jul-22 | 916,668 | 0.016 | 916,668 | 2022 | 100% | - | 0.016 | 6-Jul-27 | 6-Jul-22 | 6-Jul-27 |
| 3-Oct-22 | 785,715 | 0.019 | 785,715 | 2022 | 100% | - | 0.019 | 3-Oct-27 | 3-Oct-22 | 3-Oct-27 |
| 3-Jan-23 | 916,668 | 0.018 | 916,668 | 2023 | 100% | - | 0.018 | 3-Jan-28 | 3-Jan-23 | 3-Jan-28 |
| 3-Apr-23 | 733,334 | 0.019 | 733,334 | 2023 | 100% | - | 0.019 | 3-Apr-28 | 3-Apr-23 | 3-Apr-28 |
| 3-Jul-23 | 1,000,001 | 0.019 | 1,000,001 | 2023 | 100% | - | 0.019 | 3-Jul-28 | 3-Jul-23 | 3-Jul-28 |
| | **10,191,108** | | **10,191,108** | | | **0** | | | | |
| M Panaccio: | | | | | | | | | | |
| 28-Nov-19 | 293,334 | 0.026 | 293,334 | 2020 | 100% | - | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 255,814 | 0.026 | 255,814 | 2020 | 100% | - | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 423,077 | .026 | 423,077 | 2020 | 100% | - | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,100,001 | 0.010 | 1,100,001 | 2020 | 100% | - | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 846,155 | 0.029 | 846,155 | 2020 | 100% | - | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 323,530 | 0.034 | 323,530 | 2021 | 100% | - | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 268,293 | 0.041 | 268,293 | 2021 | 100% | - | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 297,298 | 0.037 | 297,298 | 2021 | 100% | - | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 407,408 | 0.027 | 407,408 | 2021 | 100% | - | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 550,001 | 0.031 | 550,001 | 2022 | 100% | - | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| 7-Jan-22 | 550,001 | 0.028 | 550,001 | 2022 | 100% | - | 0.028 | 7-Jan-27 | 7-Jan-22 | 7-Jan-27 |
| 6-Apr-22 | 523,810 | 0.032 | 523,810 | 2022 | 100% | - | 0.032 | 6-Apr-27 | 6-Apr-22 | 6-Apr-27 |
| 6-Jul-22 | 916,668 | 0.016 | 916,668 | 2022 | 100% | - | 0.016 | 6-Jul-27 | 6-Jul-22 | 6-Jul-27 |
| 3-Oct-22 | 785,715 | 0.019 | 785,715 | 2022 | 100% | - | 0.019 | 3-Oct-27 | 3-Oct-22 | 3-Oct-27 |
| 3-Jan-23 | 916,668 | 0.018 | 916,668 | 2023 | 100% | - | 0.018 | 3-Jan-28 | 3-Jan-23 | 3-Jan-28 |
| 3-Apr-23 | 733,334 | 0.019 | 733,334 | 2023 | 100% | - | 0.019 | 3-Apr-28 | 3-Apr-23 | 3-Apr-28 |
| 3-Jul-23 | 1,000,001 | 0.019 | 1,000,001 | 2023 | 100% | - | 0.019 | 3-Jul-28 | 3-Jul-23 | 3-Jul-28 |
| | **10,191,108** | | **10,191,108** | | | **0** | | | | |
| Executives: | | | | | | | | | | |
| A Ronchi: | | | | | | | | | | |
| 1-Jul-22 | 2,606,767 | 0.016 | 2,606,767 | 2022 | 100% | - | - | N/A | N/A | N/A |
| 1-Jul-23 | 3,450,705 | 0.012 | 3,450,705 | 2023 | 100% | - | - | N/A | N/A | N/A |
| 1-Mar-23 | 1,500,000 | 0.012 | - | 2023 | - | - | - | 1/10/2023 | 1/10/2023 | 1/10/2023 |
| 1-Mar-23 | 500,000 | 0.012 | - | 2024 | - | - | - | 1/04/2024 | 1/04/2024 | 1/04/2024 |
| 1-Mar-23 | 2,000,000 | 0.012 | - | 2024 | - | - | - | 1/10/2024 | 1/10/2024 | 1/10/2024 |
| | **10,057,472** | | **6,057,472** | | | **0** | | | | |
| T Di Domenico | | | | | | | | | | |
| 26-Nov-21 | 320,000 | 0.021 | 220,000 | 2023 | 69% | 100,000 | - | 1/10/2022 | 1/10/2022 | 1/10/2022 |
| 26-Nov-21 | 120,000 | 0.021 | 120,000 | 2023 | 100% | - | - | 1/04/2023 | 1/04/2023 | 1/04/2023 |
| 26-Nov-21 | 360,000 | 0.021 | - | 2024 | - | - | - | 1/10/2023 | 1/10/2023 | 1/10/2023 |
| 26-Nov-21 | 800,000 | 0.021 | - | 2024 | - | - | - | 4/10/2023 | 4/10/2023 | 4/10/2023 |
| | **42,230,796** | | **36,970,796** | | | **100,000** | | | | |

(i) The options granted to non-executive directors are in lieu of the payment of directors' fees.

(ii) The performance rights granted to executives are subject to performance and retention conditions.

| 2022 | | | | | | | Terms and conditions for each grant | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Grant Date (i), (ii) | Number Granted | Value per unit at grant date | Vested during the year | Year in which equity may vest | Vest | Removed during the year | Exercise Price | Expiry Date | First Exercise Date | Last Exercise Date |
| | | $ | | | % | | $ | | | |
| Non-Executive Directors: | | | | | | | | | | |
| G Tweedly: | | | | | | | | | | |
| 28-Nov-19 | 400,486 | 0.026 | 400,486 | 2020 | 100% | 400,486 | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 349,261 | 0.026 | 349,261 | 2020 | 100% | 349,261 | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 577,625 | 0.026 | 577,625 | 2020 | 100% | 577,625 | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,501,824 | 0.010 | 1,501,824 | 2020 | 100% | 1,501,824 | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 1,155,249 | 0.029 | 1,155,249 | 2020 | 100% | 1,155,249 | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 441,713 | 0.034 | 441,713 | 2021 | 100% | 441,713 | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 366,299 | 0.041 | 366,299 | 2021 | 100% | 366,299 | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 405,898 | 0.037 | 405,898 | 2021 | 100% | 405,898 | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 556,231 | 0.027 | 556,231 | 2021 | 100% | 556,231 | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 750,912 | 0.031 | 750,912 | 2022 | 100% | 750,912 | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| | **6,505,498** | | **6,505,498** | | | **6,505,498** | | | | |
| A Attia: | | | | | | | | | | |
| 28-Nov-19 | 293,334 | 0.026 | 293,334 | 2020 | 100% | - | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 255,814 | 0.026 | 255,814 | 2020 | 100% | - | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 423,077 | 0.026 | 423,077 | 2020 | 100% | - | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,100,001 | 0.010 | 1,100,001 | 2020 | 100% | - | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 846,155 | 0.029 | 846,155 | 2020 | 100% | - | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 323,530 | 0.034 | 323,530 | 2021 | 100% | - | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 268,293 | 0.041 | 268,293 | 2021 | 100% | - | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 297,298 | 0.037 | 297,298 | 2021 | 100% | - | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 407,408 | 0.027 | 407,408 | 2021 | 100% | - | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 550,001 | 0.031 | 550,001 | 2022 | 100% | - | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| 7-Jan-22 | 550,001 | 0.028 | 550,001 | 2022 | 100% | - | 0.028 | 7-Jan-27 | 7-Jan-22 | 7-Jan-27 |
| 6-Apr-22 | 523,810 | 0.032 | 523,810 | 2022 | 100% | - | 0.032 | 6-Apr-27 | 6-Apr-22 | 6-Apr-27 |
| 6-Jul-22 | 916,668 | 0.016 | 916,668 | 2022 | 100% | - | 0.016 | 6-Jul-27 | 6-Jul-22 | 6-Jul-27 |
| | **6,755,390** | | **6,755,390** | | | **0** | | | | |
| C Elliott: | | | | | | | | | | |
| 28-Nov-19 | 293,334 | 0.026 | 293,334 | 2020 | 100% | - | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 255,814 | 0.026 | 255,814 | 2020 | 100% | - | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 423,077 | 0.026 | 423,077 | 2020 | 100% | - | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,100,001 | 0.010 | 1,100,001 | 2020 | 100% | - | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 846,155 | 0.029 | 846,155 | 2020 | 100% | - | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 323,530 | 0.034 | 323,530 | 2021 | 100% | - | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 268,293 | 0.041 | 268,293 | 2021 | 100% | - | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 297,298 | 0.037 | 297,298 | 2021 | 100% | - | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 407,408 | 0.027 | 407,408 | 2021 | 100% | - | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 550,001 | 0.031 | 550,001 | 2022 | 100% | - | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| 7-Jan-22 | 550,001 | 0.028 | 550,001 | 2022 | 100% | - | 0.028 | 7-Jan-27 | 7-Jan-22 | 7-Jan-27 |
| 6-Apr-22 | 523,810 | 0.032 | 523,810 | 2022 | 100% | - | 0.032 | 6-Apr-27 | 6-Apr-22 | 6-Apr-27 |
| 6-Jul-22 | 916,668 | 0.016 | 916,668 | 2022 | 100% | - | 0.016 | 6-Jul-27 | 6-Jul-22 | 6-Jul-27 |
| | **6,755,390** | | **6,755,390** | | | **0** | | | | |
| M Panaccio: | | | | | | | | | | |
| 28-Nov-19 | 293,334 | 0.026 | 293,334 | 2020 | 100% | - | 0.084 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 28-Nov-19 | 255,814 | 0.026 | 255,814 | 2020 | 100% | - | 0.07 | 4-Dec-24 | 4-Dec-20 | 4-Dec-24 |
| 7-Jan-20 | 423,077 | 0.026 | 423,077 | 2020 | 100% | - | 0.034 | 7-Jan-25 | 7-Jan-20 | 7-Jan-25 |
| 7-Apr-20 | 1,100,001 | 0.010 | 1,100,001 | 2020 | 100% | - | 0.022 | 7-Apr-25 | 7-Apr-20 | 7-Apr-25 |
| 7-Jul-20 | 846,155 | 0.029 | 846,155 | 2020 | 100% | - | 0.016 | 7-Jul-25 | 7-Jul-20 | 7-Jul-25 |
| 7-Oct-20 | 323,530 | 0.034 | 323,530 | 2021 | 100% | - | 0.049 | 7-Oct-25 | 7-Oct-20 | 7-Oct-25 |
| 8-Jan-21 | 268,293 | 0.041 | 268,293 | 2021 | 100% | - | 0.061 | 8-Jan-26 | 8-Jan-21 | 8-Jan-26 |
| 8-Apr-21 | 297,298 | 0.037 | 297,298 | 2021 | 100% | - | 0.063 | 8-Apr-26 | 8-Apr-21 | 8-Apr-26 |
| 5-Jul-21 | 407,408 | 0.027 | 407,408 | 2021 | 100% | - | 0.041 | 5-Jul-26 | 5-Jul-21 | 5-Jul-26 |
| 7-Oct-21 | 550,001 | 0.031 | 550,001 | 2022 | 100% | - | 0.031 | 7-Oct-26 | 7-Oct-21 | 7-Oct-26 |
| 7-Jan-22 | 550,001 | 0.028 | 550,001 | 2022 | 100% | - | 0.028 | 7-Jan-27 | 7-Jan-22 | 7-Jan-27 |
| 6-Apr-22 | 523,810 | 0.032 | 523,810 | 2022 | 100% | - | 0.032 | 6-Apr-27 | 6-Apr-22 | 6-Apr-27 |
| 6-Jul-22 | 916,668 | 0.016 | 916,668 | 2022 | 100% | - | 0.016 | 6-Jul-27 | 6-Jul-22 | 6-Jul-27 |
| | **6,755,390** | | **6,755,390** | | | **0** | | | | |
| Executives: | | | | | | | | | | |
| A Ronchi: | | | | | | | | | | |
| 1-Jul-22 | 2,606,767 | 0.016 | 2,606,767 | 2022 | 100% | - | - | N/A | N/A | N/A |
| T Di Domenico | | | | | | | | | | |
| 26-Nov-21 | 320,000 | 0.021 | - | 2023 | - | - | | 1/10/2022 | 1/10/2022 | 1/10/2022 |
| 26-Nov-21 | 120,000 | 0.021 | - | 2023 | - | - | | 1/04/2023 | 1/04/2023 | 1/04/2023 |
| 26-Nov-21 | 360,000 | 0.021 | - | 2024 | - | - | - | 1/10/2023 | 1/10/2023 | 1/10/2023 |
| 26-Nov-21 | 800,000 | 0.021 | - | 2024 | - | - | - | 4/10/2023 | 4/10/2023 | 4/10/2023 |
| | **30,978,435** | | **29,378,435** | | | **6,505,498** | | | | |

(i) The options granted to non-executive directors are in lieu of the payment of directors' fees.
(ii) The performance rights granted to executives are subject to performance and retention conditions.

As at 30 June 2023, no options have been exercised and, accordingly, no shares have been issued as a result of options previously vested.

## F. Key Management Personnel's Equity Holdings

### (a) Number of Equity Holdings held by Key Management Personnel

As at 30 June 2023, no key management personnel held options, under the Group's Employee Share Ownership Plan 2013. The non-executive directors, as approved at the 2019, 2020, 2021 and 2022 AGMs, have been granted 30,573,324 options over ordinary shares in lieu of the payment of directors' fees, refer table 5 above.

As at 30 June 2023, key management personnel held 9,370,000 performance rights under the Group's Employee Share Ownership Plan 2013, which, on vesting, convert to 9,370,000 ordinary shares of the Group. As at 30 June 2023, none of these performance rights had vested and converted to shares.

### (b) Number of Shares held by Key Management Personnel (Consolidated)

The relevant interest of each key management personnel in the share capital of the Group as notified the ASX as at 30 June 2023 is as follows:

Table 7

| 2023 | Balance 30 June 2022 | Vested on Achievement of KPI | Participation in share Issue | Net Change Other | Balance 30 June 2023 |
|---|---|---|---|---|---|
| **Non-Executive Directors** | | | | | |
| A Attia | 576,898 | - | 48,075 | - | 624,973 |
| C Elliott | 462,963 | - | 38,580 | - | 501,543 |
| M Panaccio | 100,909,120 | - | 281,888 | - | 101,191,008 |
| **Executive Director** | | | | | |
| A Ronchi | 17,308,889 | 2,606,767 | 1,601,038 | - | 21,516,694 |
| **Executives** | | | | | |
| T Di Domenico | 1,000,000 | 340,000 | 1,083,333 | 1,000,000 | 3,423,333 |
| D Ronchi | 3,277,090 | - | - | - | 3,277,090 |
| J Goldin (resigned 30 June 2022) | 1,051,030 | - | - | (1,051,030) | - |
| Y Pateras (resigned 31 July 2022) | 20,000 | - | - | (20,000) | - |
| | **124,605,990** | **2,946,767** | **3,052,914** | **(71,030)** | **130,534,641** |

## G. Loans to Key Management Personnel

### (a) Aggregate of Loans Made

There were no loans made to key management personnel during the 2023 financial year (2022: $Nil). There were no outstanding loans to key management personnel as at 30 June 2023 (30 June 2022: $Nil).

## H. Other Transactions with Key Management Personnel

### (a) Transactions with Key Management Personnel of the Entity or its Parent and their Personally Related Entities

During the year, dorsaVi Ltd did not enter into any transactions with key management personnel or their personally related entities.

### (b) Transactions with Other Related Parties

As approved by shareholders at the 2021 and 2022 AGMs, Non-Executive Directors were granted options over ordinary shares in lieu of the payment of directors' fees. During the year ended 30 June 2023, Starfish Ventures Pty Ltd was granted 3,435,718 options (refer table 5) on behalf of Michael Panaccio (2022: 2,540,480).

### I. Use of Remuneration Consultants

During the year the Board did not engage remuneration consultants.

### J. Voting and Comments made at the Group's 2022 Annual General Meeting (AGM)

At the Group's most recent AGM, resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

----------------------------------End of the Remuneration Report-----------------------------------------

Signed in accordance with a resolution of the directors

Michael Panaccio
Interim Chairman

Melbourne
Date: 25 August 2023

Andrew Ronchi
Director and CEO

Melbourne
Date: 25 August 2023

**dorsaVi Ltd and controlled entities**
**ABN 15 129 742 409**

**AUDITOR'S INDEPENDENCE DECLARATION**
**TO THE DIRECTORS OF dorsaVi Ltd**

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of dorsaVi Limited and the entities it controlled during the year.

S SCHONBERG
Partner

PITCHER PARTNERS
Melbourne

Date: 25 August 2023

# Financial Report for the Year Ended 30 June 2023

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | 2023 | 2022 |
|---|---|---|---|
| | | $ | $ |
| Revenue and other income: | | | |
| Sales revenue | 4 | 1,750,317 | 2,353,154 |
| Forgiveness of PPP loans | 4 | - | 299,622 |
| Change in fair value of derivative asset | 4 | 34,677 | 298,523 |
| Other gains on financial instruments | 4 | 186,556 | 373,113 |
| Other income | 4 | 81,864 | 148,459 |
| | | 2,053,414 | 3,472,871 |
| Less: Expenses: | | | |
| Cost of sales | 5 | (250,612) | (278,013) |
| Advertising expenses | | (184,512) | (196,731) |
| Consultancy expenses | | (432,496) | (341,141) |
| Depreciation and amortisation expenses | 5 | (184,796) | (181,424) |
| Employee benefits expenses | 5 | (2,113,344) | (3,005,185) |
| Finance costs | | (239,034) | (389,447) |
| Insurance expenses | | (160,160) | (140,210) |
| Occupancy expenses | | (11,605) | (73,372) |
| Professional fees | | (264,395) | (315,856) |
| Software expenses | | (280,831) | (339,870) |
| Travel expenses | | (3,618) | (4,682) |
| Other expenses | | (234,711) | (305,277) |
| | | (4,360,114) | (5,571,208) |
| Loss before income tax benefit | | (2,306,700) | (2,098,337) |
| Income tax benefit | 6 | 486,118 | 562,263 |
| Loss from continuing operations | | (1,820,582) | (1,536,074) |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit and loss: | | | |
| Exchange differences on translation of foreign subsidiaries net of tax | | (9,563) | 12,652 |
| Other comprehensive income for the year | | (9,563) | 12,652 |
| Loss for the year | | (1,830,145) | (1,523,422) |
| Loss per share for loss from continuing operations attributable to equity holders of the parent entity: | | | |
| Basic loss per share | 23 | (0.39 cents) | (0.44 cents) |
| Diluted loss per share | 23 | (0.39 cents) | (0.44 cents) |

The above statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**FOR THE YEAR ENDED 30 JUNE 2023**

| | Notes | 2023 | 2022 |
|---|---|---|---|
| | | $ | $ |
| Current assets | | | |
| Cash and cash equivalents | 8 | 878,724 | 449,701 |
| Receivables | 9 | 952,370 | 1,204,278 |
| Inventories | 10 | 526,495 | 522,283 |
| Other assets | 11 | 175,107 | 889,137 |
| Total current assets | | 2,532,696 | 3,065,399 |
| | | | |
| Non-current assets | | | |
| Plant and equipment | 13 | 156,791 | 289,937 |
| Total non-current assets | | 156,791 | 289,937 |
| Total assets | | 2,689,487 | 3,355,336 |
| | | | |
| Current liabilities | | | |
| Payables | 14 | 149,095 | 235,294 |
| Borrowings | 15 | 261,280 | 1,081,653 |
| Lease liability | 16 | 42,158 | 38,901 |
| Provisions | 17 | 164,297 | 225,816 |
| Other liabilities | 18 | 367,350 | 488,160 |
| Total current liabilities | | 984,180 | 2,069,824 |
| | | | |
| Non-current liabilities | | | |
| Lease liability | 16 | 18,415 | 60,573 |
| Provisions | 17 | 8,234 | 4,289 |
| Total non-current liabilities | | 26,649 | 64,862 |
| Total liabilities | | 1,010,829 | 2,134,686 |
| Net assets | | 1,678,658 | 1,220,650 |
| | | | |
| Equity | | | |
| Share capital | 19 | 46,325,268 | 44,532,862 |
| Reserves | 20 | 637,844 | 395,390 |
| Accumulated losses | 20 | (45,284,454) | (43,707,602) |
| Total equity | | 1,678,658 | 1,220,650 |

The above statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 30 JUNE 2023**

| Consolidated Entity | Share capital | Reserves | Accumulated losses | Total Equity |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Balance as at 1 July 2021 | 44,532,862 | 401,472 | (42,457,652) | 2,476,682 |
| Loss for the year | - | - | (1,536,074) | (1,536,074) |
| Exchange differences on translation of foreign operations, net of tax | - | 12,652 | - | 12,652 |
| Total comprehensive income for the year | - | 12,652 | (1,536,074) | (1,523,422) |
| Transactions with owners in their capacity as owners: | | | | |
| Employee share ownership plan | - | 267,390 | - | 267,390 |
| Equity instruments lapsed | - | (286,124) | 286,124 | - |
| | - | (18,734) | 286,124 | 267,390 |
| Balance as at 30 June 2022 | 44,532,862 | 395,390 | (43,707,602) | 1,220,650 |
| Balance as at 1 July 2022 | 44,532,862 | 395,390 | (43,707,602) | 1,220,650 |
| Loss for the year | - | - | (1,820,582) | (1,820,582) |
| Exchange differences on translation of foreign operations, net of tax | - | (9,563) | - | (9,563) |
| Total comprehensive income for the year | - | (9,563) | (1,820,582) | (1,830,145) |
| Transactions with owners in their capacity as owners: | | | | |
| Issue of shares | 1,909,073 | - | - | 1,909,073 |
| Cost of raising capital | (116,667) | - | - | (116,667) |
| Employee share ownership plan | - | 205,587 | - | 205,587 |
| Other share-based payments | - | 290,160 | - | 290,160 |
| Equity instruments lapsed | - | (243,730) | 243,730 | - |
| | 1,792,406 | 252,017 | 243,730 | 2,288,153 |
| Balance as at 30 June 2023 | 46,325,268 | 637,844 | (45,284,454) | 1,678,658 |

The above statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 30 JUNE 2023**

| | Notes | 2023 $ | 2022 $ |
|---|---|---|---|
| Cash flow from operating activities | | | |
| Receipts from customers | | 2,103,974 | 2,283,761 |
| Payments to suppliers and employees | | (3,661,231) | (4,873,328) |
| Interest paid | | (54,278) | (130,608) |
| Grants and sundry income received | | 73,200 | 145,233 |
| Interest received | | 8,664 | 3,226 |
| Income tax refunded | | 562,263 | 417,831 |
| Net cash used in operating activities | 21 (b) | (967,408) | (2,153,885) |
| | | | |
| Cash flow from investing activities | | | |
| Payment for plant and equipment | | (14,982) | (64,850) |
| Payment for intangibles | | (36,668) | (35,488) |
| Net cash used in investing activities | | (51,650) | (100,338) |
| | | | |
| Cash flow from financing activities | | | |
| Proceeds from share issue | | 1,447,073 | - |
| Cost of raising capital and issuing convertible note | | (116,667) | - |
| Proceeds from borrowings | | 302,133 | 132,568 |
| Repayment of borrowings | | (140,486) | (105,154) |
| Payment of principal portion lease liability | | (43,972) | (119,665) |
| Net cash provided by financing activities | | 1,448,081 | (92,251) |
| | | | |
| Reconciliation of cash | | | |
| Cash at beginning of the financial year | | 449,701 | 2,796,175 |
| Net increase / (decrease) in cash held | | 429,023 | (2,346,474) |
| Cash at end of the year | 21 (a) | 878,724 | 449,701 |

The above statement should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

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**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of Preparation of the Financial Report**

This financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report covers dorsaVi Ltd and controlled entities as a Group. dorsaVi Ltd is a company limited by shares, incorporated and domiciled in Australia at: Unit 3, 11-13 Milgate Street, Oakleigh South, Victoria, 3167. dorsaVi Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the directors on the date of the directors' report.

**Compliance with International Financial Reporting Standards:**

The consolidated financial statements of dorsaVi Ltd also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

**Historical Cost Convention:**

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

**Significant Accounting Estimates and Judgements:**

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

**(b) New and Revised Accounting Standards Effective at 30 June 2023**

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2022. The impact of the application of these accounting standards was not material.

**(c) Going Concern**

The financial report has been prepared on a going concern basis. The Group incurred a loss from ordinary activities after income tax of $1,820,582 during the year ended 30 June 2023 (2022: $1,536,074). The group had a net increase in cash of $429,023 (2022: decrease $2,346,474). As at 30 June 2023, the Group's current assets exceed current liabilities by $1,548,516 (2022: $995,575).

In determining the basis for preparation of the financial report, the Directors have assessed the financial performance, future operating plans, financial forecasts, existing financial position and additional funding opportunities potentially available to the Group. The Directors believe there are reasonable grounds to expect the Group to be able to continue as a going concern for at least 12 months from the date of issue of the financial report, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. It is acknowledged however that there are uncertainties associated with the forecast assumptions regarding the ability to maintain and grow revenues, contain and further reduce costs, and the ability to obtain additional debt or equity funding if required.

As a result of the above, the Directors have concluded that the going concern basis is appropriate.

Given the circumstances detailed above, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

**(d) Principles of Consolidation**

The consolidated financial statements are those of the Group, comprising the financial statements of the parent entity and all of the entities which the parent controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

**(e) Revenue from contracts with customers**

The Group derives revenue from the sale of wearable sensors and software. The devices, when used with Group software, allow the accurate measurement of movement at a variety of different places on the human body or the activity of muscles.

**Revenue from integrated sales of devices and software:**

The Group's contracts with customers are typically integrated and requires the provision of devices and software which is not separately identifiable and so is considered a bundle of goods and services. Revenue from the sale or lease of devices and licencing of software is recognised over the licence term.

**Revenue from consulting:**

Revenue from consulting contracts is recognised over time, as the services are provided to the customer, based on service hours performed as a percentage of estimated total service hours under the contract. Recognising revenue on the basis of service hours is considered an appropriate method of recognising revenue as it is consistent with the manner in which services are provided to the customer.

**Revenue from the sale of consumables:**

The Group sells various consumables goods to customers to support their ongoing use of their wearable sensors. Revenue from the consumables is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs at the time of delivery. Customers are, either, required to pay in full for all goods received at the time of purchase, or, are invoiced on a monthly basis depending on the contract. Outstanding invoices are due for payment within 30 days of the invoice date.

**Consideration included in the measurement of revenue:**

The consideration to be received from customers is generally fixed and based on the customer contract.

**Receivables from contracts with customers:**

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e. only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

**Contract assets:**

A contract asset represents the Group's right to consideration (not being an unconditional right recognised as a receivable) in exchange for goods or services transferred to the customer. Contract assets are measured at the amount of consideration that the Group expects to be entitled in exchange for goods or services transferred to the customer.

**Contract liabilities:**

A contract liability represents the Group's obligation to transfer goods or services to the customer for which the company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Group transfers the contracted goods or services to the customer.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(g) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition.

### (h) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment loss.

**Depreciation:**

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

| Class of Fixed Asset | Depreciation Rates | Depreciation Basis |
|---|---|---|
| Testing equipment | 10-50% | Diminishing value |
| Office equipment | 10-67% | Diminishing value |
| Furniture, fixtures and fittings | 10-20% | Diminishing value |
| Right to use asset | 31% | Straight line |
| Tooling | 10% | Straight line |

### (i) Leases

**Lease assets:**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the company, and an estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

**Lease liabilities:**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e. the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of remaining lease payments (i.e. the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

**Leases of 12-months or less and leases of low value assets:**

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

### (j) Intangibles

**Patents:**

Patents, trademarks and licenses are recognised at cost and depreciated on a straight-line basis over their effective lives, which is estimated to be 10 and 20 years.

**Research:**

Expenditure on research activities is recognised as an expense when incurred.

**Development Expenditure:**

Development expenditure encompasses the cost of developing new products including mobile applications, algorithms, sensors, hardware and firmware. Development expenditure is capitalised when the entity can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development expenditure is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful life, which range from 5 to 10 years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

### (k) Impairment of Non-Financial Assets

Intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows - Cash Generating Units (CGU). Accordingly, most assets are tested for impairment at the cash-generating unit level.

Intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or CGU exceeds the asset’s or CGU’s recoverable amount. The recoverable amount of an asset or CGU is defined as the higher of its fair value less costs to sell and value in use. Refer to Note 2 for a description of how management determines value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard. Impairment losses in respect of CGU’s are allocated first against the carrying amount of any goodwill attributed to the CGU with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant CGU.

### (l) Income Tax

Current income tax benefit is the tax receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities. Current income tax benefit incudes refundable research and development tax offsets.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**Tax Consolidation:**

dorsaVi Ltd (parent entity) and its wholly owned subsidiary, Australian Workplace Compliance Pty Ltd, have applied tax consolidation legislation and formed a tax-consolidated group from 1 July 2014. The parent entity and subsidiary in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- The parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- The subsidiary recognises current or deferred tax amounts arising in respect of their own transactions, events and balances;
- Current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of the subsidiary in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

**(m) Employee Benefits**

**(i) Short-Term Employee Benefit Obligations:**

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

**(ii) Long-Term Employee Benefit Obligations:**

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within twelve months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**(iii) Retirement Benefit Obligations:**

The Group makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

**(iv) Share-Based Payments:**

The Group operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of shares and options expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

**(v) Bonus Plan:**

The Group recognises a provision when a bonus is payable in accordance with the employee’s contract of employment and the amount can be reliably measured.

**(n) Borrowing Costs**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs are expensed as incurred.

**(o) Financial Instruments**

**Initial recognition and measurement:**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

**Classification of financial assets:**

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:
(a) the Group's business model for managing the financial assets; and
(b) the contractual cash flow characteristics of the financial asset.

**Classification of financial liabilities:**

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

**Trade and other receivables:**

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days. Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

**Impairment of financial assets:**

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:
(a) debt instruments measured at amortised cost;
(b) debt instruments classified at fair value through other comprehensive income; and
(c) receivables from contracts with customers and contract assets.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The Group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the Group to have a strong financial position and no history of past due amounts from previous transactions with the Group.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Group has identified expected credit loss rates for the purpose of measuring expected credit losses. These credit loss rates have been selected based on the Group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the Group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the Group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

(a) significant financial difficulty of the issuer or the borrower;
(b) breach of contract;
(c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

**(p) Foreign Currency Translations and Balances**

**Functional and Presentation Currency:**

The financial statements of each entity within the Group are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

**Transactions and Balances:**

Transactions undertaken in foreign currencies are recognised in the Group's functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses in the financial year in which they arose.

**Foreign Subsidiaries:**

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

### (q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (r) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency.

### (s) Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial statements have been rounded to the nearest dollar.

## NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

### (a) Impairment of Non-Financial Assets other than Goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

The recoverable amount of a CGU is based on value in use calculations. The Directors have determined that there is one CGU applicable to the cash flows generated. Value in use calculations are based on projected cash flows approved by management covering a maximum five-year period. Management's determination of cash flow projections are based on past performance and its expectations of the future

### (b) Employee Benefits

The calculation of long-term employment benefits requires estimation of the retention of staff, future wage levels and timing of the settlement of employee entitlements. The estimates are based on historical trends.

### (c) Share Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments on the date at which they are granted. The value of equity instruments granted is determined according to the fair value of goods or services received unless that fair value cannot be estimated reliably, in which case the fair value is determined by reference to the underlying value of equity instruments granted.

**NOTE 3: FINANCIAL RISK MANAGEMENT**

The Board of directors has overall responsibility for identifying and managing operational and financial risks.
The Group holds the following financial instruments:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Financial assets: | | |
| Cash and cash equivalents | 878,724 | 449,701 |
| Trade receivables | 384,406 | 486,702 |
| Other receivables | 567,964 | 717,576 |
| | 1,831,094 | 1,653,979 |
| Finance liabilities: | | |
| Trade payables | 41,221 | 77,488 |
| Borrowings | 261,280 | 1,081,653 |
| Lease liability | 60,573 | 99,474 |
| Other liabilities | 367,350 | 488,160 |
| Other payables | 107,874 | 157,806 |
| | 838,298 | 1,904,581 |

The Group is exposed to a variety of financial risks comprising currency risk, credit risk, interest rate risk and liquidity risk.

**(a) Currency Risk**

The Group undertakes transactions denominated in foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk through the operation of wholly owned subsidiaries in the United Kingdom and the United States of America and transactions occurring with countries in currencies that differ to the presentation currency of the Group.

Whilst operations in these geographical regions are in their infancy, the Group has not established a hedging policy to mitigate adverse currency risk. The carrying amount of foreign currency denominated monetary assets and monetary liabilities at reporting date are:

| | 2023<br>$ | | 2022<br>$ | |
|---|---|---|---|---|
| | USD | GBP | USD | GBP |
| Current assets | 332,252 | 13,966 | 411,729 | 66,221 |
| Current liabilities | 151,478 | 14,568 | 143,596 | 40,294 |
| | 180,774 | (602) | 268,133 | 25,927 |

**Sensitivity:**

If foreign exchange rates were to increase/decrease by 10% from rates used in the profit or loss during the financial year, assuming all other variables that might impact on fair value remain constant, then the impact on loss for the year and equity is as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| +/- 10% | | |
| Impact on loss after tax | 23,343 | 3,284 |
| Impact on equity | 23,343 | 3,284 |

**(b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Group's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

**2023**
**Financial Instruments**

| | Interest Bearing $ | Non-interest bearing $ | Total carrying amount $ | Weighted average effective interest rate |
|---|---|---|---|---|
| *Financial assets* | | | | |
| Cash | 798,127 | - | 798,127 | 0.51% Floating |
| Term Deposit | 11,550 | - | 11,550 | 0.20% Fixed |
| Term Deposit | 29,047 | - | 29,047 | 0.50% Fixed |
| Term Deposit | 40,000 | - | 40,000 | 0.25% Fixed |
| Trade receivables | - | 384,406 | 384,406 | 0.00% |
| Other receivables | - | 567,964 | 567,964 | 0.00% |
| | 878,724 | 952,370 | 1,831,094 | |
| *Financial liabilities* | | | | |
| Trade payables | - | 41,221 | 41,221 | 0.00% |
| Insurance finance facility | 61,280 | - | 61,280 | 6.4% Fixed |
| Secured loan | 200,000 | - | 200,000 | 16% Fixed |
| Lease liability | 60,573 | - | 60,573 | 5% Fixed |
| Other liabilities | - | 367,350 | 367,350 | 0.00% |
| Other payables | - | 107,874 | 107,874 | 0.00% |
| | 321,853 | 516,445 | 838,298 | |

**2022**
**Financial Instruments**

| | Interest Bearing $ | Non-interest bearing $ | Total carrying amount $ | Weighted average effective interest rate |
|---|---|---|---|---|
| *Financial assets* | | | | |
| Cash | 369,539 | - | 369,539 | 0.51% Floating |
| Term Deposit | 11,550 | - | 11,550 | 1.17% Fixed |
| Term Deposit | 28,612 | - | 28,612 | 2.63% Fixed |
| Term Deposit | 40,000 | - | 40,000 | 1.17% Fixed |
| Trade receivables | - | 486,702 | 486,702 | 0.00% |
| Other receivables | - | 717,576 | 717,576 | 0.00% |
| | 449,701 | 1,204,278 | 1,653,979 | |
| *Financial liabilities* | | | | |
| Trade payables | - | 77,488 | 77,488 | 0.00% |
| Insurance finance facility | 93,724 | - | 93,724 | 4.1% Fixed |
| Convertible note | 987,929 | - | 987,929 | 10% Fixed |
| Lease liability | 99,474 | - | 99,474 | 5% Fixed |
| Other liabilities | - | 488,160 | 488,160 | 0.00% |
| Other payables | - | 157,806 | 157,806 | 0.00% |
| | 1,181,127 | 723,454 | 1,904,581 | |

No other financial assets or financial liabilities are expected to be exposed to interest rate risk. There are no variable interest borrowings in the Group. The Group is exposed to variable interest cash and cash deposits held; however, fluctuations due to interest rates are considered immaterial.

**(c) Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of known and existing customers and reputable organisations.

**(i) Cash Deposits:**

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

**(ii) Trade Receivables:**

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

The ageing analysis of trade and other receivables is provided in Note 9.

As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms.

**(iii) Other Receivables:**

Other receivables relate to research and development tax concessions receivable from the Australian Taxation Office and do not pose a material credit risk and unbilled debtors in relation to accrued income.

**(d) Liquidity Risk**

The Group's approach to managing liquidity risk is to ensure, as far as possible, that, at all times, it has sufficient liquidity to meet its liabilities. The Group has cash reserves and expects to settle all financial liabilities when they fall due.

**(e) Fair Value**

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

## NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| *Revenue recognised at a point in time:* | | |
| Clinical income | 240,015 | 671,174 |
| Workplace income | 423,103 | 332,269 |
| | 663,118 | 1,003,443 |
| *Revenue recognised over time:* | | |
| Clinical income | 810,736 | 954,935 |
| Workplace income | 276,463 | 394,776 |
| | 1,087,199 | 1,349,711 |
| | 1,750,317 | 2,353,154 |
| *Revenue from contracts with customers is disclosed in the segment note as follows:* | | |
| Clinical income | 1,050,751 | 1,626,109 |
| Workplace income | 699,566 | 727,045 |
| | 1,750,317 | 2,353,154 |
| Other income: | | |
| Grant and other income | 73,200 | 145,233 |
| Forgiveness of PPP loans | - | 299,622 |
| Interest income | 8,664 | 3,226 |
| Change in fair value of derivative asset | 34,677 | 298,523 |
| Other gains on financial instruments | 186,556 | 373,113 |
| | 2,053,414 | 3,472,871 |

| | 2023 $ | 2022 $ |
|---|---|---|

## NOTE 5: LOSS FROM CONTINUING OPERATIONS

Loss before income tax has been determined after:

| | 2023 $ | 2022 $ |
|---|---|---|
| Depreciation | 148,128 | 145,936 |
| Amortisation of patents and intangibles | 36,668 | 35,488 |
| | 184,796 | 181,424 |
| Employee benefits expense: | | |
| - Share based payments | 205,587 | 267,390 |
| - Other employee benefits | 1,907,757 | 2,737,795 |
| | 2,113,344 | 3,005,185 |
| Research and development expense | 1,146,379 | 1,292,559 |
| Cost of sales | 250,612 | 278,013 |
| Bad debts | (46,343) | (7,388) |

## NOTE 6: INCOME TAX

**(a) Components of tax benefit**

| | 2023 $ | 2022 $ |
|---|---|---|
| Current tax | (486,118) | (562,263) |

**(b) Prima facie tax payable**

The prima facie tax refundable on loss before income tax is reconciled to the income tax benefit as follows:

| | 2023 $ | 2022 $ |
|---|---|---|
| Prima facie income tax refundable on loss before income tax at 25% (2022: 25%) | (576,675) | (524,584) |
| Add tax effect of: | | |
| - Accounting R&D expenditure | 279,378 | 323,140 |
| - Deferred tax assets / liabilities not recognised | (41,536) | 96,190 |
| - Share based payments expense | 106,437 | 66,848 |
| - Tax losses not recognised | 277,835 | 76,815 |
| | 622,114 | 562,993 |
| Less tax effect of: | | |
| - R&D tax offset | 486,118 | 562,263 |
| - Deduction under 240-880 | 28,862 | 23,029 |
| - Effect of foreign tax rates | 16,577 | 13,398 |
| - Other non-allowable items | - | 1,982 |
| | 531,557 | 600,672 |
| Income tax benefit attributable to loss | (486,118) | (562,263) |

**(c) Deferred tax assets not brought to account**

| | 2023 $ | 2022 $ |
|---|---|---|
| Temporary differences | 65,916 | 285,282 |
| Operating tax losses | 8,040,983 | 8,126,568 |
| | 8,106,899 | 8,411,850 |

## NOTE 7: DIVIDENDS

There were no dividends paid during the period.

## NOTE 8: CASH AND CASH EQUIVALENTS

| | 2023 $ | 2022 $ |
|---|---|---|
| Cash at bank and on hand | 798,127 | 369,539 |
| Deposits at call | 80,597 | 80,162 |
| | 878,724 | 449,701 |

| | 2023 $ | 2022 $ |
|---|---|---|
| **NOTE 9: RECEIVABLES** | | |
| CURRENT | | |
| Receivables from contracts with customers | 396,324 | 528,191 |
| Allowance for credit losses | (11,918) | (41,489) |
| | 384,406 | 486,702 |
| Contract assets | 69,289 | 142,756 |
| R&D tax offset refundable | 498,675 | 574,820 |
| | 952,370 | 1,204,278 |

**Contract assets**

The Group recovered the majority of the 2022 contract assets within the 2023 year and expects the 2023 balance to be settled within 12 months.

**Credit losses:**

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The group determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

*Life-time expected credit losses - receivables from contracts with customers:*

| | 2023 | 2022 |
|---|---|---|
| Loss allowance at 1 July | (41,489) | (76,998) |
| Net remeasurement of loss allowance | 15,410 | 7,388 |
| Amounts written off | 14,161 | 28,121 |
| Loss allowance at 30 June | (11,918) | (41,489) |

*Impairment of receivables from contracts with customers and other receivables:*

| | Not past due | Past due 0-30 days | Past due 30-90 days | Past due 90+ days | Total |
|---|---|---|---|---|---|
| 30 June 2023: | | | | | |
| Estimated total gross carrying amount at default | 242,648 | 88,160 | 39,586 | 25,930 | 396,324 |
| Expected credit loss rate | 0.01% | 0.2% | 1.2% | 43.2% | 3.0% |
| Expected credit loss | 28 | 217 | 467 | 11,207 | 11,919 |
| 30 June 2022: | | | | | |
| Estimated total gross carrying amount at default | 32,644 | 289,513 | 145,175 | 60,859 | 528,191 |
| Expected credit loss rate | 0.0% | 0.0% | 1.0% | 65.6% | 7.9% |
| Expected credit loss | - | 45 | 1,523 | 39,921 | 41,489 |

| | 2023 $ | 2022 $ |
|---|---|---|
| **NOTE 10: INVENTORIES** | | |
| CURRENT | | |
| *At cost* | | |
| Finished goods | 526,495 | 522,283 |

| | 2023 $ | 2022 $ |
|---|---|---|
| **NOTE 11: OTHER ASSETS** | | |
| CURRENT | | |
| Prepayments | 175,107 | 230,814 |
| Derivative asset [i] | - | 658,323 |
| | 175,107 | 889,137 |

[i] In accordance with Accounting Standards, the convertible notes are considered a financial liability with a host debt contract, held at amortised cost, and an embedded derivative asset, held at fair value through the profit and loss. Accordingly, the derivative asset is revalued at each reporting date.

**NOTE 12: INTANGIBLE ASSETS**

| | 2023 $ | 2022 $ |
|---|---|---|
| Patents, at cost | 1,264,014 | 1,227,346 |
| Less accumulated amortisation | (361,364) | (324,696) |
| Less provision for impairment | (902,650) | (902,650) |
| | - | - |
| Development expenditure, at cost | 5,261,956 | 5,261,956 |
| Less accumulated amortisation and provision for impairment | (5,261,956) | (5,261,956) |
| | - | - |
| | - | - |

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year:

| | Patents | | Total | |
|---|---|---|---|---|
| | 2023 $ | 2022 $ | 2023 $ | 2022 $ |
| Opening carrying amount | - | - | - | - |
| Additions | 36,668 | 35,488 | 36,668 | 35,488 |
| Amortisation expense | (36,668) | (35,488) | (36,668) | (35,488) |
| Closing carrying amount | - | - | - | - |

During the year ended 30 June 2020 the Group assessed carrying value of its intangible assets for impairment based on value in use calculations. This arose due to a change in the Group's business strategy during that year (i.e. the transition to a SaaS recurring revenue strategy), the Group's forecasts were updated based upon reasonable and prudent assumptions including growth rates (2.5%), discount rates (16%) and terminal values. This resulted in a provision for impairment of $4,018,354 in the year ended 30 June 2020. Development expenditure incurred during the year ended 30 June 2023 has been fully expensed. Should future performance exceed Group forecasts, the current impairment provision may be reversed in future periods.

## NOTE 13: PLANT AND EQUIPMENT

| | 2023 $ | 2022 $ |
|---|---|---|
| Testing equipment, at cost | 113,282 | 182,670 |
| Accumulated depreciation | (73,394) | (130,464) |
| | 39,888 | 52,206 |
| Leased devices, at cost | - | 267,743 |
| Accumulated depreciation | - | (267,743) |
| | - | - |
| Office equipment, at cost | 88,989 | 349,909 |
| Accumulated depreciation | (55,504) | (278,132) |
| | 33,485 | 71,777 |
| Furniture, fixtures and fittings, at cost | 8,739 | 66,791 |
| Accumulated depreciation | (4,226) | (29,317) |
| | 4,513 | 37,474 |
| Right to use asset, at cost (i) | 117,402 | 117,402 |
| Accumulated depreciation | (61,962) | (19,568) |
| | 55,440 | 97,834 |
| Tooling, at cost | 71,808 | 94,258 |
| Accumulated depreciation | (48,343) | (63,612) |
| | 23,465 | 30,646 |
| Total | 156,791 | 289,937 |

(i) In November 2021, the Group entered into a 36-month property lease. The agreement does not include variable lease payments or residual guarantees. Extension options for two further terms of three years each are not expected to be exercised.

### (a) Reconciliations

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial year:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| *Testing equipment:* | | |
| Opening carrying amount | 52,206 | 5,260 |
| Additions | 14,982 | 53,909 |
| Depreciation expense | (27,300) | (6,963) |
| Closing carrying amount | 39,888 | 52,206 |
| *Leased devices:* | | |
| Opening carrying amount | - | 7,251 |
| Depreciation expense | - | (7,251) |
| Closing carrying amount | - | - |
| *Office equipment:* | | |
| Opening carrying amount | 71,777 | 92,895 |
| Additions | - | 7,841 |
| Depreciation expense | (38,292) | (28,959) |
| Closing carrying amount | 33,485 | 71,777 |
| *Furniture, fixtures and fittings:* | | |
| Opening carrying amount | 37,474 | 38,272 |
| Additions | - | 3,100 |
| Depreciation expense | (32,961) | (3,898) |
| Closing carrying amount | 4,513 | 37,474 |
| *Right to use asset:* | | |
| Opening carrying amount | 97,834 | 72,114 |
| Additions | - | 117,402 |
| Depreciation expense | (42,394) | (91,682) |
| Closing carrying amount | 55,440 | 97,834 |
| *Tooling:* | | |
| Opening carrying amount | 30,646 | 37,829 |
| Depreciation expense | (7,181) | (7,183) |
| Closing carrying amount | 23,465 | 30,646 |
| *Total:* | | |
| Opening carrying amount | 289,937 | 253,621 |
| Additions | 14,982 | 182,252 |
| Depreciation expense | (148,128) | (145,936) |
| Closing carrying amount | 156,791 | 289,937 |

## NOTE 14: PAYABLES

| | 2023 $ | 2022 $ |
|---|---|---|
| CURRENT | | |
| *Unsecured liabilities* | | |
| Trade payables | 41,221 | 77,488 |
| Sundry creditors and accruals | 107,874 | 157,806 |
| | 149,095 | 235,294 |

## NOTE 15: BORROWINGS

| | 2023 $ | 2022 $ |
|---|---|---|
| CURRENT | | |
| *Secured liabilities* | | |
| Loan facility (i) | 200,000 | - |
| | 200,000 | - |
| *Unsecured liabilities* | | |
| Premium finance facility (ii) | 61,280 | 93,724 |
| Convertible note host debt (iii) | - | 987,929 |
| | 61,280 | 1,081,653 |
| | 261,280 | 1,081,653 |

(i) In March 2023, the Group entered into secured loan facility of $200,000 at an annualised interest rate of 16% and repayable on the earlier of the receipt of the R&D tax rebate or 30 November 2023. The loan is secured against the Group's 2023 R&D tax rebate.

(ii) In March 2023, the Group entered into a finance facility for the annual insurance liability of dorsaVi Ltd. The facility is repayable monthly over a 10 month period ending in December 2023 at an interest rate of 6.4%. A similar finance facility was in place in the prior year.

(iii) In December 2019 1,155,000 convertible notes were issued with a face value of $1 each. The notes matured in December 2022. Interest was payable at a rate of 10% p.a., monthly in arrears. As reflected in the above table, and, in accordance with Accounting Standards, the convertible notes were considered a financial liability with a host debt contract, held at amortised cost, and an embedded derivative asset, held at fair value through the profit and loss. Accordingly, the derivative asset was revalued at each reporting date.

Upon maturity the notes converted into fully paid ordinary shares according to a 40 day VWAP calculation. In accordance with the terms of the note agreement the number of fully paid ordinary shares issued were 38,500,000.

**NOTE 16: LEASE LIABILITY**

In November 2021, the Group entered into a 36-month property lease and, in accordance with AASB 16: Leases, a lease liability and a corresponding non-current asset, Right of Use Asset, refer Note 13, have been recognised.

Future minimum lease payments and the present value of the net minimum lease payments:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| - Not later than one year | 44,017 | 42,735 |
| - Later than one year and not later than 5 years | 18,566 | 62,583 |
| Total minimum lease payments | 62,583 | 105,318 |
| - Future finance charges | (2,010) | (5,844) |
| Present value of minimum lease payment | 60,573 | 99,474 |
| | | |
| Current lease liability | 42,158 | 38,901 |
| Non-current lease liability | 18,415 | 60,573 |
| | 60,573 | 99,474 |

**NOTE 17: PROVISIONS**

| | | |
|---|---|---|
| CURRENT | | |
| Employee benefits | 164,297 | 225,816 |
| NON-CURRENT | | |
| Employee benefits | 8,234 | 4,289 |
| (a) Aggregate employee benefits liability | 172,531 | 230,105 |

**NOTE 18: OTHER LIABILITIES**

| | | |
|---|---|---|
| CURRENT | | |
| Contract liabilities | 367,350 | 301,604 |
| Deferred gain on financial instrument | - | 186,556 |
| | 367,350 | 488,160 |

**NOTE 19: SHARE CAPITAL**

The Group's share capital is as follows:

| **Ordinary Shares** | Parent Equity<br>2023<br>No of Shares | $ | Parent Equity<br>2022<br>No of Shares | $ |
|---|---|---|---|---|
| Beginning of the financial year | 353,881,285 | 44,532,862 | 350,932,572 | 44,532,862 |
| Issued during the financial year: | | | | |
| - Employee share scheme (i) | 4,078,330 | - | 680,000 | - |
| - Other shares issued (ii) | 18,862,142 | - | 2,268,713 | - |
| - Shares issued on maturing of convertible notes (iii) | 38,500,000 | 462,000 | | |
| - Shares issued in capital raising (iv) | 137,889,156 | 1,447,073 | - | - |
| - Cost of raising capital | - | (116,667) | - | - |
| End of the financial year | 553,210,913 | 46,325,268 | 353,881,285 | 44,532,862 |

**(i) Shares Issued under the Employee Share Ownership Plan:**

During the year 1,471,563 performance rights previously granted to employees under the Employee Share Ownership Plan (ESOP) vested into shares ( 2022: 680,000). A further 2,606,767 shares were issued to the CEO during the year ended 30 June 2023 as a result of a shareholders resolution passed by shareholders at the 2021 AGM and was in lieu of cash remuneration. The shares were issued for $Nil consideration.

**(ii) Other Shares Issued**

During the year ended 30 June 2023, 18,862,142 shares were issued, at $Nil per share, to contractors in settlement of fees of $290,160. During the prior year, 2,268,713 shares were issued, at $Nil per share, to contractors in settlement of fees of $45,805.

**(iii) Shares issued on maturing of convertible notes**

In December 2022 the Group issued 38,500,000 fully paid ordinary shares on the maturation and conversion of 1,155,000 convertible notes.

**(iv) Shares Issued in a Capital Raising:**

During the year ended 30 June 2023, the Group issued:

- 40,000,000 fully paid ordinary shares, at $0.01 per share, to sophisticated and institutional investors raising $400,000 before costs;
- 68,181,818 fully paid ordinary shares, at $0.011 per share, to sophisticated and institutional investors raising $750,000 before costs; and
- 29,707,338 fully paid ordinary shares, at $0.01 per share, under a share purchase plan to eligible shareholders, raising $297,073 before costs.

During the year ended 30 June 2022 no shares were issued by the Group as a result of a capital raising.

**Rights of each Type of Share**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Capital Management**

When managing capital, management's objective is to ensure the Group continues as a going-concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

**Employee Share Ownership Plan (ESOP)**

The Group continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the Group. Refer to Note 24, Share Based Payments, for detailed disclosures.

## NOTE 20: RESERVES AND ACCUMULATED LOSSES

| | Notes | 2023 $ | 2022 $ |
|---|---|---|---|
| Share-based payment reserve | 20(a) | 1,406,840 | 1,154,823 |
| Foreign currency translation reserve | 20(b) | (768,996) | (759,433) |
| | | 637,844 | 395,390 |
| Accumulated losses | 20(c) | (45,284,454) | (43,707,602) |

**(i) Nature and Purpose of Reserves**

The share-based payment reserve is used to record the fair value of options and shares issued to employees as part of their remuneration. The balance is transferred to share capital when options are granted, and the balance is transferred to retained earnings when options lapse.

dorsaVi Ltd has monetary items receivable and payable to and from its subsidiaries. Under AASB 121: *The Effects of Changes in Foreign Exchange Rates*, these items are reviewed annually. During the financial year ending 30 June 2020 it was determined that these items would be treated as an investment in those foreign operations. As a result, exchange differences on these items are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| **(ii) Movements in reserve** | | |
| **(a) Share-based payment reserve** | | |
| Balance at beginning of year | 1,154,823 | 1,173,557 |
| Employee share ownership plan | 205,587 | 267,390 |
| Other share-based payments | 290,160 | - |
| Transfers to retained earnings | (243,730) | (286,124) |
| Balance at end of year | 1,406,840 | 1,154,823 |
| **(b) Foreign currency translation reserve** | | |
| Balance at beginning of year | (759,433) | (772,085) |
| Exchange differences on translation of foreign operations | (9,563) | 12,652 |
| Balance at end of year | (768,996) | (759,433) |
| **(c) Accumulated losses** | | |
| Balance at beginning of year | (43,707,602) | (42,457,652) |
| Net loss attributable to members of dorsaVi Ltd | (1,820,582) | (1,536,074) |
| Transfers from share-based payment reserve | 243,730 | 286,124 |
| Balance at end of year | (45,284,454) | (43,707,602) |

## NOTE 21: CASH FLOW INFORMATION

### (a) Reconciliation of Cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

| | | |
|---|---|---|
| Cash at bank and on hand | 798,127 | 369,539 |
| Cash on deposit | 80,597 | 80,162 |
| | 878,724 | 449,701 |

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| **(b) Reconciliation of cash flow used in operations with loss after income tax:** | | |
| Loss from ordinary activities after income tax | (1,820,582) | (1,536,074) |
| | | |
| Adjustments and non-cash items: | | |
| Amortisation | 36,668 | 35,488 |
| Depreciation | 148,128 | 145,936 |
| Share based payments | 425,747 | 267,390 |
| Movement in debtor provision | (29,571) | (35,509) |
| Foreign exchange differences on operating assets | (9,563) | 25,495 |
| Change in fair value of derivative liability | (34,677) | (298,523) |
| Interest on lease asset | 10,980 | - |
| Other gains on financial instruments | (186,556) | (373,113) |
| Interest adjustment on convertible note host debt | 167,071 | 258,839 |
| Forgiveness of PPP loans | - | (299,622) |
| | | |
| Changes in assets and liabilities: | | |
| (Increase)/decrease in receivables | 205,702 | 212,885 |
| (Increase)/decrease in other assets | 125,339 | (82,528) |
| (Increase)/decrease in inventories | (4,212) | 104,414 |
| Increase/(decrease) in payables | (20,453) | (459,118) |
| (Increase)/decrease in R&D tax offset receivable | 76,145 | (144,432) |
| Increase/(decrease) in provisions | (57,574) | 24,587 |
| | 853,174 | (617,811) |
| Cash flows used in operating activities | (967,408) | (2,153,885) |

## NOTE 22: COMMITMENTS AND CONTINGENCIES

**(a) Expenditure commitments**

There are no material expenditure commitments at balance date (2022: $nil).

**(b) Contingent asset and liabilities**

There are no contingent assets or contingent liabilities at balance date (2022: $nil).

## NOTE 23: LOSS PER SHARE

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Reconciliation of loss used in calculating loss per share: | | |
| Loss from continuing operations | (1,820,582) | (1,536,074) |
| Loss used in calculating basic earnings per share | (1,820,582) | (1,536,074) |
| Loss used in calculating diluted earnings per share | (1,820,582) | (1,536,074) |

| | 2023<br>No of Shares | 2022<br>No of Shares |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 466,540,841 | 352,665,306 |
| Effect of dilutive securities: | | |
| Equity instruments | - | - |
| Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share | 466,540,841 | 352,665,306 |

## NOTE 24: SHARE BASED PAYMENTS

### (a) Employee Shares

In 2013 the Board established an ESOP to facilitate the acquisition of Shares, Options and Performance Rights by those employed, or otherwise engaged by, or holding a position of office in, dorsaVi Ltd.

They key objective of the plan is to provide an incentive for employees to align their interests with those of the shareholders. Other objectives of the ESOP include:

- To attract, motivate and retain quality employees and Directors of dorsaVi Ltd;
- To create a committed and united purpose between the employees and Directors and dorsaVi Ltd; and
- To add wealth for all shareholders of dorsaVi through the motivation of dorsaVi's employees and Directors.

Only a person who is an Eligible Person may be invited and authorised by the Board to participate in this plan. An Eligible person means:

- An employee of dorsaVi Ltd or a subsidiary of dorsaVi Ltd; or
- A Director of dorsaVi Ltd or a subsidiary of dorsaVi Ltd who holds a salaried employment or office in dorsaVi Ltd or a subsidiary of dorsaVi Ltd; or
- A contractor engaged by dorsaVi Ltd or a subsidiary of dorsaVi and whom the Group has determined is an Eligible Person to participate in this plan.

There is no maximum limit on the number of Securities that may be acquired by Eligible Persons under the ESOP. However, the Board intends to restrict further issues of Securities to no more than 5% of the Group's issued share capital. This limit will be maintained unless shareholder approval is subsequently sought to increase this level.

### (b) Loan Shares and Options

The plan allows for dorsaVi to offer employees non-recourse and interest-free loans to acquire fully paid shares. On 20 September 2013, the Group's shareholders approved the giving of such financial assistance. Loan shares are treated as options in accordance with accounting standards.

Loan Shares are subject to restriction agreements imposing loan repayment obligations, and, that the holders of Shares are not able to trade them within 12 months of issuance. After 12 months, 1/3rd of the issued shares can be traded. Contingent upon continued employment with the Group and meeting loan repayment obligations, the remaining shares become available for trading at a monthly rate of 1/36th of the shares issued over the subsequent 24 months.

During the year ended 30 June 2023 and to the date of this report no options over ordinary shares or loan shares were granted to employees (2022: Nil) and 10,307,154 options over ordinary shares were granted to non-executive directors in lieu of the payment of directors' fees (2022: 8,372,352). During the year a total of 55,000 options were cancelled (2022: 500,000 options cancelled). At 30 June 2023, 37,102,988 options had been granted but not converted into ordinary shares (2022: 26,900,834).

**(c) Employee Performance Rights**

Performance rights are subject to performance vesting conditions in accordance with each agreement. The performance rights do not vest into shares unless the performance conditions are met. During the year ended 30 June 2023, 7,400,000 performance rights were granted (2022: 5,100,000). During the year ended 30 June 2023, 1,471,563 (2022: 700,000) performance rights vested into shares. During the year ended 30 June 2023, 1,958,437 performance rights lapsed (2022: nil). At 30 June 2023, 9,370,000 performance rights remain outstanding (2022: 4,600,000).

Details of shares, options and performance rights granted are as follows:

| **2023** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Grant date | Expiry date | Exercise price | Balance at 1/7/2022 | Granted during the year | Vested during the year | Expired during the year | Balance at 30/6/2023 | Exercisable at year end |
| 25-Feb-15 | 25-Feb-25 | $0.36 | 50,000 | - | - | 50,000 | - | - |
| 15-May-17 | 1-Oct-22 | $0.33 | 55,000 | - | - | 55,000 | - | - |
| 15-May-17 | 1-Oct-23 | $0.33 | 24,166 | - | - | - | 24,166 | 24,166 |
| 4-Dec-19 | 4-Dec-24 | $0.084 | 1,280,488 | - | - | - | 1,280,488 | 1,280,488 |
| 4-Dec-19 | 4-Dec-24 | $0.070 | 1,116,703 | - | - | - | 1,116,703 | 1,116,703 |
| 7-Jan-20 | 7-Jan-25 | $0.034 | 1,846,856 | - | - | - | 1,846,856 | 1,846,856 |
| 7-Apr-20 | 7-Apr-25 | $0.022 | 4,801,827 | - | - | - | 4,801,827 | 4,801,827 |
| 7-Jul-20 | 7-Jul-25 | $0.016 | 3,693,714 | - | - | - | 3,693,714 | 3,693,714 |
| 7-Oct-20 | 7-Oct-25 | $0.049 | 1,412,303 | - | - | - | 1,412,303 | 1,412,303 |
| 8-Jan-21 | 8-Jan-26 | $0.061 | 1,171,178 | - | - | - | 1,171,178 | 1,171,178 |
| 8-Apr-21 | 8-Apr-26 | $0.063 | 1,297,792 | - | - | - | 1,297,792 | 1,297,792 |
| 5-Jul-21 | 5-Jul-26 | $0.041 | 1,778,455 | - | - | - | 1,778,455 | 1,778,455 |
| 7-Oct-21 | 7-Oct-26 | $0.031 | 2,400,915 | - | - | - | 2,400,915 | 2,400,915 |
| 26-Nov-21 | 1-Oct-22 | - | 720,000 | - | 351,250 | 368,750 | - | - |
| 26-Nov-21 | 1-Apr-23 | - | 195,000 | - | 120,000 | 75,000 | - | - |
| 26-Nov-21 | 1-Oct-23 | - | 585,000 | - | - | 225,000 | 360,000 | - |
| 26-Nov-21 | 4-Oct-23 | - | 800,000 | - | - | - | 800,000 | - |
| 7-Jan-22 | 7-Jan-27 | $0.028 | 1,650,003 | - | - | - | 1,650,003 | 1,650,003 |
| 26-Mar-22 | 1-Oct-22 | - | 920,000 | - | 520,313 | 399,687 | - | - |
| 26-Mar-22 | 1-Apr-23 | - | 345,000 | - | 150,000 | 195,000 | - | - |
| 26-Mar-22 | 1-Oct-23 | - | 1,035,000 | - | - | 585,000 | 450,000 | - |
| 6-Apr-22 | 6-Apr-27 | $0.032 | 1,571,430 | - | - | - | 1,571,430 | 1,571,430 |
| 21-Jun-22 | 1-Oct-22 | - | - | 320,000 | 210,000 | 110,000 | - | - |
| 21-Jun-22 | 1-Apr-23 | - | - | 120,000 | 120,000 | - | - | - |
| 21-Jun-22 | 1-Oct-23 | - | - | 360,000 | - | - | 360,000 | - |
| 6-Jul-22 | 6-Jul-27 | $0.016 | 2,750,004 | - | - | - | 2,750,004 | 2,750,004 |
| 3-Oct-22 | 3-Oct-27 | $0.019 | - | 2,357,145 | - | - | 2,357,145 | 2,357,145 |
| 3-Jan-23 | 3-Jan-28 | $0.018 | - | 2,750,004 | - | - | 2,750,004 | 2,750,004 |
| 3-Apr-23 | 3-Apr-28 | $0.019 | - | 2,200,002 | - | - | 2,200,002 | 2,200,002 |
| 1-May-23 | 1-Oct-23 | - | - | 2,850,000 | - | - | 2,850,000 | - |
| 1-May-23 | 1-Apr-24 | - | - | 1,000,000 | - | - | 1,000,000 | - |
| 1-May-23 | 1-Oct-24 | - | - | 3,550,000 | - | - | 3,550,000 | - |
| 3-Jul-23 | 3-Jul-28 | $0.019 | - | 3,000,003 | - | - | 3,000,003 | 3,000,003 |
| 3-Jul-23 | 3-Jul-23 | - | - | 3,450,705 | 3,450,705 | - | - | - |
| TOTAL | | | 31,500,834 | 21,957,859 | 4,922,268 | 2,063,437 | 46,472,988 | 37,102,988 |

Other additional information associated with these share performance rights and option grants include:

- The weighted average remaining contractual life for equity entitlements outstanding at the end of the period was 4.3 years.
- The weighted average share price for performance rights vesting into shares during the year was $Nil (2022: $Nil).
- There were no options exercised during the year (2022: none exercised).
- The fair value was determined using the binomial tree method or the Black-Scholes option-pricing models:
    a. The share price at grant date ranged from: $0.01 to $0.40
    b. Expected price volatility of the Group's shares: 80%
    c. Dividends: $Nil
    d. Risk free interest rate: 1.51% to 4.1%

| **2022** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Grant date | Expiry date | Exercise price | Balance at 1/7/2021 | Granted during the year | Vested during the year | Expired during the year | Balance at 30/6/2022 | Exercisable at year end |
| 5-Nov-14 | 5-Nov-24 | $0.40 | 20,000 | - | - | 20,000 | - | - |
| 25-Feb-15 | 25-Feb-25 | $0.36 | 50,000 | - | - | - | 50,000 | 50,000 |
| 15-May-17 | 15-May-22 | $0.33 | 500,000 | - | - | 500,000 | - | - |
| 15-May-17 | 1-Oct-22 | $0.33 | 55,000 | - | - | - | 55,000 | 55,000 |
| 15-May-17 | 1-Oct-23 | $0.33 | 24,166 | - | - | - | 24,166 | 24,166 |
| 18-Sep-19 | 18-Sep-22 | - | 200,000 | - | 200,000 | - | - | - |
| 4-Dec-19 | 4-Dec-24 | $0.084 | 1,280,488 | - | - | - | 1,280,488 | 1,280,488 |
| 4-Dec-19 | 4-Dec-24 | $0.070 | 1,116,703 | - | - | - | 1,116,703 | 1,116,703 |
| 7-Jan-20 | 7-Jan-25 | $0.034 | 1,846,856 | - | - | - | 1,846,856 | 1,846,856 |
| 7-Apr-20 | 7-Apr-25 | $0.022 | 4,801,827 | - | - | - | 4,801,827 | 4,801,827 |
| 7-Jul-20 | 7-Jul-25 | $0.016 | 3,693,714 | - | - | - | 3,693,714 | 3,693,714 |
| 7-Oct-20 | 7-Oct-25 | $0.049 | 1,412,303 | - | - | - | 1,412,303 | 1,412,303 |
| 8-Jan-21 | 8-Jan-26 | $0.061 | 1,171,178 | - | - | - | 1,171,178 | 1,171,178 |
| 8-Apr-21 | 8-Apr-26 | $0.063 | 1,297,792 | - | - | - | 1,297,792 | 1,297,792 |
| 5-Jul-21 | 5-Jul-26 | $0.041 | 1,778,455 | - | - | - | 1,778,455 | 1,778,455 |
| 30-Aug-21 | 30-Aug-21 | - | - | 500,000 | 500,000 | - | - | - |
| 7-Oct-21 | 7-Oct-26 | $0.031 | - | 2,400,915 | 2,400,915 | - | 2,400,915 | 2,400,915 |
| 26-Nov-21 | 1-Oct-22 | - | - | 720,000 | - | - | 720,000 | - |
| 26-Nov-21 | 1-Apr-23 | - | - | 195,000 | - | - | 195,000 | - |
| 26-Nov-21 | 1-Oct-23 | - | - | 585,000 | - | - | 585,000 | - |
| 26-Nov-21 | 4-Oct-23 | - | - | 800,000 | - | - | 800,000 | - |
| 17-Dec-21 | 17-Dec-21 | - | - | 2,268,713 | 2,268,713 | - | - | - |
| 7-Jan-22 | 7-Jan-27 | $0.028 | - | 1,650,003 | 1,650,003 | - | 1,650,003 | 1,650,003 |
| 26-Mar-22 | 1-Oct-22 | - | - | 920,000 | - | - | 920,000 | - |
| 26-Mar-22 | 1-Apr-23 | - | - | 345,000 | - | - | 345,000 | - |
| 26-Mar-22 | 1-Oct-23 | - | - | 1,035,000 | - | - | 1,035,000 | - |
| 6-Apr-22 | 6-Apr-27 | $0.032 | - | 1,571,430 | 1,571,430 | - | 1,571,430 | 1,571,430 |
| 1-Jul-22 | 1-Jul-22 | - | - | 2,606,767 | 2,606,767 | - | - | - |
| 6-Jul-22 | 6-Jul-27 | $0.016 | - | 2,750,004 | 2,750,004 | - | 2,750,004 | 2,750,004 |
| TOTAL | | | 19,248,482 | 18,347,832 | 13,947,832 | 520,000 | 31,500,834 | 26,900,834 |

### (d) Expenses Recognised from Share-Based Payment Transactions

The expense recognised in relation to the share-based payment transactions was recorded within employee benefits expense in the statement of comprehensive income were as follows:

| | **2023** **$** | **2022** **$** |
|---|---|---|
| Share options | 132,000 | 147,018 |
| Performance rights | 293,747 | 120,372 |
| Total expenses recognised from share-based payment transactions | 425,747 | 267,390 |

## NOTE 25: SUBSIDIARIES AND RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of dorsaVi Ltd and its controlled entities listed below:

| | Country of incorporation | Ownership interest held by DVL | |
|---|---|---|---|
| | | 2023<br>% | 2022<br>% |
| dorsaVi Europe Ltd | UK | 100 | 100 |
| dorsaVi USA, Inc. | USA | 100 | 100 |
| Australian Workplace Compliance Pty Ltd | AUS | 100 | 100 |

- dorsaVi Europe Ltd was incorporated on 3 February 2014.
- dorsaVi USA, Inc. was incorporated on 19 May 2014.
- Australian Workplace Compliance Pty Ltd was purchased on 3 July 2014.

### (a) Transactions with Entities with Associates:

There were no transactions with associates or their entities during the year ended 30 June 2023 (2022: $Nil).

### (b) Transactions with Directors, Key Management Personnel and Other Related Parties:

As approved by shareholders at the 2019, 2020, 2021 and 2022 AGMs, non-executive directors were granted options over ordinary shares in lieu of the payment of directors' fees. During the year ended 30 June 2023, Starfish Ventures Pty Ltd was granted 3,435,718 options on behalf of Michael Panaccio (2022: 2,540,480).

## NOTE 26: AUDITOR'S REMUNERATION

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Amounts paid and payable to Pitcher Partners (Melbourne) for: | | |
| **(i) Audit and Other Assurance Services** | | |
| An audit or review of the financial report of the entity and any other entity in the consolidated entity | 105,650 | 98,200 |
| Total remuneration for audit and other assurance services | 105,650 | 98,200 |
| **(ii) Other Non-audit Services** | | |
| Taxation and other compliance services | 11,450 | 12,500 |
| Total remuneration for non-audit services | 11,450 | 12,500 |
| Total remuneration of Pitcher Partners (Melbourne) | 117,100 | 110,700 |

## NOTE 27: PARENT ENTITY INFORMATION

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| **(a) Summarised statement of financial position** | | |
| Assets: | | |
| Current assets | 1,909,630 | 2,284,128 |
| Non-current assets | 156,791 | 289,937 |
| Total assets | 2,066,421 | 2,574,065 |
| Liabilities: | | |
| Current liabilities | 727,958 | 1,790,328 |
| Non-current liabilities | 26,649 | 64,862 |
| Total liabilities | 754,607 | 1,855,190 |
| Net assets | 1,311,814 | 718,875 |
| Equity: | | |
| Share capital | 46,325,268 | 44,532,862 |
| Share-based payment reserve | 1,406,840 | 1,154,823 |
| Accumulates losses | (46,420,294) | (44,968,810) |
| Total equity | 1,311,814 | 718,875 |
| **(b) Summarised statement of comprehensive income** | | |
| Loss for the year | (1,762,051) | (1,629,832) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | (1,762,051) | (1,629,832) |

## NOTE 28: SEGMENT INFORMATION

### (a) Description of Segments

For the years ended 30 June 2023 and 2022, management has differentiated operating segments based on product.

The Group's chief operating decision maker has identified the following reportable segments:

- Segment 1: Clinical;
- Segment 2: Workplace

The operating segments have been identified based on internal reports reviewed by the Group's chief operating decision makers in order to allocate resources to the segment and assess its performance. Assets and liabilities are reported to management on a consolidated basis.

### (b) Segment Information

The Group's chief operating decision maker's use segment revenue and segment result to assess the financial performance of each operating segment.

Amounts for segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. There has been no inter-segment revenue during the year.

Segment information is reconciled to financial statements and underlying profit disclosure notes as follows:

| **2023** | Clinical<br>$ | Workplace<br>$ | Total<br>$ |
|---|---|---|---|
| Segment revenue: | | | |
| Segment revenue from external source | 1,050,751 | 699,566 | 1,750,317 |
| Non-segment revenue | - | - | 303,097 |
| Total revenue | | | 2,053,414 |
| | | | |
| Segment result: | | | |
| Segment result from external source | 867,708 | 631,997 | 1,499,705 |
| Non-segment revenue | - | - | 303,097 |
| Non-segment expenses | - | - | (4,109,502) |
| Income tax benefit | - | - | 486,118 |
| Loss from continuing operations | | | (1,820,582) |
| | | | |
| **2022** | | | |
| Segment revenue: | | | |
| Segment revenue from external source | 1,626,109 | 727,045 | 2,353,154 |
| Non-segment revenue | - | - | 1,119,717 |
| Total revenue | | | 3,472,871 |
| | | | |
| Segment result: | | | |
| Segment result from external source | 1,411,042 | 664,099 | 2,075,141 |
| Non-segment revenue | - | - | 1,119,717 |
| Non-segment expenses | - | - | (5,293,195) |
| Income tax benefit | - | - | 562,263 |
| Loss from continuing operations | | | (1,536,074) |

**Revenue by geographic location:**

| | Australia<br>$ | Europe<br>$ | USA<br>$ | Total<br>$ |
|---|---|---|---|---|
| **2023** | | | | |
| Revenue by geographic location | 709,736 | 65,087 | 1,278,591 | 2,053,414 |
| Total revenue from external source | 709,736 | 65,087 | 1,278,591 | 2,053,414 |
| | | | | |
| **2022** | | | | |
| Revenue by geographic location | 1,101,285 | 232,885 | 2,138,701 | 3,472,871 |
| Total revenue from external source | 1,101,285 | 232,885 | 2,138,701 | 3,472,871 |

**(c) Major Customers**

No major customer contributed revenue of greater than 10% of the Group's total revenue in 2023 (2022: one major customer contributed $759,920). Revenue from the prior year customer was included in the Clinical segment.

## NOTE 29: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years with the exception of the following:

- On 3 July 2023, dorsaVi Ltd announced the issue of 3,450,705 fully paid ordinary shares to the CEO, in lieu of cash remuneration of $43,000 and as approved at the 2022 AGM. The impact of the grant of these shares was recognised in share-based payments as at 30 June 2023.

- On 3 July 2023, dorsaVi Ltd announced the issue of 3,000,003 options to non-executive directors, in lieu of directors' fees, at an exercise price of $0.019 per share and an expiry date of 3 July 2028. The impact of the grant of these options was recognised in share-based payments as at 30 June 2023.

# Directors' Declaration

The directors declare that the financial statements and notes set out on pages 24 to 56 in accordance with the Corporations Act 2001:

a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
b) As stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
c) Give a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance for the year ended on that date.

In the directors' opinion, there are reasonable grounds to believe that dorsaVi Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2023.

This declaration is made in accordance with a resolution of the directors.

Michael Panaccio
Interim Chairman

Melbourne
Date: 25 August 2023

Andrew Ronchi
Director and CEO

Melbourne
Date: 25 August 2023

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

## Report on the Audit of the Financial Report

*Opinion*

We have audited the financial report of dorsaVi Ltd "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 1(c) in the financial report that conditions exist that indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| **Key audit matter** | **How our audit addressed the key audit matter** |
|---|---|
| **Revenue Recognition**<br>Refer to Note 4 – Revenue - $2,053,414 | |
| The Group's revenue of $2,053,414 (2022: $3,472,871) is derived from clinical revenue, workplace revenue and other income.<br><br>We focused on the existence and accuracy of recognition of revenue as a key audit matter as these are a key contributor to the determination of profit and loss, and judgement is required in assessing revenue recognition and associated accrued or deferred revenue (contract assets and contract liabilities) in accordance with *AASB 15 Revenue from contracts with customers*. | Our procedures included amongst others:<br>• Understanding and evaluating the design and implementation of the Group's controls and processes for recognising and recording revenue transactions.<br>• Testing a sample of managements recognised, accrued and deferred revenue recognition calculations, including review of terms and conditions of relevant customer contracts.<br>• Testing existence of revenue transactions to supporting documentation.<br>• Testing general journal entries impacting revenue.<br>• Assessing the adequacy of the disclosures in the financial statements. |

*Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF dorsaVi Ltd

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 14 to 22 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of dorsaVi Ltd, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

S SCHONBERG
Partner

PITCHER PARTNERS
Melbourne

25 August 2023

# Shareholder Information

**Corporate Governance:**

The Group's Corporate Governance Statement can be obtained at https://www.dorsavi.com/investor-relations/

**Overview:**

The Group's securities are listed for quotation in the form of Ordinary Shares on the Australian Securities Exchange (ASX) and trade under the symbol "DVL". The shareholder information below was applicable as at 16 August 2023.

The Group's share capital was as follows:

| **Type of Security:** | Number of Securities | Number of Holders |
|---|---|---|
| Ordinary Shares | 556,661,618 | 1,098 |
| Options | 37,102,988 | 5 |
| Performance Rights | 9,370,000 | 8 |

**Substantial Holders:**

| Names of Holders | Number of Shares Held | % of Total Shares |
|---|---|---|
| Bilal Ahmad and BAB Super Fund Pty Ltd | 59,997,836 | 10.78 |
| Starfish Technology Fund II Nominees A Pty Ltd | 48,763,230 | 8.76 |
| Starfish Technology Fund II Nominees B Pty Ltd | 48,763,229 | 8.76 |
| Sufian Ahmed, BRSB Super Fund Pty Ltd and Sixty Two Capital | 41,606,354 | 7.47 |

**Unmarketable Parcels:**

Based on the closing market price on 16 August 2023, there were 571 shareholders holding less than a marketable parcel (i.e. a parcel of securities of less than $500).

**Options and Performance Rights (not listed on ASX):**

There were 37,102,988 unquoted options on issue to purchase ordinary shares under the Group's Incentive Stock Option Agreement. The Options have been issued in accordance with the terms and conditions of the dorsaVi Ltd 2013 Share Ownership Plan.

There were 9,370,000 unquoted Performance Rights granted, but not vested into ordinary shares, under the Group's Incentive Agreements. The Performance Rights have been granted in accordance with the terms and conditions of the dorsaVi Ltd 2013 Share Ownership Plan.

**Restricted Securities and Escrow Agreements:**

There are no securities which are restricted or subject to escrow agreements.

**Voting Rights:**

At a general meeting, each Shareholder present (in person or by proxy, attorney or representative) has one vote on a show of hands and one vote for each share held when voting is done via a poll.

Proxy forms will be included in each notice of meeting sent to Shareholders. Holders of issued but unexercised options are not entitled to vote.

**Required Statements:**

a) There is no current on-market buy-back of the Group's securities.
b) The Group's securities are not quoted on any exchange other than the ASX.

**Distribution Schedule:**

| Number of Shares | Number of Holders |
|---|---|
| 1 – 1,000 | 61 |
| 1,001 - 5,000 | 120 |
| 5,001 - 10,000 | 99 |
| 10,001 – 100,000 | 478 |
| 100,001 and above | 340 |
| Total | 1,098 |

**dorsaVi Ltd's Top 20 Shareholders:**

Set out below is a schedule of the 20 largest holders of each class of securities quoted.

| Rank | Name | No of Shares Held | % of Total Shares |
|---|---|---|---|
| 1 | MR BILAL AHMAD | 53,100,000 | 9.54 |
| 2 | STARFISH TECHNOLOGY FUND II NOMINEES A PTY LTD | 48,763,230 | 8.76 |
| 3 | STARFISH TECHNOLOGY FUND II NOMINEES B PTY LTD | 48,763,229 | 8.76 |
| 4 | MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C> | 20,000,000 | 3.59 |
| 5 | MS CHUNYAN NIU | 19,382,316 | 3.48 |
| 6 | MR BIN LIU | 18,181,818 | 3.27 |
| 7 | VESPARUM GROUP INVESTMENTS PTY LTD | 17,182,142 | 3.09 |
| 8 | MR SUFIAN AHMAD | 17,100,000 | 3.07 |
| 9 | KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C> | 15,000,000 | 2.69 |
| 10 | TANARNY SUPER FUND PTY LTD <TANARNY SUPER FUND A/C> | 14,209,132 | 2.55 |
| 11 | CLAYTON CAPITAL PTY LTD | 12,590,909 | 2.26 |
| 12 | DDPEVCIC (WA) PTY LTD <DOMINIC FAMILY A/C> | 12,590,909 | 2.26 |
| 13 | 449 INVESTMENTS PTY LTD <THE A&R HYNES FAMILY S/F A/C> | 10,429,167 | 1.87 |
| 14 | MR SALVATORE DI VINCENZO | 8,517,332 | 1.53 |
| 15 | GLENBARRY PTY LTD <THOMAS A HUTCHINS FAMILY A/C> | 8,333,333 | 1.50 |
| 16 | AR BSM PTY LTD <AR BSM A/C> | 7,606,965 | 1.37 |
| 17 | VALENCE HOLDINGS PTY LTD THE PW & CM STINTON <SUPERANNUATION FUND A/C> | 5,688,006 | 1.02 |
| 18 | MR BRENDAN THOMAS CASE | 5,060,240 | 0.91 |
| 18 | DR ZONAIR IKRAM | 4,534,722 | 0.81 |
| 20 | CREATIVE HINDSIGHT PTY LTD | 4,244,417 | 0.76 |
| **Total ordinary fully paid shares held by top 20 shareholders** | | **351,277,867** | **63.10** |
| **Total ordinary fully paid shares held by all other shareholders** | | **205,383,751** | **36.90** |

**Corporate Directory:**

Board of Directors and Company Secretary:

| | |
|---|---|
| Dr Michael Panaccio | Acting Chairman |
| Mr Ashraf Attia | Non-Executive Director |
| Ms Caroline Elliott | Non-Executive Director |
| Dr Andrew Ronchi | Chief Executive Officer and Executive Director |
| Mr Brendan Case | Company Secretary |

Executive Team:

| | |
|---|---|
| Dr Andrew Ronchi | Chief Executive Officer |
| Mr Troy Di Domenico | Chief Financial Officer |
| Mr Dan Ronchi | Chief Technical Officer |

Registered Office in Australia:
C/- Pitcher Partners, Level 13,
664 Collins Street, Docklands, VIC 3008
Tel: +61 3 8610 5000

Principal Administrative Office:
Unit 3, 11-13 Milgate Street,
Oakleigh South, VIC 3167
Tel: 1800 367 728

Auditor:
Pitcher Partners
Level 13, 664 Collins Street,
Docklands, VIC 3008
Tel: +61 3 8610 5000

Share Registry:
Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne, VIC 3001
Tel: + 61 3 9415 4062

Annual General Meeting Date and Venue:
The Annual General Meeting will be held Thursday, 16 November 2023 at 9:00 am. The AGM will be held at the principal administrative offices of the Company.