

1. Company details

Name of entity:	DorsaVi Limited and controlled entities
ABN:	15 129 742 409
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	35.0% to	1,335,041
Loss from ordinary activities after tax attributable to the owners of DorsaVi Limited and controlled entities	down	31.5% to	(1,247,582)
Loss for the year attributable to the owners of DorsaVi Limited and controlled entities	down	31.5% to	(1,247,582)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

Total revenue for the 2024 financial year was \$1,335,041 (2023: \$2,053,414). Sales revenue was \$1,304,238 (2023: \$1,750,317), a 25% decrease.

The loss for the Group consisting of dorsaVi and the entities it controlled after providing for income tax amounted to \$1,247,582 (30 June 2023: \$1,820,582).

As at 30 June 2024, net assets of the Group were \$1,023,350 (2023: \$1,678,658).

Clinical

Clinical income was \$961,316 for the 2024 financial year (2023: \$1,050,751), a 9% decrease.

Workplace

Workplace income, utilising ViSafe technology, was \$342,921 for the 2024 financial year (2023: \$699,566), a 51% decline.

Expenditure

Total expenditure was \$2,915,657 for the 2024 financial year (2023: \$4,109,502), a decrease of 31% largely due to reductions in employee benefits expenses.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.16	0.31

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

The consolidated entity has been consolidated in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board and the Corporations Act. They also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of DorsaVi Limited and controlled entities for the year ended 30 June 2024 is attached.

12. Signed

Signed  _____

Michael Panaccio
Interim Chairman

Date: 30 August 2024

DorsaVi Limited and controlled entities
Contents
30 June 2024

Corporate directory	1
Chairman and CEO review	2
Directors' report	3
Auditor's independence declaration	15
Statement of profit or loss and other comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Statement of cash flows	19
Notes to the financial statements	20
Consolidated entity disclosure statement	47
Directors' declaration	48
Independent auditor's report to the members of DorsaVi Limited and controlled entities	49
Shareholder information	51

DorsaVi Limited and controlled entities

Corporate directory

30 June 2024

Directors	Michael Panaccio (Non-Executive Interim Chairman) Andrew Ronchi (Chief Executive Officer, Executive Director) Michael Winlo (Non-Executive Director) Gernot Abl (Non-Executive Director)
Company secretary	Justin Mouchacca
Registered office	C/- JM Corporate Services Suite 1, Level 6 350 Collins Street Melbourne, VIC 3000 Phone: (03) 8630 3321
Principal place of business	Unit 3, 11-13 Milgate Street, Oakleigh South, VIC 3167 Tel: 1800 367 728
Share register	Computershare Investor Services Pty Limited GPO Box 2975, Melbourne, VIC 3001 Tel: + 61 3 9415 4062
Auditor	MVAB Assurance Level 5, North Tower, 485 LaTrobe Street Melbourne, VIC 3008 Tel: +61 3 9642 8000
Stock exchange listing	DorsaVi Limited and controlled entities shares are listed on the Australian Securities Exchange (ASX code: DVL)
Website	https://www.dorsavi.com/

Dear Shareholders,

It is our pleasure to present dorsaVi's FY24 Annual Report.

FY24 has been a transformative year for dorsaVi, marked by AI innovation, customer signings, and financial resilience. We are proud of our team's focus and innovation, which has led to dorsaVi achieving several operational milestones. Reflecting on the past year, we acknowledge the unique challenges that emerged, particularly longer sale cycles and a volatile market environment. Despite these hurdles, we intentionally directed our focus towards optimising operating costs, enhancing our products to better position the company for sustained growth. These efforts have strengthened our foundations for future success and bolstered our position as a leader in wearable sensor technology.

During FY24, we achieved total sales revenue of ~\$1.3m while maintaining recurring revenue of ~\$1.1m, which highlights our product's indispensable value to our customers. Our focus on optimising our cost structure yielded a ~31% reduction in net operating cash outflows, declining to ~\$1.1m (from ~\$1.6m in the prior financial year). This successful reduction marks our third consecutive year of lowering costs — a testament to our commitment in becoming a leaner organisation with a sustainable cost base. Our financial position was further strengthened by a ~\$1.1m capital raising completed after the financial year, which positions us well to execute on our growth plans for FY25.

Innovation remains at the core of our strategy. This year saw the rollout of several AI enhancements to our ViMove+ product, including AI video tracking for runners, real-time facial tracking and AI Natural Movement Algorithms. The implementation of real-time facial tracking and facial blurring enables us to meet the high privacy standards required to work with major enterprises, paving the way for potential commercial opportunities. Following market feedback from a high-profile customer, we introduced AI video tracking for the upper limb to complement our lower limb and spinal modules. These advancements directly responded to market demands, significantly improved our value proposition, and have allowed us to address new customer segments effectively, such as the aged care and disability care markets.

We continued to expand our presence in the clinical and research markets, securing contracts with leading organisations such as Norton Healthcare, Georgia Southern University and an Australian university. Discussions are currently underway with our existing customers to integrate dorsaVi's upgraded AI offerings, reflecting the growing demand for innovative solutions to improve health and wellbeing. Our strategic partnership with QBE continued to deliver significant benefits, allowing us to tap into their large corporate client base. We successfully signed agreements with three leading Australian enterprises across mining, healthcare, and shipping. This partnership not only provides an important channel for new business leads, but also demonstrates the growing demand for AI-driven workplace safety solutions. We also signed a notable contract with Fire Rescue Victoria to support their worker safety program, underscoring the importance of dorsaVi's solution in reducing injuries for emergency services workers.

Enhancing our leadership team has been pivotal to our progress. We welcomed Dr. Michael Winlo and Mr. Gernot Abl to our Board, who bring extensive experience and fresh perspectives to drive our strategic vision. Additionally, Mr. Aaron Chan joined us as Chief Financial Officer and Mr. Justin Mouchacca as Company Secretary. With these strategic appointments, we have rejuvenated dorsaVi's Board and Management team, equipping us with the expertise needed to steer dorsaVi through its next phase of growth.

Looking ahead, our key priority remains on leveraging our strategic partnership and AI enhanced product offering to drive sales growth. We are confident in our ability to capitalise on our strong foundation, aiming to achieve greater operational leverage and expanded market reach. On behalf of the Board, we extend our thanks to our shareholders for their unwavering support, to our fellow Board members, and to the entire dorsaVi team for their hard work and contributions. With our strong financial position, innovative products, and strategic vision, we are well-positioned to drive continued success and achieve exceptional outcomes in FY25.

Sincerely,



Michael Panaccio
Interim Chairman



Andrew Ronchi
CEO

DorsaVi Limited and controlled entities
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the Group consisting of dorsaVi and the entities it controlled for the year ended 30 June 2024.

Directors

The following persons were directors of the Group consisting of dorsaVi and the entities it controlled during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michael Panaccio (Non-Executive Interim Chairman)	
Andrew Ronchi (Chief Executive Officer, Executive Director)	
Michael Winlo (Non-Executive Director)	Appointed 25 October 2023
Gernot Abl (Non-Executive Director)	Appointed 13 March 2024
Caroline Elliott (Non-Executive Director)	Resigned 15 April 2024
Ashraf Attia (Non-Executive Director)	Resigned 13 March 2024

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.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

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 2024, net assets of the Group were \$1,023,350 (2023: \$1,678,658).

Total revenue for the 2024 financial year was \$1,335,041 (2023: \$2,053,414). Sales revenue was \$1,304,238 (2023: \$1,750,317), a 25% decrease.

Clinical

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Workplace

Workplace income, utilising ViSafe technology, was \$342,921 for the 2024 financial year (2023: \$699,566), a 51% decline.

Expenditure

Total expenditure was \$2,915,657 for the 2024 financial year (2023: \$4,109,502), a decrease of 31% largely due to reductions in employee benefits expenses.

Material Business Risks

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.

DorsaVi Limited and controlled entities

Directors' report

30 June 2024

- 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

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.

On 31 October 2023, the Company secured commitments for a \$500,000 placement. Participants through the Placement received a 1 for 2 free attaching option and the options were issued on 13 June 2024 with an exercise price of \$0.02 (2 cents) per option and expiry date of 13 June 2026.

On 9 November 2023, the Company issued 40,000,000 shares \$0.01 (1 cents) as part of tranche 1 raising \$400,000 before transaction costs. The remaining 10,000,000 shares and 25,000,000 free attaching options were issued on 13 June 2024 following receipt of shareholder approval of DVL's ordinary shareholders at an Extraordinary General Meeting (EGM) held on 27 May 2024.

On 13 June 2024, the Company issued the following shares:

- 2,884,615 ordinary shares as part of settlement of consulting fees for services provided to the Company.
- 1,932,250 ordinary shares as a result of the exercise of performance rights.
- 3,699,051 ordinary shares as part of the employee incentive scheme voted for in the Annual General Meeting (AGM).

There were no other significant changes in the state of affairs of the Group consisting of dorsaVi and the entities it controlled during the financial year.

Matters subsequent to the end of the financial year

On 24 July 2024, the Company announced that it had secured commitments for a \$1,100,000 placement at an offer price of \$0.011 per share. The placement will be conducted on a 2 tranche basis and participants in the placement will receive one free attaching option for every two shares applied for through the placement. Each option will have an exercise price of \$0.02 (2 cents) per option and expiry date of 36 months from the issue date.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group consisting of dorsaVi and the entities it controls, the results of those operations, or the Group consisting of dorsaVi and the entities it controls state of affairs in future financial years.

Likely developments and expected results of operations

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 the release of new products, including the new Run product recently released, will continue to support revenue growth.

Environmental regulation

The Group consisting of dorsaVi and the entities it controlled is not subject to any significant environmental regulation under Australian Commonwealth or State law.

DorsaVi Limited and controlled entities

Directors' report

30 June 2024

Information on directors

Name: Michael Panaccio
Title: Non-Executive Interim Chairman
Qualifications: BSc (Hons), MBA, PhD, FAICD
Experience and expertise: 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.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 101,191,008 fully paid ordinary shares
Interests in options: 11,191,109 unlisted options
Interests in rights: Nil

Name: Andrew Ronchi
Title: Chief Executive Officer, Executive Director
Qualifications: B. App. Sci. (Physio), PhD (RMIT Eng), GAICD
Experience and expertise: 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.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 26,067,399 fully paid ordinary shares
Interests in options: Nil
Interests in rights: 1,000,000 performance rights

Name: Michael Winlo
Title: Non-Executive Director
Qualifications: Bachelor of Medicine, Bachelor of Surgery (MBBS) from the University of Western Australia and a Master of Business Administration (MBA) from Stanford University
Experience and expertise: Dr Winlo is a distinguished medical professional and entrepreneur with proven leadership experience across the biotechnology, pharmaceutical and technology sectors. He is currently Chief Executive Officer and Managing Director of Emyria Limited (ASX:EMD), a clinical drug development company, as well as a Non-Executive Director of Nanoveu Limited (ASX:NVU), a company specialising in protective films and coatings. Dr Winlo also serves as a Director and former CEO of Linear Clinical Research, a world-class provider of early and late-stage pharmaceutical trial facilities and management services.

Prior to his role at Linear, Dr Winlo was based in Silicon Valley for five years as the Health Lead at Palantir Technologies (NYSE:PLTR), a world leading data analytics company. dorsaVi looks forward to leveraging Dr Winlo's extensive managerial experience combined with his deep knowledge of the global healthcare landscape to propel dorsaVi's growth strategy.

Other current directorships: Emyria Limited (ASX:EMD); Nanoveu Limited (ASX:NVU)
Former directorships (last 3 years): N/A
Interests in shares: Nil
Interests in options: Nil
Interests in rights: Nil

DorsaVi Limited and controlled entities

Directors' report

30 June 2024

Name: Gernot Abl
Title: Non-Executive Director - appointed 13 March 2024
Qualifications: Gernot holds a law and commerce degree with first-class honours from the University of Western Australia.
Experience and expertise: Gernot Abl's background is in law, corporate finance, and strategic consulting. Gernot has more than 20 years of entrepreneurial, business strategy, and investment experience. Gernot has considerable commercial and investing experience and has worked with many early-stage businesses, across industries, to help commercialise, grow, and increase the value of the business for all stakeholders.

Gernot is also on the board of and advises several medium and high-growth businesses, ranging from early-stage pre-revenue companies through to early-stage ASX-listed companies.

Gernot currently serves as the Executive Director of Lithium Universe Limited (ASX:LU7) and is Non-executive Director of Peako Limited (ASX:PKO).

Other current directorships: Lithium Universe Limited (ASX:LU7); Peako Limited (ASX:PKO)
Former directorships (last 3 years): Live Verdure Limited (ASX:LV1) (resigned 15 March 2024)
Interests in shares: Nil
Interests in options: Nil
Interests in rights: Nil

Name: Ashraf Attia
Title: Non-Executive Director (resigned 13 March 2024)
Qualifications: PhD, FAICD
Experience and expertise: 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.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 624,973 fully paid ordinary shares
Interests in options: 11,191,109 unlisted options
Interests in rights: Nil

Name: Caroline Elliott
Title: Non-Executive Director (resigned 15 April 2024)
Qualifications: B. Ec, CA, GAICD
Experience and expertise: 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.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 501,543 fully paid ordinary shares
Interests in options: 11,191,109 unlisted Options
Interests in rights: Nil

DorsaVi Limited and controlled entities

Directors' report

30 June 2024

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Justin Mouchacca, CA FGIA

Mr Mouchacca is a Chartered Accountant and Fellow of the Governance Institute of Australia with over 17 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements. Since July 2019, Mr Mouchacca has been principal of JM Corporate Services and has been appointed Company Secretary and Financial Officer for a number of entities listed on the ASX and unlisted public companies.

Meetings of directors

The number of meetings of the Group consisting of DorsaVi and the entities it controlled's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held	Audit and Risk Committee Attended	Audit and Risk Committee Held
Michael Panaccio	8	8	1	1
Ashraf Attia ¹	6	6	1	1
Caroline Elliott ²	4	6	1	1
Andrew Ronchi	8	8	-	-
Michael Winlo ⁴	7	7	-	-
Gernot Abl ³	2	2	-	-

Held: represents the number of meetings held during the time the director held office.

¹ Resigned 13 March 2024

² Resigned 15 April 2024

³ Appointed 13 March 2024

⁴ Appointed 25 October 2023

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group consisting of DorsaVi and the entities it controlled, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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: \$44,000; and
- Other Directors: \$44,000.

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 2024 is detailed under 'details of remuneration' within this section of the report.

Executive Remuneration Structure

The Group consisting of dorsaVi and the entities it controlled aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

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.

DorsaVi Limited and controlled entities

Directors' report

30 June 2024

Remuneration consists of the following key elements:

- Fixed remuneration (base salary); 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.

Use of remuneration consultants

During the year the Board did not engage remuneration consultants.

Voting and Comments made at the Group's 2023 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.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group consisting of DorsaVi and the entities it controlled are set out in the following tables.

The key management personnel of the Group consisting of DorsaVi and the entities it controlled consisted of the following directors of the Group consisting of DorsaVi and the entities it controlled:

- Michael Panaccio (Non-Executive Interim Chairman)
- Andrew Ronchi (Chief Executive Officer, Executive Director)
- Michael Winlo (Non-Executive Director) - Appointed 25 October 2023
- Gernot Abl (Non-Executive Director) - Appointed 13 March 2024
- Caroline Elliott (Non-Executive Director) - Resigned 15 April 2024
- Ashraf Attia (Non-Executive Director) - Resigned 13 March 2024
- Troy Di Domenico (Chief financial officer) - Resigned 18 September 2023

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	Total \$
2024							
<i>Non-Executive Directors:</i>							
Michael Panaccio ^{1, 5}	33,000	-	-	-	-	6,140	39,140
Ashraf Attia ²	19,871	-	-	-	-	6,140	26,011
Caroline Elliott ^{3, 5}	23,813	-	-	-	-	6,140	29,953
Michael Winlo ^{5, 6}	30,011	-	-	-	-	-	30,011
Gernot Abl ^{4, 6}	12,571	-	-	-	-	-	12,571
<i>Executive Directors:</i>							
Andrew Ronchi	190,000	-	-	20,900	-	43,000	253,900
<i>Other key management personnel:</i>							
Troy Di Domenico	29,575	-	-	4,597	-	-	34,172
	<u>309,141</u>	<u>-</u>	<u>-</u>	<u>25,497</u>	<u>-</u>	<u>61,420</u>	<u>396,058</u>

¹ Michael Panaccio provides his services via Starfish Ventures Pty Ltd.

² Resigned 13 March 2024

³ Resigned 15 April 2024

⁴ Appointed 13 March 2024

⁵ Appointed 25 October 2023

⁶ All amounts included in Salary and fees were accrued during period.

⁷ Resigned 18 September 2023

DorsaVi Limited and controlled entities
Directors' report
30 June 2024

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	Total \$
2023							
<i>Non-Executive Directors:</i>							
Michael Panaccio ¹	-	-	-	-	-	44,000	44,000
Ashraf Attia	-	-	-	-	-	44,000	44,000
Caroline Elliott	-	-	-	-	-	44,000	44,000
<i>Executive Directors:</i>							
Andrew Ronchi	158,335	-	-	16,625	-	45,817	220,777
<i>Other key management personnel</i>							
Troy Di Domenico	200,000	-	-	21,000	-	9,420	230,420
Dan Ronchi	108,065	31,418	-	-	-	-	139,483
Yasmine Pateras ²	12,434	-	-	939	-	-	13,373
	<u>478,834</u>	<u>31,418</u>	<u>-</u>	<u>38,564</u>	<u>-</u>	<u>187,237</u>	<u>736,053</u>

¹ Michael Panaccio provides his services via Starfish Ventures Pty Ltd.

² Resigned 31 July 2022

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
Michael Panaccio	84%	-	-	-	16%	100%
Ashraf Attia ¹	76%	-	-	-	24%	100%
Caroline Elliott ²	80%	-	-	-	20%	100%
Michael Winlo ⁴	100%	-	-	-	100%	-
Gernot Abl ³	100%	-	-	-	100%	-
<i>Executive Directors:</i>						
Andrew Ronchi	83%	79%	-	-	17%	21%
<i>Other Key management personnel:</i>						
Troy Di Domenico ⁵	100%	96%			-	4%

¹ Resigned 13 March 2024

² Resigned 15 April 2024

³ Appointed 13 March 2024

⁴ Appointed 25 October 2023

⁵ Resigned

DorsaVi Limited and controlled entities
Directors' report
30 June 2024

Service 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
Dan Ronchi	1 month

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Date	Shares	Issue price
Andrew Ronchi	13 June 2024	1,100,000	\$0.013

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
3 July 2023	3 July 2023	3 July 2028	\$0.019	\$11,000
3 July 2023	3 July 2023	3 July 2028	\$0.019	\$11,000
3 July 2023	3 July 2023	3 July 2028	\$0.019	\$11,000
6 October 2023	6 October 2023	6 October 2028	\$0.017	\$6,140
6 October 2023	6 October 2023	6 October 2028	\$0.017	\$6,140
6 October 2023	6 October 2023	6 October 2028	\$0.017	\$6,140

Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Additional information

The earnings of the Group consisting of dorsaVi and the entities it controlled for the years to 30 June 2024 are summarised below:

Company Performance	2024	2023	2022	2021	2020
Revenue	1,335,041	2,053,414	3,472,871	2,802,821	2,861,418
% increase/(decrease)	(35%)	(41%)	24%	(2%)	(11%)
Loss after tax	(1,231,411)	(1,820,582)	(1,536,074)	(2,412,872)	(6,863,794)
% (increase)/decrease	32%	(19%)	36%	65%	(71%)
Change in share price	(20%)	(8%)	(56%)	69%	(68%)
Dividend paid to shareholders	-	-	-	-	-
Return of capital	-	-	-	-	-
Total remuneration of director and KMP	406,166	736,053	1,025,827	1,110,996	1,152,605
Total performance-based remuneration	43,000	55,237	51,024	112,452	66,874

DorsaVi Limited and controlled entities
Directors' report
30 June 2024

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Group consisting of dorsaVi and the entities it controlled held during the financial year by each director and other members of key management personnel of the Group consisting of dorsaVi and the entities it controlled, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other/resigned during period	Balance at the end of the year
<i>Ordinary shares</i>					
Michael Panaccio	101,191,008	-	-	-	101,191,008
Ashraf Attia ¹	624,973	-	-	(624,973)	-
Caroline Elliott ²	501,543	-	-	(501,543)	-
Andrew Ronchi	21,516,694	4,550,705	-	-	26,067,399
Michael Winlo	-	-	-	-	-
Gernot Abl	-	-	-	-	-
	<u>123,834,218</u>	<u>4,550,705</u>	<u>-</u>	<u>(1,126,516)</u>	<u>127,258,407</u>

¹ Resigned 13 March 2024

² Resigned 15 April 2024

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the Group consisting of dorsaVi and the entities it controlled under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 December 2019	4 December 2024	\$0.084	1,280,488
4 December 2019	4 December 2024	\$0.07	1,116,703
7 January 2020	7 January 2025	\$0.034	1,846,856
7 April 2020	7 April 2025	\$0.022	4,801,827
7 July 2020	7 July 2025	\$0.016	3,693,714
7 October 2020	7 October 2025	\$0.049	1,412,303
8 January 2021	8 January 2026	\$0.061	1,171,178
8 April 2021	8 April 2026	\$0.063	1,297,792
5 July 2021	5 July 2026	\$0.041	1,778,455
7 October 2021	7 October 2026	\$0.031	2,400,915
7 January 2022	7 January 2027	\$0.028	1,650,003
6 April 2022	6 April 2027	\$0.032	1,571,430
6 July 2022	6 July 2027	\$0.016	2,750,004
3 October 2022	3 October 2027	\$0.019	2,357,145
3 January 2023	3 January 2028	\$0.018	2,750,004
3 April 2023	3 April 2028	\$0.019	2,200,002
3 July 2023	3 July 2028	\$0.019	3,000,003
6 October 2023	6 October 2028	\$0.019	3,000,003
13 June 2024	13 June 2026	\$0.02	25,000,000
			<u>65,078,825</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Group consisting of dorsaVi and the entities it controlled or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of the Group consisting of dorsaVi and the entities it controlled issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

**DorsaVi Limited and controlled entities
Directors' report
30 June 2024**

Indemnity and insurance of officers

The Group has insured its Directors, Secretary and executive officers for the financial year ended 30 June 2024. 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.

Indemnity and insurance of auditor

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 consisting of dorsaVi and the entities it controlled

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group consisting of dorsaVi and the entities it controlled, or to intervene in any proceedings to which the Group consisting of dorsaVi and the entities it controlled is a party for the purpose of taking responsibility on behalf of the Group consisting of dorsaVi and the entities it controlled for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group consisting of dorsaVi and the entities it controlled, acting as advocate for the Group consisting of dorsaVi and the entities it controlled or jointly sharing economic risks and rewards.

Officers of the Group consisting of dorsaVi and the entities it controlled who are former partners of MVAB

Assurance

There are no officers of the Group consisting of dorsaVi and the entities it controlled who are former partners of MVAB Assurance.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

DorsaVi Limited and controlled entities
Directors' report
30 June 2024

Auditor

MVAB Assurance continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Panaccio
Interim Chairman

30 August 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DORSAVI LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

MVAB Assurance

MVAB ASSURANCE
Chartered Accountants

Sam Claringbold

SAM CLARINGBOLD
Partner

Signed at Melbourne this 30th day of August 2024

DorsaVi Limited and controlled entities
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue and other income			
Sales revenue	4	1,304,238	1,750,317
Cost of sales		(123,486)	(250,612)
Gross Profit		<u>1,180,752</u>	<u>1,499,705</u>
Change in fair value of derivative asset		-	34,677
Other gains of financial instruments		-	186,556
Other income	4	30,803	81,864
Expenses			
Advertising expenses		(61,332)	(184,512)
Consultancy expenses		(344,749)	(432,496)
Depreciation and amortisation expense	5	(78,952)	(184,796)
Employee benefits expenses	5	(1,421,662)	(2,113,344)
Finance costs		(22,344)	(239,034)
Insurance expenses		(136,256)	(160,160)
Occupancy expenses		(8,036)	(11,605)
Professional fees		(383,557)	(264,395)
Software expenses		(214,669)	(280,831)
Travel expenses		(19,487)	(3,618)
Other expenses		<u>(224,613)</u>	<u>(234,711)</u>
Loss before income tax benefit		<u>(1,704,102)</u>	<u>(2,306,700)</u>
Income tax benefit	6	<u>456,520</u>	<u>486,118</u>
Loss after income tax benefit for the year attributable to the owners of DorsaVi Limited and controlled entities	20	<u>(1,247,582)</u>	<u>(1,820,582)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign subsidiaries net of tax		<u>(13,910)</u>	<u>(9,563)</u>
Other comprehensive income for the year, net of tax		<u>(13,910)</u>	<u>(9,563)</u>
Loss for the year		<u><u>(1,261,492)</u></u>	<u><u>(1,830,145)</u></u>
		Cents	Cents
Basic earnings per share	31	(0.23)	(0.39)
Diluted earnings per share	31	(0.23)	(0.39)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

DorsaVi Limited and controlled entities
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	478,100	878,724
Trade and other receivables	8	859,424	952,370
Inventories	9	489,567	526,495
Other assets	10	133,338	175,107
Total current assets		<u>1,960,429</u>	<u>2,532,696</u>
Non-current assets			
Property, plant and equipment	11	206,326	156,791
Intangibles assets	12	17,309	-
Total non-current assets		<u>223,635</u>	<u>156,791</u>
Total assets		<u>2,184,064</u>	<u>2,689,487</u>
Liabilities			
Current liabilities			
Trade and other payables	13	396,785	149,095
Borrowings	14	49,993	261,280
Lease liabilities	15	36,827	42,158
Provisions	16	181,724	164,297
Other liabilities	17	383,425	367,350
Total current liabilities		<u>1,048,754</u>	<u>984,180</u>
Non-current liabilities			
Lease liabilities	15	103,352	18,415
Provisions	16	8,608	8,234
Total non-current liabilities		<u>111,960</u>	<u>26,649</u>
Total liabilities		<u>1,160,714</u>	<u>1,010,829</u>
Net assets		<u>1,023,350</u>	<u>1,678,658</u>
Equity			
Issued capital	18	47,288,516	46,325,268
Reserves	19	266,870	637,844
Accumulated losses	20	(46,532,036)	(45,284,454)
Total equity		<u>1,023,350</u>	<u>1,678,658</u>

The above statement of financial position should be read in conjunction with the accompanying notes

DorsaVi Limited and controlled entities
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	44,532,862	395,390	(43,707,602)	1,220,650
Loss after income tax benefit for the year	-	-	(1,820,582)	(1,820,582)
Other comprehensive income for the year, net of tax	-	(9,563)	-	(9,563)
Total comprehensive income for the year	-	(9,563)	(1,820,582)	(1,830,145)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	1,792,406	-	-	1,792,406
Employee share ownership plan	-	205,587	-	205,587
Other share-based payments	-	290,160	-	290,160
Equity instruments lapsed	-	(243,730)	243,730	-
Balance at 30 June 2023	<u>46,325,268</u>	<u>637,844</u>	<u>(45,284,454)</u>	<u>1,678,658</u>
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	46,325,268	637,844	(45,284,454)	1,678,658
Loss after income tax benefit for the year	-	-	(1,247,582)	(1,247,582)
Other comprehensive income for the year, net of tax	-	(13,910)	-	(13,910)
Total comprehensive income for the year	-	(13,910)	(1,247,582)	(1,261,492)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	470,000	-	-	470,000
Transfer from share based payment reserve	421,965	(421,965)	-	-
Share-based payments (note 32)	71,283	64,901	-	136,184
Balance at 30 June 2024	<u>47,288,516</u>	<u>266,870</u>	<u>(46,532,036)</u>	<u>1,023,350</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

DorsaVi Limited and controlled entities
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		1,408,990	2,103,974
Payments to suppliers and employees		(2,508,891)	(3,661,231)
Interest paid		(32,474)	(54,278)
Grants and sundry income received		22,000	73,200
Interest received		10,803	8,664
Income tax refunded		498,675	562,263
Net cash used in operating activities	30	(600,897)	(967,408)
Cash flows from investing activities			
Payments for property, plant and equipment	11	(3,226)	(14,982)
Payments for intangibles	12	(17,954)	(36,668)
Net cash used in investing activities		(21,180)	(51,650)
Cash flows from financing activities			
Proceeds from issue of shares	18	500,000	1,447,073
Cost of raising capital and issuing convertible note		(30,000)	(116,667)
Proceeds from borrowings		-	302,133
Repayment of borrowings		(200,000)	(140,486)
Payment of principal portion lease liability		(42,944)	(43,972)
Net cash from financing activities		227,056	1,448,081
Net increase/(decrease) in cash and cash equivalents		(395,021)	429,023
Cash and cash equivalents at the beginning of the financial year		878,724	449,701
Effects of exchange rate changes on cash and cash equivalents		(5,603)	-
Cash and cash equivalents at the end of the financial year	7	<u>478,100</u>	<u>878,724</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Group consisting of dorsaVi and the entities it controlled are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group consisting of dorsaVi and the entities it controlled has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group consisting of dorsaVi and the entities it controlled's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is DorsaVi Limited and controlled entities's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Group consisting of dorsaVi and the entities it controlled recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group consisting of dorsaVi and the entities it controlled is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group consisting of dorsaVi and the entities it controlled: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 1. Material accounting policy information (continued)

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group consisting of dorsaVi and the entities it controlled for the annual reporting period ended 30 June 2024. The Group consisting of dorsaVi and the entities it controlled has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group consisting of dorsaVi and the entities it controlled measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group consisting of DorsaVi and the entities it controlled considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Warranty provision

In determining the level of provision required for warranties the Group consisting of DorsaVi and the entities it controlled has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

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 \$1,247,582 (2023: \$1,820,582). The Group had a net decrease in cash \$400,624 (2023: increase \$429,023). As at 30 June 2024, the Groups current assets exceed current liabilities by \$911,675 (2023: \$1,548,516)

The Group has continued its strategic focus on increasing penetration into the US market and building annuity revenue streams. The size of the US market and the scalability of annuity products is expected to continue to provide the greatest opportunity for the Group and its shareholders.

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. On 24 July 2024, the Company announced that it had secured \$1,100,000 from sophisticated investors through a two tranche placement. As at the date of this report, the Company has received \$550,000 representing tranche 1 of the placement with the remaining tranche being subject to shareholder approval being sought at a general meeting of shareholders. The Company also has a research and development grant for the 2024 financial year which will be prepared and lodged subsequent to the end of the financial year.

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.

Note 3. Operating segments

(a) Description of Segments

For the years ended 30 June 2024 and 2023, 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:

Operating segment information

	Clinical	Workplace	Total
2024	\$	\$	\$
Revenue			
Segment revenue from external source	961,317	342,921	1,304,238
Non-segment revenue	-	-	30,803
Total revenue			<u>1,335,041</u>
Segment result from external source	863,869	316,883	1,180,752
Non-segment revenue	-	-	30,803
Non-segment expenses	-	-	(2,899,486)
Income tax benefit	-	-	456,520
Profit/(loss) before income tax expense			<u>(1,231,411)</u>

Note 3. Operating segments (continued)

	Clinical	Workplace	Total
2023	\$	\$	\$
Revenue			
Segment revenue from external source	1,050,751	699,566	1,750,317
Non-segment revenue	-	-	303,097
Total revenue			<u>2,053,414</u>
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
Profit/(loss) before income tax expense			<u>(1,820,582)</u>

Geographical information

	Revenue by geographic location	
	2024	2023
	\$	\$
Australia	344,319	709,736
Europe	82,137	65,087
USA	908,585	1,278,591
Total	<u>1,335,041</u>	<u>2,053,414</u>

(c) Major Customers

No major customer contributed revenue of greater than 10% of the Group's total revenue in 2024 and 2023.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 4. Revenue (continued)

	2024 \$	2023 \$
<i>Revenue recognised at a point in time:</i>		
Clinical income	102,131	240,015
Workplace income	169,576	423,103
	<u>271,707</u>	<u>663,118</u>
<i>Revenue recognised over time:</i>		
Clinical income	859,185	810,736
Workplace income	173,345	276,463
	<u>1,032,530</u>	<u>1,087,199</u>
<i>Revenue from contracts with customers is disclosed in the segment note as follows:</i>		
Clinical income	961,317	1,050,751
Workplace income	342,921	699,566
	<u>1,304,238</u>	<u>1,750,317</u>
Other income:	-	-
Grant and other income	20,000	73,200
Interest income	10,803	8,664
Change in fair value of derivative asset	-	34,677
Other gains on financial instruments	-	186,556
	<u>2,639,279</u>	<u>3,803,731</u>

Note 5. Expenses

	2024 \$	2023 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation	39,175	148,128
Amortisation of patents and intangibles	39,777	36,668
Total depreciation	<u>78,952</u>	<u>184,796</u>
<i>Employee benefits expense</i>		
Share based payments	87,923	205,587
Other employee benefits	1,340,744	1,907,757
Total employee benefits expense	<u>1,428,667</u>	<u>2,113,344</u>
	<u>1,507,619</u>	<u>2,298,140</u>
Research and development expense	1,049,471	1,146,379
Cost of sales	123,486	250,612
Bad debts	16,204	(46,343)
	<u>1,189,161</u>	<u>1,350,648</u>

Note 6. Income tax benefit

	2024 \$	2023 \$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Current tax	(456,520)	(486,118)
(a) Prima facie tax payable		
The prima facie tax refundable on loss before income tax is reconciled to the income tax benefit as follows:		
Prima facie income tax refundable on loss before income tax at 25% (2023: 25%)	(502,809)	(576,675)
Add tax effect of:		
Accounting R&D expenditure	262,368	279,378
Deferred tax assets / liabilities not recognised	(10,225)	(41,536)
Share based payments expense	18,336	106,437
Tax losses not recognised	269,958	277,835
	-	-
Less tax effect of		
R&D tax offset	(456,520)	(486,118)
Deduction under 240-880	(20,651)	(28,862)
Effect of foreign tax rates	(16,977)	(16,577)
Income tax benefit attributable to loss	<u>(456,026)</u>	<u>(486,118)</u>

	2024 \$	2023 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Temporary differences	51,283	65,916
Operating tax losses	8,199,780	8,040,983
Total deferred tax assets not recognised	<u>8,251,063</u>	<u>8,106,899</u>

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7. Current assets - cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	407,944	798,127
Deposits at call	70,156	80,597
	<u>478,100</u>	<u>878,724</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Current assets - trade and other receivables

	2024 \$	2023 \$
Receivables from contracts with customers	284,717	396,324
Less: Allowance for credit losses	(21,036)	(11,918)
	<u>263,681</u>	<u>384,406</u>
Contract assets	139,223	69,289
R&D tax offset refundable	456,520	498,675
	<u>595,743</u>	<u>567,964</u>
	<u><u>859,424</u></u>	<u><u>952,370</u></u>

Contract assets

The Group recovered the majority of the 2023 contract assets within the 2024 year and expects the 2024 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:

	2024 \$	2023 \$
Opening balance	(11,918)	(41,489)
Net remeasurement of loss allowance	(25,322)	15,410
Amounts written off	16,204	14,161
	<u>(21,036)</u>	<u>(11,918)</u>
Closing balance	<u><u>(21,036)</u></u>	<u><u>(11,918)</u></u>

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024 %	2023 %	2024 \$	2023 \$	2024 \$	2023 \$
Not overdue	0.02%	0.01%	72,229	242,648	18	28
0 to 3 months overdue	1.08%	0.20%	95,027	88,160	1,026	217
3 to 6 months overdue	0.25%	1.20%	75,971	39,586	193	467
Over 6 months overdue	47.72%	43.20%	41,490	25,930	19,799	11,206
			<u>284,717</u>	<u>396,324</u>	<u>21,036</u>	<u>11,918</u>

Note 8. Current assets - trade and other receivables (continued)

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group consisting of DorsaVi and the entities it controlled has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Current assets - inventories

	2024 \$	2023 \$
Inventories - at cost	<u>489,567</u>	<u>526,495</u>

Accounting policy for inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 10. Current assets - other assets

	2024 \$	2023 \$
Prepayments and other assets	<u>133,338</u>	<u>175,107</u>

Note 11. Non-current assets - property, plant and equipment

	2024 \$	2023 \$
Furniture, fixtures and fittings - at cost	8,739	8,739
Less: Accumulated depreciation	<u>(4,681)</u>	<u>(4,226)</u>
	4,058	4,513
Office equipment - at cost	92,215	88,989
Less: Accumulated depreciation	<u>(65,983)</u>	<u>(55,504)</u>
	26,232	33,485
Right to use asset - at cost (i)	235,121	117,402
Less: Accumulated depreciation	<u>(101,136)</u>	<u>(61,962)</u>
	<u>133,985</u>	<u>55,440</u>

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 11. Non-current assets - property, plant and equipment (continued)

	2024 \$	2023 \$
Tooling - at cost	71,810	71,808
Less: Accumulated depreciation	(55,524)	(48,343)
	<u>16,286</u>	<u>23,465</u>
Testing equipment - at cost	113,280	113,282
Less: Accumulated depreciation	(87,515)	(73,394)
	<u>25,765</u>	<u>39,888</u>
	<u><u>206,326</u></u>	<u><u>156,791</u></u>

(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 is expected to be exercised.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Testing equipment \$	Office equipment \$	Furniture, fixtures and fittings \$	Right to use asset \$	Tooling \$	Total \$
Balance at 1 July 2022	52,206	71,777	37,474	97,834	30,646	289,937
Additions	14,982	-	-	-	-	14,982
Depreciation expense	(27,300)	(38,292)	(32,961)	(42,394)	(7,181)	(148,128)
Balance at 30 June 2023	39,888	33,485	4,513	55,440	23,465	156,791
Additions	-	3,226	-	117,677	-	120,903
Depreciation expense	(14,123)	(10,479)	(455)	(39,132)	(7,179)	(71,368)
Balance at 30 June 2024	<u><u>25,765</u></u>	<u><u>26,232</u></u>	<u><u>4,058</u></u>	<u><u>133,985</u></u>	<u><u>16,286</u></u>	<u><u>206,326</u></u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group consisting of dorsaVi and the entities it controlled. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Non-current assets - intangibles assets

Note 12. Non-current assets - intangibles assets (continued)

	2024 \$	2023 \$
Patents - at cost	379,318	1,264,014
Less: Accumulated amortisation	(362,009)	(361,364)
Less: Provision for impairment	-	(902,650)
	<u>17,309</u>	<u>-</u>
Development expenditure - at cost	5,261,956	5,261,956
Less: Accumulated amortisation and provision for impairment	(5,261,956)	(5,261,956)
	<u>-</u>	<u>-</u>
	<u><u>17,309</u></u>	<u><u>-</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Patents \$	Total \$
Balance at 1 July 2022	-	-
Additions	36,668	36,668
Amortisation expense	(36,668)	(36,668)
Balance at 30 June 2023	-	-
Additions	17,954	17,954
Amortisation expense	(645)	(645)
Balance at 30 June 2024	<u><u>17,309</u></u>	<u><u>17,309</u></u>

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 2024 has been fully expensed. Should future performance exceed Group forecasts, the current impairment provision may be reversed in future periods.

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Territory fees

Territory fees are capitalised as an asset and amortised over the exclusive territory agreement period, being their finite life of 5 years.

Note 13. Current liabilities - trade and other payables

	2024 \$	2023 \$
Trade payables	129,078	41,221
Sundry creditors and accruals	267,707	107,874
	<u>396,785</u>	<u>149,095</u>

Refer to note 22 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group consisting of dorsaVi and the entities it controlled prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Current liabilities - borrowings

	2024 \$	2023 \$
Loan facility (i)	-	200,000
Premium finance facility (ii)	49,993	61,280
	<u>49,993</u>	<u>261,280</u>

(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 2024, 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 2024 at an interest rate of 6.6%. A similar finance facility was in place in the prior year.

Refer to note 22 for further information on financial instruments.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 15. Liabilities - lease liabilities

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 11, have been recognised.

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

	2024 \$	2023 \$
Not later than one year	44,558	44,017
Later than one year and not later than 5 years	111,732	18,566
Total minimum lease payments	<u>156,290</u>	<u>62,583</u>
Future finance charges	<u>(16,111)</u>	<u>(2,010)</u>
Present value of minimum lease payment	<u>140,179</u>	<u>60,573</u>

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 15. Current liabilities - lease liabilities (continued)

	2024 \$	2023 \$
Current lease liability	36,827	42,158
Non-current lease liability	103,352	18,415
	<u>140,179</u>	<u>60,573</u>

Note 16. Liabilities - provisions

	2024 \$	2023 \$
Current employee benefits	181,724	164,297
Non-current employee benefits	8,608	8,234
	<u>190,332</u>	<u>172,531</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 17. Current liabilities - other liabilities

	2024 \$	2023 \$
Contract liabilities	<u>383,425</u>	<u>367,350</u>

Note 18. Equity - issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>615,177,534</u>	<u>553,210,913</u>	<u>47,288,516</u>	<u>46,325,268</u>

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 18. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	353,881,285		44,532,862
Employee incentive scheme	1 July 2022	2,606,767	-	-
Placement	8 August 2022	40,000,000	\$0.01	400,000
Placement	26 August 2022	29,707,338	\$0.01	297,073
Settlement of fees	5 September 2022	7,729,293	-	-
Employee incentive scheme	6 September 2022	1,081,563	-	-
Convertible notes	6 December 2022	38,500,000	\$0.03	462,000
Placement	24 March 2023	68,181,818	\$0.01	750,000
Settlement of fees	10 May 2023	11,132,849	-	-
Employee incentive scheme	31 May 2023	390,000	-	-
Cost of raising capital		-	-	(116,667)
Balance	30 June 2023	553,210,913		46,325,268
Employee incentive scheme	5 July 2023	3,450,705	-	-
Placement	9 November 2023	40,000,000	\$0.01	400,000
Placement	13 June 2024	10,000,000	\$0.01	100,000
Settlement of fees	13 June 2024	2,884,615	-	-
Exercise of options	13 June 2024	1,932,250	-	-
Employee incentive scheme	13 June 2024	2,599,051	-	71,283
Employee incentive scheme	13 June 2024	1,100,000	-	-
Transfer from share based payment reserve		-	-	421,965
Capital raising fees		-	-	(30,000)
Balance	30 June 2024	<u>615,177,534</u>		<u>47,288,516</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group consisting of DorsaVi and the entities it controlled in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group consisting of DorsaVi and the entities it controlled does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 19. Equity - reserves

	2024 \$	2023 \$
Foreign currency reserve	(782,906)	(768,996)
Share-based payments reserve	<u>1,049,776</u>	<u>1,406,840</u>
	<u>266,870</u>	<u>637,844</u>

Note 19. Equity - reserves (continued)

(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.

(ii) Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share-based payment reserve \$	Foreign currency translation reserve \$	Total \$
Balance at 1 July 2022	1,154,823	(759,433)	395,390
Employee share ownership plan	205,587	-	205,587
Other share-based payments	290,160	-	290,160
Transfers to retained earnings	(243,730)	-	(243,730)
Exchange differences on translation of foreign operations	-	(9,563)	(9,563)
Balance at 30 June 2023	1,406,840	(768,996)	637,844
Employee share ownership plan	47,752	-	47,752
Other share-based payments	17,149	-	17,149
Transfer to issued capital	(421,965)	-	(421,965)
Exchange differences on translation of foreign operations	-	(13,910)	(13,910)
Balance at 30 June 2024	<u>1,049,776</u>	<u>(782,906)</u>	<u>266,870</u>

Note 20. Equity - accumulated losses

	2024 \$	2023 \$
Accumulated losses at the beginning of the financial year	(45,284,454)	(43,463,872)
Loss after income tax benefit for the year	<u>(1,247,582)</u>	<u>(1,820,582)</u>
Accumulated losses at the end of the financial year	<u><u>(46,532,036)</u></u>	<u><u>(45,284,454)</u></u>

Note 21. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives

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

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 22. Financial instruments (continued)

	2024 \$	2023 \$
Financial assets:		
Cash and cash equivalents	478,100	878,724
Trade receivables	263,681	384,406
Other receivables	595,743	567,964
	<u>1,337,524</u>	<u>1,831,094</u>
Finance Liabilities		
Trade payables	129,078	41,221
Borrowings	49,993	261,280
Lease liability	140,179	60,573
Other liabilities	383,425	367,350
Other payables	250,132	107,874
	<u>952,807</u>	<u>838,298</u>

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:

	2024	USD 2023	2024	GBP 2023
Current assets	195,084	332,252	64,582	13,966
Current liabilities	99,701	151,478	33,752	14,568

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:

	2024 \$	2023 \$
+/- 10%		
Impact on loss after tax	24,678	23,343
Impact on equity	<u>24,678</u>	<u>23,343</u>
	<u><u>49,356</u></u>	<u><u>46,686</u></u>

Liquidity risk

Vigilant liquidity risk management requires the Group consisting of dorsaVi and the entities it controlled to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Note 22. Financial instruments (continued)

The Group consisting of dorsaVi and the entities it controlled manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group consisting of dorsaVi and the entities it controlled's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	Total carrying amount \$
2024		
Non-derivatives		
<i>Non-interest bearing</i>		
Trade receivables	-	263,681
Other receivables	-	595,793
	-	-
Trade payables	-	129,078
Other liabilities	-	383,425
Other payables	-	250,132
<i>Interest-bearing - variable</i>		
Cash	-	396,394
Term Deposit	0.20%	11,550
Term Deposit	3.80%	30,156
Term Deposit	4.00%	40,000
	-	-
Insurance finance facility	6.63%	60,778
Secured loan	-	-
Lease liability	6.26%	140,179
Total non-derivatives		<u>2,301,166</u>

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 22. Financial instruments (continued)

2023

Non-derivatives

Non-interest bearing

Trade receivables	-	384,406
Other receivables	-	567,964
	-	-
Trade payables	-	41,221
Other liabilities	-	367,350
Other payables	-	107,874

Interest-bearing - variable

Cash	0.51%	798,127
Term Deposit	0.20%	11,550
Term Deposit	0.50%	29,047
Term Deposit	0.25%	40,000
	-	-
Insurance finance facility	6.40%	61,280
Secured loan	16.00%	200,000
Lease liability	5.00%	60,573
Total non-derivatives		<u>2,669,392</u>

Note 22. Financial instruments (continued)

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 8.

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.

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.

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 23. Key management personnel disclosures

Directors

The following persons were directors of DorsaVi Limited and controlled entities during the financial year:

Michael Panaccio (Non-Executive Interim Chairman)	
Ashraf Attia (Non-Executive Director)	Resigned 13 March 2024
Caroline Elliott (Non-Executive Director)	Resigned 15 April 2024
Andrew Ronchi (Chief Executive Officer, Executive Director)	
Michael Winlo (Non-Executive Director)	
Gernot Abl (Non-Executive Director)	Appointed 13 March 2024

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group consisting of DorsaVi and the entities it controlled is set out below:

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 23. Key management personnel disclosures (continued)

	2024 \$	2023 \$
Short-term employee benefits	309,141	510,252
Post-employment benefits	25,497	38,564
Share-based payments	61,420	187,237
	<u>396,058</u>	<u>736,053</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by MVAB Assurance, the auditor of the Group consisting of DorsaVi and the entities it controlled:

	2024 \$	2023 \$
<i>Audit services – MVAB Assurance (2023: Pitcher Partners)</i> An audit or review of the financial report of the entity and any other entity in the consolidated entity	40,000	105,650
<i>Other services – (2023: Pitcher Partners)</i> Taxation and other compliance services	-	11,450
	<u>40,000</u>	<u>117,100</u>

Note 25. Commitments and contingent liabilities

(a) Expenditure commitments

There are no material expenditure commitments at balance date (2023: \$nil).

(b) Contingent asset and liabilities

There are no contingent assets or contingent liabilities at balance date (2023: \$nil).

Note 26. Related party transactions

Parent entity

DorsaVi Limited and controlled entities is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 27. Parent entity information

	2024 \$	2023 \$
Summarised statement of comprehensive income		
Loss for the year	(1,192,766)	(1,762,051)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(1,192,766)</u>	<u>(1,762,051)</u>
	2024 \$	2023 \$
Summarised statement of financial position		
Assets:		
Current assets	1,447,143	1,909,630
Non-current assets	223,636	156,791
Total assets	<u>1,670,779</u>	<u>2,066,421</u>
Liabilities:		
Current liabilities	833,588	727,958
Non-current liabilities	111,960	26,649
Total liabilities	<u>945,548</u>	<u>754,607</u>
Equity:		
Share capital	46,866,551	46,325,268
Share-based payment reserve	1,471,741	1,406,840
Accumulates losses	<u>(47,613,061)</u>	<u>(46,420,294)</u>
Total equity	<u>725,231</u>	<u>1,311,814</u>

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
dorsaVi Europe Ltd	UK	100.00%	100.00%
dorsaVi USA, Inc.	USA	100.00%	100.00%
Australian Workplace Compliance Pty Ltd	AUS	100.00%	100.00%

Note 29. Events after the reporting period

On 24 July 2024, the Company announced that it had secured commitments for a \$1,100,000 placement at an offer price of \$0.011 per share. The placement will be conducted on a 2 tranche basis and participants in the placement will receive one free attaching option for every two shares applied for through the placement. Each option will have an exercise price of \$0.02 (2 cents) per option and expiry date of 36 months from the issue date.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group consisting of dorsaVi and the entities it controls, the results of those operations, or the Group consisting of dorsaVi and the entities it controls state of affairs in future financial years.

DorsaVi Limited and controlled entities
Notes to the financial statements
30 June 2024

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	2024 \$	2023 \$
Loss after income tax benefit for the year	(1,247,582)	(1,820,582)
Adjustments for:		
Amortisation	39,777	36,668
Depreciation	39,175	148,128
Share based payments	157,851	425,747
Movement in debtor provision	9,118	(29,571)
Foreign exchange differences on operating assets	(13,910)	(9,563)
Change in fair value of derivative liability	-	(34,677)
Other gains on financial instruments	-	(186,556)
Interest adjustment on convertible note host debt	-	167,071
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	41,673	216,682
(Increase)/decrease in other assets	41,769	125,339
(Increase)/decrease in inventories	36,928	(4,212)
Increase/(decrease) in payables	234,348	(20,453)
(Increase)/decrease in R&D tax offset receivable	42,155	76,145
Increase/(decrease) in provisions	17,801	(57,574)
Net cash used in operating activities	<u>(600,897)</u>	<u>(967,408)</u>

Note 31. Loss per share

	2024 \$	2023 \$
Loss after income tax attributable to the owners of DorsaVi Limited and controlled entities	<u>(1,247,582)</u>	<u>(1,820,582)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	548,130,023	466,540,841
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>548,130,023</u>	<u>466,540,841</u>
	Cents	Cents
Basic earnings per share	(0.23)	(0.39)
Diluted earnings per share	(0.23)	(0.39)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of DorsaVi Limited and controlled entities, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 32. 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.

The 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.

(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 2024 and to the date of this report no options over ordinary shares or loan shares were granted to employees (2023: Nil) and 3,000,003 options over ordinary shares were granted to non-executive directors in lieu of the payment of directors' fees (2023: 10,307,154). During the year nil options were cancelled (2023: 55,000 options cancelled). At 30 June 2024, 40,078,825 options had been granted but not converted into ordinary shares (2023: 37,102,988).

(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. There were no performance rights issued to employees during the year ended 30 June 2024 (2023: 7,400,000). During the year ended 30 June 2024, 3,032,250 performance rights vested into shares (2023: 1,471,563). During the year ended 30 June 2024, 3,787,750 performance rights lapsed (2023: 1,958,437). At 30 June 2024, 2,550,000 employee performance rights remain outstanding (2023: 9,370,000).

Note 32. Share-based payments (continued)

2024 options

Grant date	Expiry date	Exercise price	Balance as at 1/7/2023	Granted during the year	Vested during the year	Expired during the year	Balance as at 30/6/2024	Exercisable at year end
15/05/2017	01/10/2023	\$0.330	24,166	-	-	(24,166)	1,280,488	1,280,488
04/12/2019	04/12/2024	\$0.084	1,280,488	-	-	-	1,116,703	1,116,703
04/12/2019	04/12/2024	\$0.070	1,116,703	-	-	-	1,846,856	1,846,856
07/01/2020	07/01/2025	\$0.034	1,846,856	-	-	-	4,801,827	4,801,827
07/04/2020	07/04/2025	\$0.022	4,801,827	-	-	-	3,693,714	3,693,714
07/07/2020	07/07/2025	\$0.016	3,693,714	-	-	-	1,412,303	1,412,303
07/10/2020	07/10/2025	\$0.049	1,412,303	-	-	-	1,171,178	1,171,178
08/01/2021	08/01/2026	\$0.061	1,171,178	-	-	-	1,297,792	1,297,792
08/04/2021	08/04/2026	\$0.063	1,297,792	-	-	-	1,778,455	1,778,455
05/07/2021	05/07/2026	\$0.041	1,778,455	-	-	-	2,400,915	2,400,915
07/10/2021	07/10/2026	\$0.031	2,400,915	-	-	-	1,650,003	1,650,003
07/01/2022	07/01/2027	\$0.028	1,650,003	-	-	-	1,571,430	1,571,430
06/04/2022	06/04/2027	\$0.032	1,571,430	-	-	-	2,750,004	2,750,004
06/07/2022	06/07/2027	\$0.016	2,750,004	-	-	-	2,357,145	2,357,145
03/10/2022	06/10/2027	\$0.019	2,357,145	-	-	-	2,750,004	2,750,004
03/01/2023	03/01/2028	\$0.016	2,750,004	-	-	-	2,200,002	2,200,002
03/04/2023	03/04/2028	\$0.019	2,200,002	-	-	-	3,000,003	3,000,003
03/07/2023	03/07/2028	\$0.019	-	3,000,003	-	-	3,000,003	3,000,003
06/10/2023	06/10/2028	\$0.011	-	3,000,003	-	-	3,000,003	3,000,003
			<u>34,102,985</u>	<u>6,000,006</u>	<u>-</u>	<u>(24,166)</u>	<u>40,078,825</u>	<u>40,078,825</u>

2023 options

Grant date	Expiry date	Exercise price	Balance as at 1/7/2022	Granted during the year	Vested during the year	Expired during the year	Balance as at 30/6/2023	Exercisable at year end
25/02/2015	25/02/2025	\$0.360	50,000	-	-	(50,000)	-	-
15/05/2017	01/10/2022	\$0.330	55,000	-	-	(55,000)	-	-
15/05/2017	01/10/2023	\$0.330	24,166	-	-	-	24,166	24,166
04/12/2019	04/12/2024	\$0.084	1,280,488	-	-	-	1,280,488	1,280,488
04/12/2019	04/12/2024	\$0.070	1,116,703	-	-	-	1,116,703	1,116,703
07/01/2020	07/01/2025	\$0.034	1,846,856	-	-	-	1,846,856	1,846,856
07/04/2020	07/04/2025	\$0.022	4,801,827	-	-	-	4,801,827	4,801,827
07/07/2020	07/07/2025	\$0.016	3,693,714	-	-	-	3,693,714	3,693,714
07/10/2020	07/10/2025	\$0.049	1,412,303	-	-	-	1,412,303	1,412,303
08/01/2021	08/01/2026	\$0.061	1,171,178	-	-	-	1,171,178	1,171,178
08/04/2021	08/04/2026	\$0.063	1,297,792	-	-	-	1,297,792	1,297,792
05/07/2021	05/07/2026	\$0.041	1,778,455	-	-	-	1,778,455	1,778,455
07/10/2021	07/10/2026	\$0.031	2,400,915	-	-	-	2,400,915	2,400,915
07/01/2022	07/01/2027	\$0.028	1,650,003	-	-	-	1,650,003	1,650,003
06/04/2022	06/04/2027	\$0.032	1,571,430	-	-	-	1,571,430	1,571,430
06/07/2022	06/07/2027	\$0.016	2,750,004	-	-	-	2,750,004	2,750,004
03/10/2022	06/10/2027	\$0.019	-	2,357,145	-	-	2,357,145	2,357,145
03/01/2023	03/01/2028	\$0.018	-	2,750,004	-	-	2,750,004	2,750,004
03/04/2023	03/04/2028	\$0.019	-	2,200,002	-	-	2,200,002	2,200,002
03/07/2023	03/07/2028	\$0.019	-	3,000,003	-	-	3,000,003	3,000,003
03/07/2023	03/07/2023	\$0.000	-	3,450,705	(3,450,705)	-	-	-
			<u>26,900,834</u>	<u>13,757,859</u>	<u>(3,450,705)</u>	<u>(105,000)</u>	<u>37,102,988</u>	<u>37,102,988</u>

Note 32. Share-based payments (continued)

(d) Performance rights issued to consultants

During the year ended 30 June 2024, the Company issued 4,615,384 performance rights to consultants of the Company. The performance rights are subject to vesting conditions and will vest quarterly up to April 2025.

Set out below is a summary of performance rights issued during the current and previous financial years:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/11/2021	01/10/2023	-	360,000	-	(243,750)	(116,250)	-
26/11/2021	04/10/2023	-	800,000	-	(333,500)	(466,500)	-
26/03/2022	01/10/2023	-	450,000	-	-	(450,000)	-
26/06/2022	01/10/2023	-	360,000	-	-	(360,000)	-
01/05/2023	01/10/2023	-	2,850,000	-	(1,355,000)	(495,000)	1,000,000
01/05/2023	01/04/2024	-	1,000,000	-	-	-	1,000,000
01/05/2023	01/10/2024	-	3,550,000	-	(1,100,000)	(1,900,000)	550,000
17/04/2024	17/04/2025	-	-	4,615,384	-	-	4,615,384
			<u>9,370,000</u>	<u>4,615,384</u>	<u>(3,032,250)</u>	<u>(3,787,750)</u>	<u>7,165,384</u>

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/11/2021	01/10/2023	-	585,000	-	-	(225,000)	360,000
26/11/2021	04/10/2023	-	800,000	-	-	-	800,000
26/03/2022	01/10/2023	-	1,035,000	-	-	(585,000)	450,000
26/06/2022	01/10/2023	-	360,000	-	-	-	360,000
01/05/2023	01/10/2023	-	2,850,000	-	-	-	2,850,000
01/05/2023	01/04/2024	-	1,000,000	-	-	-	1,000,000
01/05/2023	01/10/2024	-	3,550,000	-	-	-	3,550,000
			<u>10,180,000</u>	<u>-</u>	<u>-</u>	<u>(810,000)</u>	<u>9,370,000</u>

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group consisting of DorsaVi and the entities it controlled receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

Note 32. Share-based payments (continued)

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group consisting of DorsaVi and the entities it controlled or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group consisting of DorsaVi and the entities it controlled or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

DorsaVi Limited and controlled entities
Consolidated entity disclosure statement
30 June 2024

The DorsaVi Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the company (the Company) and its controlled entities (the consolidated entity, the Group).

In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
dorsaVi Limited	Body Corporate	Australia	100.00%	Australia
dorsaVi Europe Ltd	Body corporate	UK	100.00%	United Kingdom
dorsaVi USA, Inc.	Body corporate	USA	100.00%	United States of America
Australian Workplace Compliance Pty Ltd	Body corporate	Australia	100.00%	Australian

DorsaVi Limited and controlled entities
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group consisting of dorsaVi and the entities it controlled's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group consisting of dorsaVi and the entities it controlled will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Panaccio
Interim Chairman

30 August 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DORSAVI LIMITED AND CONTROLLED ENTITIES
ABN 15 129 742 409

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of DorsaVi Limited and controlled entities (the Group), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of DorsaVi Limited and controlled entities., 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 2024 and of its financial performance for the year then ended;
- (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* (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 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 your attention to Note 2 (Going Concern) in the financial report, which indicates the Group incurred an operating loss of \$1,247,582 and a negative cash outflow from operating activities of \$600,897.

As stated in Note 2 (Going Concern), this event or condition, along with other matters as set forth in the note, indicate that 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.

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.

Share Options and Equity Transactions (refer to note 32)

The Group issued shares to executive directors and senior management under a share-based compensation plan. These arrangements have differing terms and conditions that give rise to different accounting outcomes.

Share based payment arrangements require judgemental assumptions including volatility rates and expected life in determining the fair value of the arrangements and the expensing of that fair value over the estimated service period.

In recognising these transactions, the Group performed a valuation to calculate the accounting expense. Details of the share based payment arrangements offered to directors, executive management, third parties and shareholders, are disclosed in the Remuneration Report and note 32 to the financial report.

The audit of the share-based payment arrangements and the associated expense is a key audit matter due to the judgements required in determining fair value.

How our audit addressed the key audit matter

To evaluate the share transactions, we performed the following procedures, amongst others:

- We assessed the terms of the share based payment arrangements issued during the period including review of documentation issued to shareholders.
- We assessed the methodology used by the Group in valuing the share options.
- We assessed the expense recorded on the statement of comprehensive income.
- We assessed the share capital recorded for any loan repayments.
- We assessed whether the disclosure in note 32 in relation to the arrangements was adequate and whether it complied with Australian Accounting Standards.

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 2024, 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.

Melbourne

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Responsibilities of the Directors for the Financial Report

The directors of the Group 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 Group's ability 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 12 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of DorsaVi Limited and controlled entities, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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.



MVAB ASSURANCE



SAM CLARINGBOLD

Chartered Accountants

Signed at Melbourne this 30th day of August 2024

50

DorsaVi Limited and controlled entities
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 16 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	59	-
1,001 to 5,000	111	0.05
5,001 to 10,000	89	0.11
10,001 to 100,000	472	3.00
100,001 and over	334	96.84
	1,065	100.00
Holding less than a marketable parcel	553	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Bilal Ahmad	53,500,000	7.99
Mrs Ifrah Nishat	50,027,271	7.48
Starfish Technology Fund II Nominees A Pty Ltd	48,763,230	7.29
Starfish Technology Fund II Nominees B Pty Ltd	48,763,229	7.29
Miss Ifrah Nishat	40,034,955	5.98
Vesparum Group Investments Pty Ltd	23,511,311	3.51
Ms Chunyan Niu	23,455,438	3.51
Mr Bin Liu	17,958,568	2.68
David Dominic Pevcic	16,545,454	2.47
Kobala Investments Pty Ltd Fernando Edward Family A/C	16,409,090	2.45
Valence Holdings Pty Ltd the PW & CM Stinton Superannuation Fund A/C	15,277,779	2.28
Tanarny Super Fund Pty Ltd Tanarny Super Fund A/C	14,209,132	2.12
Ddpevcic (WA) Pty Ltd (Dominic Family A/C)	12,590,909	1.88
Hall Capital Finance Pty Ltd Phoenix Microcap A/C	11,916,942	1.78
449 Investments Pty Ltd the A&R Hynes Family S/F A/C	9,791,667	1.46
AR BSM Pty Ltd AR BSM A/C	8,706,965	1.30
Dr Zonair Ikram	8,352,903	1.25
Mr Salvatore Di Vincenzo	8,087,189	1.21
Mr Dean Brett Blankfield Dean Blankfield A/C	6,636,363	0.99
Creative Hindsight Pty Ltd	6,360,871	0.95
	440,899,266	65.87

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Group consisting of dorsaVi and the entities it controlled are set out below:

DorsaVi Limited and controlled entities
Shareholder information
30 June 2024

	Ordinary shares	
		% of total
	Number held	shares issued
Mr Bilal Ahmad	53,500,000	7.99
Mrs Ifrah Nishat	50,027,271	7.48
Starfish Technology Fund II Nominees A Pty Ltd	48,763,230	7.29
Starfish Technology Fund II Nominees B Pty Ltd	48,763,229	7.29
Miss Ifrah Nishat	40,034,955	5.98

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.