

ASX RELEASE

Appendix 4C – Q4FY21 Quarterly Cash Flow Report

Cash Highlights:

- Record quarterly cash receipts from customers—NZ\$5.4M, up 15% compared to Q4FY20
- Subscription-based receipts in FY21 up 39% year on year to ~NZ\$18.3M (or 46% in constant currency)
- Unaudited cash receipts for the full year ended 31 March 2021 of NZ\$19.7M (or NZ\$20.3M constant currency), up over 20% year on year (or 24% constant currency)
- Net operating cash outflow in Q4FY21 of NZ\$3.2M, better than internal forecast
- NZ\$32.2M cash on hand at end Q4FY21

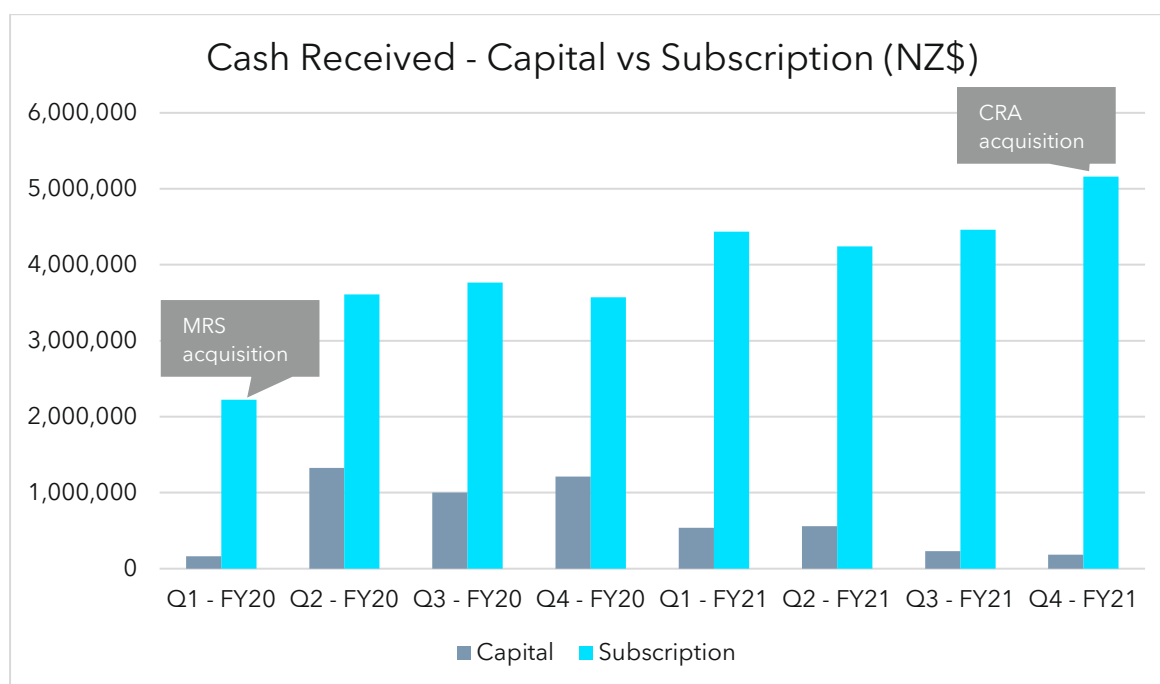
SaaS Highlights from Q4FY21 Business Update of 20 April 2021:

- Annual Recurring Revenue (ARR) now ~US\$18.6M (~NZ\$27.9M), which includes 20% organic growth
- Coverage of ~32% of US women being screened (up from prior year of ~27.1%)
- Average Revenue Per User (ARPU) was US\$1.40 at end Q4, but average ARPU in Q4 was US\$2.50 for the existing Volpara business; ARPU of up to US\$5.65 achieved at some sites in Q4

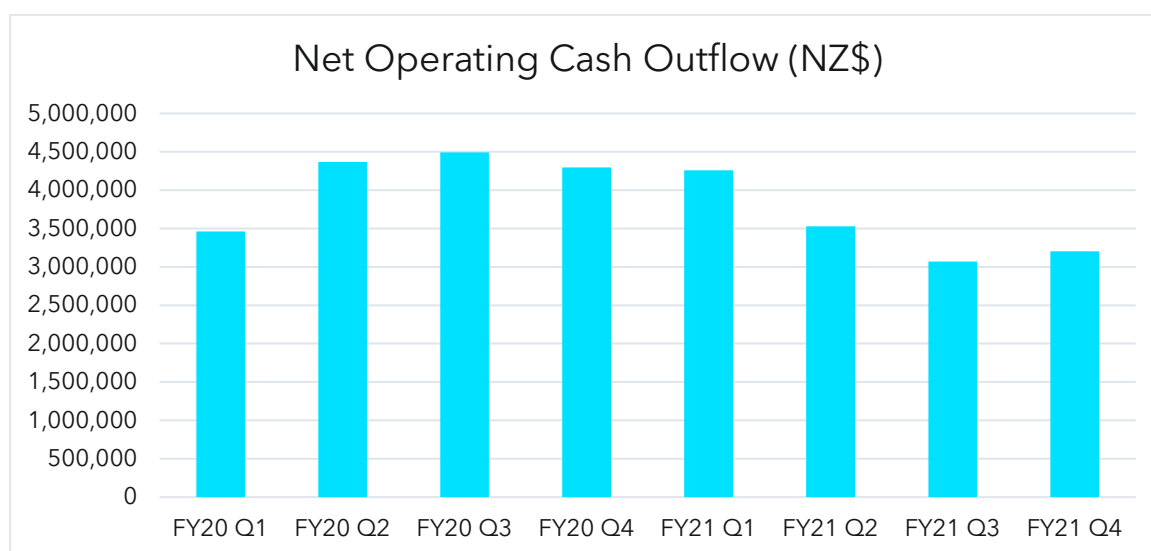
Wellington, NZ, 29 April 2021: Volpara Health Technologies (“Volpara,” “the Group,” or “the Company”; ASX:VHT), a global health technology software leader providing an integrated breast care platform for the delivery of personalised breast care, has released its Appendix 4C Quarterly Cash Flow report for the quarter ending 31 March 2021.

On Q4FY21, Volpara Group CEO Dr Ralph Highnam said: “Our achievements in FY21 are a powerful endorsement of what we stand for as a company and the strength and commitment of our industry to keep saving families from cancer, no matter what else is going on. We look forward to continuing to accelerate out of COVID-19 in FY22.”

Cash receipts from customers were Volpara’s strongest on record, with NZ\$5.4M received, up 15% on Q4FY20. This is Volpara’s first quarter with receipts greater than NZ\$5.0M and seventh straight quarter with receipts above NZ\$4.5M. Importantly, subscription-based receipts continue to grow at a much faster rate, up 39% year on year, or 46% in constant currency.



Net operating cash outflow in Q4 was NZ\$3.2M, ahead of expectations and in line with the previous quarter. Overall net operating cash outflow for the year, excluding one-off business integration and acquisition-related costs, was NZ\$13.5M, an improvement of 15% year on year. The Company had NZ\$32.2M in the bank at the end of Q4.



ARPU increased from US\$1.22 at the end of Q3FY21 to US\$1.40 at the end of Q4, with an average ARPU for Q4 of US\$2.50 for the existing Volpara business, and a range from US\$1.00 (a very large Volpara Scorecard customer only) to US\$5.65 (a multi-product deal). Below are a few examples of ARPU where customers are using more than one Volpara product, demonstrating the Company's pathway to ARPU of US\$10.

	Volume	Products in use	ARR	ARPU
Customer 1	70,000	Analytics, CRA Risk	US\$295,000	US\$4.21
Customer 2	15,000	Analytics, Live, Lung, MRS7	US\$67,800	US\$4.52
Customer 3	10,800	Analytics, Patient Hub, Risk, genetics	US\$84,613	US\$7.83
Customer 4	7,500	Analytics, Patient Hub, Risk	US\$42,375	US\$5.65
Customer 5	47,000	Analytics, CRA Risk	US\$213,500	US\$4.52
Customer 6	10,000	Analytics, Patient Hub, Risk	US\$44,600	US\$4.46
Customer 7	16,000	Analytics, Patient Hub, Risk	US\$69,000	US\$4.31

The payments to related parties of the entity and their associates included in item 6.1 of the Appendix 4C relate to Board fees.

Authorisation & Additional Information

This announcement was authorised by the Board of Volpara Health Technologies Limited.

ENDS

For further information, please contact:

Ralph Highnam, CEO
 Volpara Health Technologies
ralph.highnam@volparahealth.com
 t: +64 21 149 0541

Trevor Chappell
 WE Communications
WE-AUVolpara@we-worldwide.com
 t: +61 407 933 437

About Volpara Health Technologies Limited (ASX: VHT)

VHT is a health technology software company founded in 2009 on research originally conducted at Oxford University. VHT's clinical functions for screening clinics provide feedback on breast density, compression, dose, and quality, while its enterprise-wide practice-management software helps with productivity, compliance, reimbursement, and patient tracking.

VHT's technology and services have been used by customers and/or research projects in 39 countries and are supported by numerous patents, trademarks, and regulatory clearances, including FDA clearance and CE marking. Since its listing on the ASX in April 2016, VHT has raised A\$132 million, including A\$37 million in April/May 2020 and has made two significant acquisitions in MRS Systems, Inc. (patient tracking software), and CRA Health LLC (risk and genetics software). VHT is based in Wellington, New Zealand.

For more information, visit www.volparahealth.com

Definitions:

Annual Recurring Revenue (ARR): The normalised amount of cash reasonably expected to be booked for the next 12 months based on the contracts signed previously, and assuming installation upon order.

Percentage of US market: An estimate of the number of US women who are imaged using at least element from the Volpara Breast Health Platform, based on the approximately 39M women imaged in the United States each year, most of them screening (as opposed to diagnostic). The percentage given should be considered indicative and not definitive.

Average Revenue Per User (ARPU): ARR per US woman screened as used to calculate the percentage of US market.

Volpara Breast Health Platform: Volpara's advanced AI software platform, an integrated suite of software solutions that collects and analyses information to better understand a patient's breast cancer risk, while objectively evaluating image quality and workflow-improvement opportunities. These capabilities are being extended to lung cancer screening. As part of Volpara Health's recent rebranding, the platform's elements were renamed as follows:

<u>New name</u>	<u>Legacy name</u>
Volpara Analytics	Volpara®Enterprise™
Volpara Live	Volpara®Live!™
Volpara Lung	Aspen Lung™
Volpara Patient Hub	Aspen Breast™
Volpara Risk	Volpara®Risk™
Volpara Scorecard	Volpara®Density™

Appendix 4C

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

Name of entity

Volpara Health Technologies Limited

ABN

609 946 867

Quarter ended ("current quarter")

Q4 – 31 March 2021 (31 March year-end)

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (9 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,404	19,685
1.2 Payments for		
(a) research and development	(1,884)	(7,949)
(b) product manufacturing and operating costs	(1,402)	(5,465)
(c) advertising and marketing	(225)	(663)
(d) leased assets	(24)	(96)
(e) staff costs	(3,950)	(16,159)
(f) administration and corporate costs	(1,351)	(5,438)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	149	1,171
1.5 Interest and other costs of finance paid	(36)	(157)
1.6 Income taxes paid	(161)	(139)
1.7 Government grants and tax incentives	277	1,605
1.8 Other (provide details if material)	(1)	81
1.9 Net cash from / (used in) operating activities	(3,204)	(13,524)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(24,672)	(24,672)
(c) property, plant and equipment	(16)	(68)
(d) investments	-	-
(e) intellectual property	(245)	(733)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (9 months) \$NZ'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	48	48
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (acquisition related costs)*	(486)	(1,032)
2.6	Net cash from / (used in) investing activities	(25,371)	(26,457)

*2.5 relates to business integration and acquisition expenses.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	39,499
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	8	1,747
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,601)
3.5	Proceeds from borrowings	-	2,821
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liability principal payments)*	(108)	(527)
3.10	Net cash from / (used in) financing activities	(100)	41,939

*3.9 relates to interest on lease repayments.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	60,643	31,385
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,204)	(13,524)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (9 months) \$NZ'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25,371)	(26,457)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(100)	41,939
4.5	Effect of movement in exchange rates on cash held	262	(1,113)
4.6	Cash and cash equivalents at end of period	32,230	32,230

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZ'000	Previous quarter \$NZ'000
5.1	Bank balances	7,873	9,919
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	24,357	54,374
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32,230	64,293

6.	Payments to related parties of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	219
6.2	Aggregate amount of payments to related parties and their associates included in item 2*	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

*6.1 relates to fees paid to Directors.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
7.1 Loan facilities	(2,821)	(2,821)
7.2 Credit standby arrangements	(10)	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	(2,831)	(2,821)
7.5 Unused financing facilities available at quarter end		(10)
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Includes a loan of US\$1.7M from the US Government's Small Business Administration in relation to the Paycheck Protection Program repayable at 1% p.a.; and an unsecured overdraft facility with Kiwibank at a variable interest rate of 7.5%.		

8. Estimated cash available for future operating activities	\$NZ'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,204)
8.2 Cash and cash equivalents at quarter end (item 4.6)	32,230
8.3 Unused finance facilities available at quarter end (item 7.5)	10
8.4 Total available funding (item 8.2 + item 8.3)	32,240
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.