

Full-Year Results 2021

Investor Presentation



Ralph Highnam, CEO
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Our Mission

Saving Families from Cancer

FY21 Highlights

ANNUAL RECURRING REVENUES

NZ\$27.9M

+55%² compared to
NZ\$18.0M at the end of the
prior corresponding period

NORMALISED NON-GAAP LOSS¹

NZ\$12.4M

21% improvement on prior
corresponding period

32% (approx.)

of US women having a Group product
applied on their images and data
compared to approx. 27% at the end of
the prior corresponding period

TOTAL REVENUE

NZ\$19.7M

+57% on prior
corresponding period

NET OPERATING CASH OUTFLOW

NZ\$14.0M

16% improvement compared
to NZ\$16.6M for the prior
corresponding period

GROSS PROFIT MARGIN

91%

Up from 86% for the prior
corresponding period

SUBSCRIPTION REVENUE

NZ\$18.1M

+99% on prior
corresponding period

NET LOSS AFTER TAX

NZ\$17.5M

14% improvement on prior
corresponding period

CASH AND CASH EQUIVALENTS

NZ\$32.2M

at end FY21, up from NZ\$31.4M
at end FY20, after the capital raise
noted above and acquisition of
CRA during the period

¹ Normalised non-GAAP adjusted loss is net loss before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items.

² Annual Recurring Revenues increased 60% in US\$, from organic and inorganic growth

Product Update

In FY21, we made significant investments in product development and technology. We focused on expanding the Breast Health Platform to create a better patient experience, easier integration of expanded patient pathways, and support for our customers' reporting, compliance, and image quality needs, all whilst positioning the company to scale.

Below are some of the highlights:

Personalised risk for all

We acquired CRA Health to expand our best-in-class personalised risk offerings to all customers.

Easier connection to genetics companies

As genetics plays an important role in patient understanding of personalised breast cancer risk, we continued to release updates that facilitate easier communication between our customers and genetics companies.

Improved EQUIP compliance reporting

Using our TruPGMI image quality evaluation method, we automated more of our customers' EQUIP reporting, driving down their cost of compliance.

Key automated reports now emailed directly

Our customers are busy and need valuable insights delivered to them to focus their time. This year we expanded our Analytics capabilities to deliver our actionable insights directly to their inbox.

Next-level TruDensity

With 39.5M+ images in the cloud, we continually pushed the results of our TruDensity clinical function, the clear market leader in density assessment.

New Scorecard rollout continues

Delivering cross-product value and a growing array of patient insights, our clinical decision-making software continues to roll out with customer buy-in.

Other Achievements



Acquired CRA Health, LLC, a leader in breast cancer risk assessment & genetics



Signed, via CRA Health, highest-value contract to date with major US hospital chain



Signed collaboration agreement with Ambry Genetics, which has started to generate revenue



Extended distribution agreement with MeVIS Medical Solutions AG



Partnered with Sydney-based DetectED-X



Rebranded Volpara Solutions to Volpara Health to better reflect our mission to prevent advanced-stage breast cancer



Partnered with Sheila R. Veloz Breast Center to provide image-enhanced patient letters, i.e., Project Thumb



Expanded Charlotte Radiology collaboration to sign US Radiology to five-year SaaS contract



Signed five-year SaaS contract with BreastScreen Queensland



Granted 97th US patent



Won Supreme Gold and Cyber Gold Awards at Wellington Gold Awards



Won Absolute IT Supreme Scale-Ups Award



Won European Congress of Radiology Award



Saw significant reduction in false-positive rate in second round of DENSE trial using VolparaDensity software



Relaunched website

Company Overview

Volpara (ASX:VHT) is an ASX-listed health technology software company whose integrated breast health platform assists in the delivery of personalised patient care.

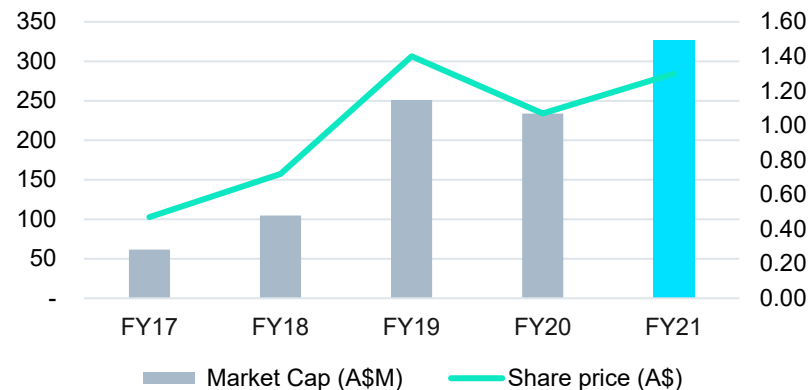
The platform—the most clinically validated in the industry—features Volpara Analytics, Volpara Live, Volpara Lung, Volpara Patient Hub, Volpara Risk, and Volpara Scorecard. These are sold both direct and through leading distribution partners, such as GE Healthcare and Fuji Medical.



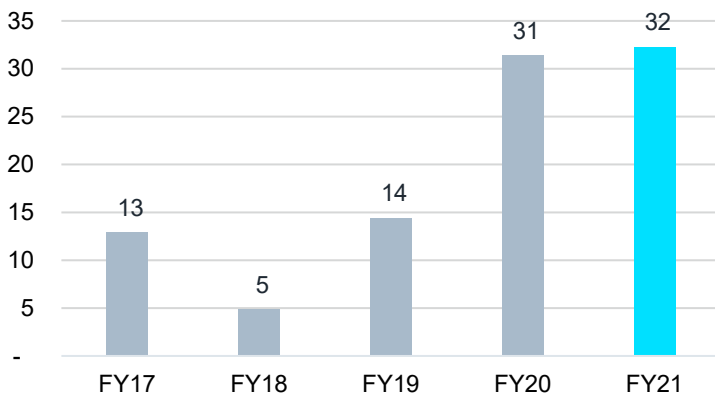
Key Corporate Data (as of 26 May)

Share price	A\$1.25
52 week low/high	A\$1.20-A\$1.67
Shares on issue	251,019,081
Market cap.	A\$313.8M
Cash ¹ (31 March 2021)	NZ\$32.2M / A\$29.6M
Debt ¹ (31 March 2021)	NZ\$2.5M / A\$2.3M
Enterprise value	A\$286.5M

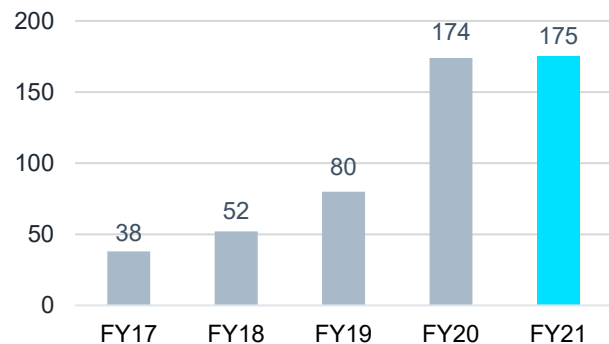
Share Price vs Market Capitalisation



Cash on hand (\$M)



Headcount



Based in Wellington, Volpara's staff totals 175 across New Zealand, Australia, the United States, the United Kingdom, and France.



¹ NZ\$:A\$ rate used of 1.09:1.00

Results Summary

Highlights

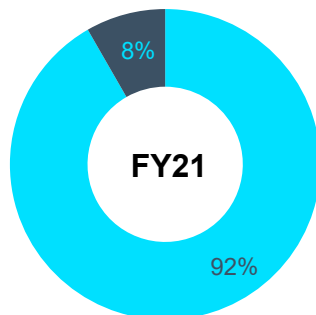
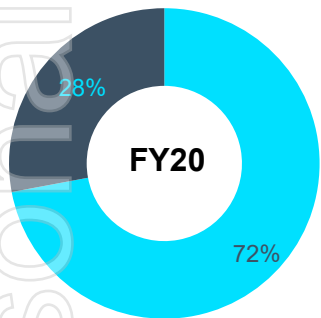
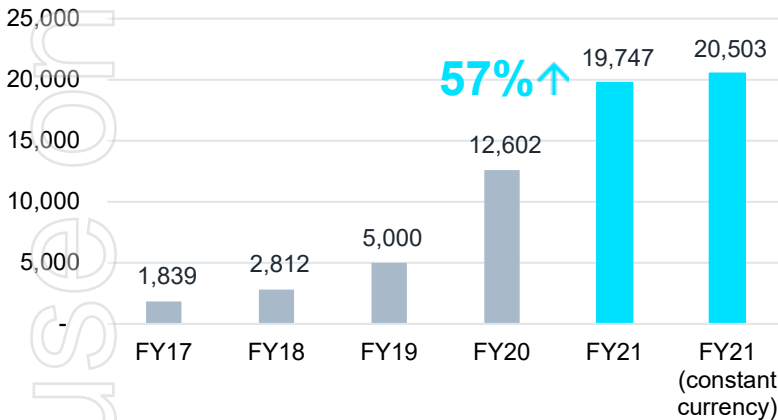
- Revenue up to NZ\$19.75M, up 57% year on year (NZ\$20.5M, up 63% in constant currency)
- Subscription revenues up 99%
- Gross Profit of NZ\$18.1M, up 67%, reflecting a Gross Margin of over 91%
- Decrease in Cost of Revenue is driven primarily by cloud cost reductions (despite increased customers being deployed, cloud costs increased only 1% year on year)
- Sales & Marketing costs decreased year on year, driven by head count changes and reduced travel/conference costs as a result of COVID-19
- General & Administration costs were mostly flat or down year on year; efficiencies due to the completion of the MRS integration offset by increased costs as a result of the acquisition of CRA late in FY21
- Product Research & Development increased 30% year on year as we continue to invest in our Platform and IP (accounting for full year of MRS engineering and majority CRA team acquired January 2021)
- Net loss for the year after tax has decreased 14% year on year; non-GAAP earnings before interest, tax, depreciation, amortisation, impairment, one-off items. and non-cash items decreased 21% from NZ\$15.7M in FY20 to NZ\$12.4M in FY21

P&L SUMMARY (NZ\$'000's)	FY21	FY20	Change
Revenue from contracts with customers	19,747	12,602	57%
Cost of revenue	(1,692)	(1,772)	-5%
Gross profit	18,055	10,830	67%
Government grants and other operating income	1,705	1,122	52%
Sales and marketing	(12,283)	(13,248)	-7%
Product research and development	(14,171)	(10,905)	30%
General and administration	(12,542)	(11,891)	5%
Foreign exchange gains/(losses)	(189)	1,087	-117%
Operating loss	(19,425)	(23,005)	-16%
Finance income	622	771	-19%
Finance expense	(146)	(74)	97%
Net loss for the period before tax	(18,949)	(22,308)	-15%
Income tax benefit	1,461	1,937	-25%
Net loss for the year after tax	(17,488)	(20,371)	-14%
Other comprehensive income/(expense)	(2,968)	1,498	-298%
Total comprehensive loss for the period, net of tax	(20,456)	(18,873)	8%
IFRS net loss for the year after tax	(17,488)	(20,371)	-14%
Net interest income	(476)	(697)	-32%
Tax benefit	(1,461)	(1,937)	-25%
Business acquisition- and merger-related expenses	698	1,004	-30%
Share-based payments expense	1,379	1,382	0%
Depreciation and amortisation	3,089	2,240	38%
(Gains)/losses on foreign exchange transactions	189	(1,087)	-117%
Impairment of right-of-use asset	-	106	-100%
Revenue adjustments	627	3,648	-83%
Bad debts written off	171	44	289%
Retention plan costs	833	-	100%
Normalised non-GAAP earnings before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items	(12,439)	(15,668)	-21%

Revenue

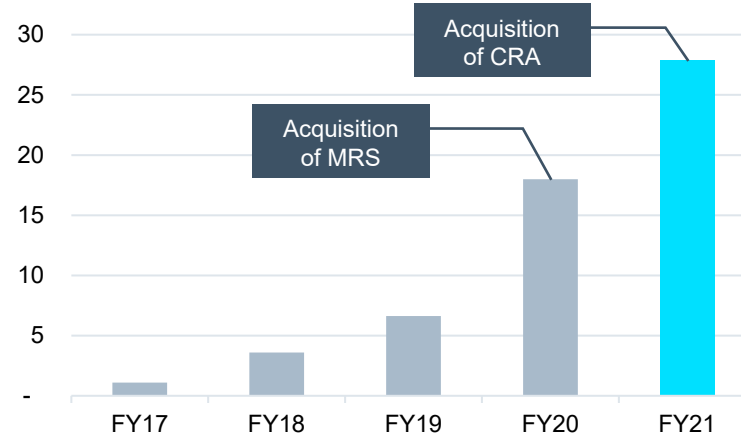
Full-year total revenue up 57% to NZ\$19.7M

Revenue (NZ\$'000's)

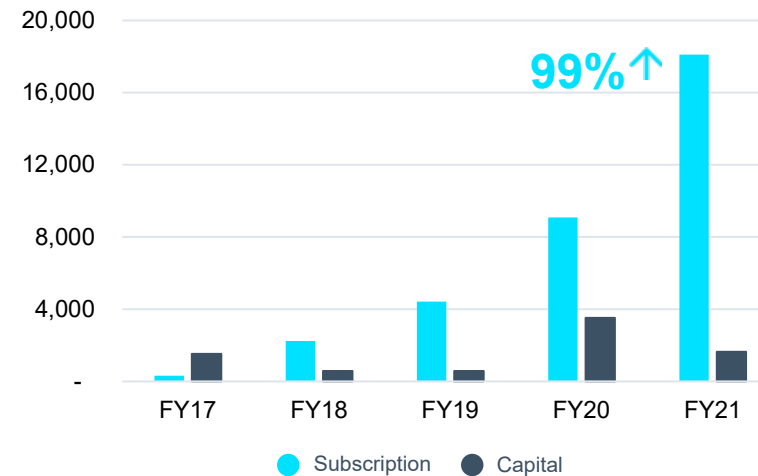


Subscription Capital

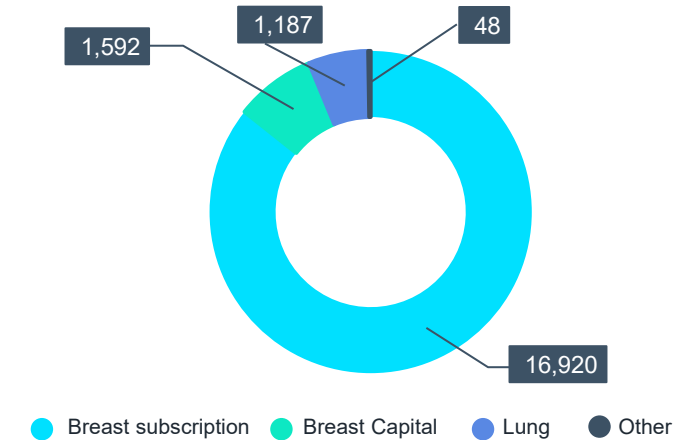
Annual Recurring Revenue (NZ\$M)



Revenue Mix (NZ\$'000's)



FY21 Revenue Mix (NZ\$'000's)



Subscription revenue up 99% to NZ\$18.1M

Subscription products

Volpara Scorecard, Volpara Analytics, Volpara Live, Volpara Risk, Volpara Patient Hub, Volpara Lung

Legacy capital

Volpara Scorecard, Volpara Patient Hub

Operating Costs

Operating expenses increased approx. 8% year on year (11% in constant currency).

Excluding CRA, they increased only 4% year on year.

This is the result of:

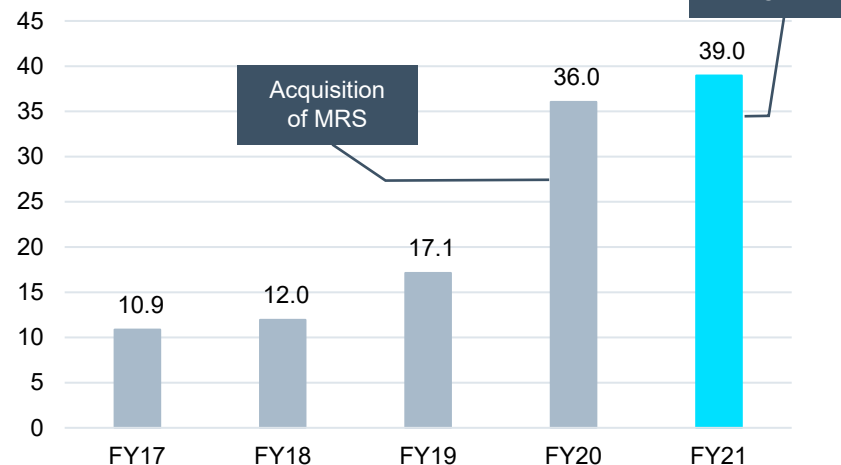
- post-MRS acquisition integration and restructuring being completed during the year
- reductions in travel and conferences costs
- improvements in Azure costs (Volpara's largest cost outside of headcount)
- general cost reductions and efficiencies (some permanent, some will return as travel and conferences resume)
- first full year of MRS costs and two months of CRA costs

The split in expenses has mostly remained unchanged except for the reduction in Sales & Marketing being picked up by an increase in Product research and development.

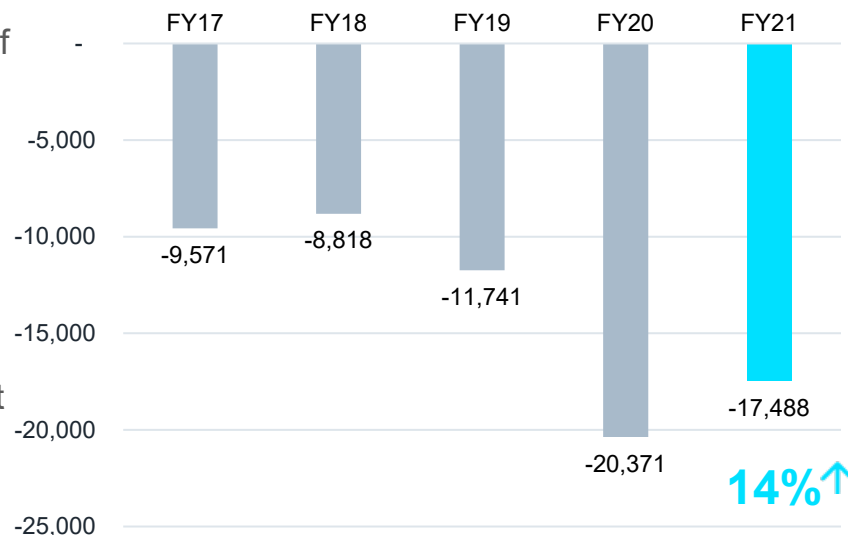
The increase in revenues and the control of operating expenses means a reduction in the net loss after tax for the year of 14% to NZ\$17.5M.

Cash used in operations fell 16% to NZ\$14.0M (15% to NZ\$14.1M in constant currency).

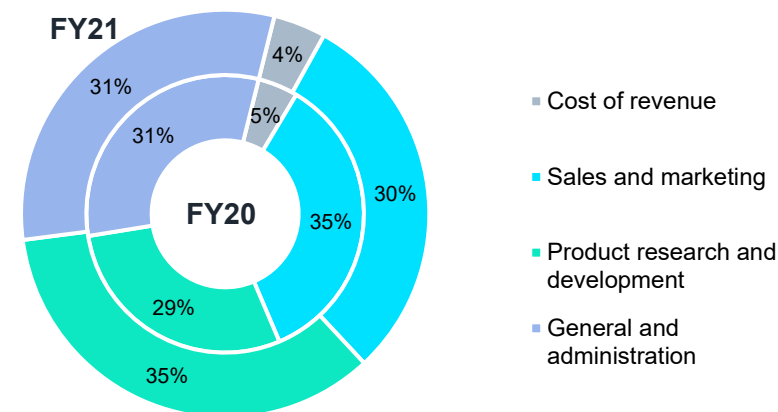
Operating Expenses (NZ\$M)



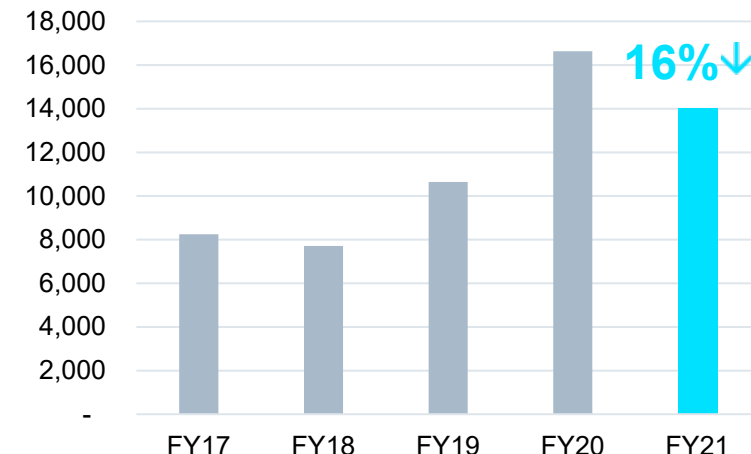
Net loss for the year after tax (NZ\$M)



Expense split FY21 vs. FY20

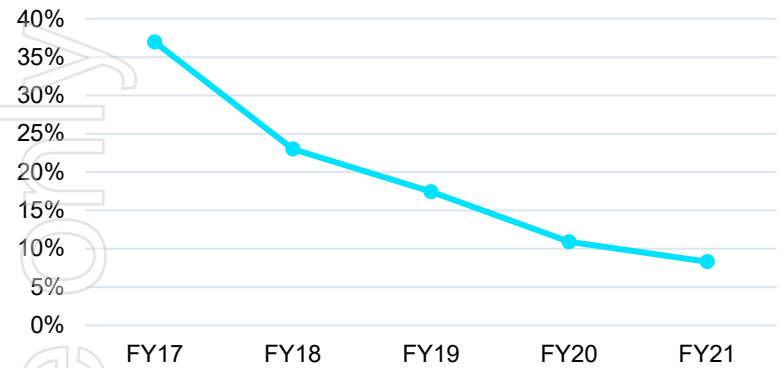


Cash used in OPEX (NZ\$'000's)

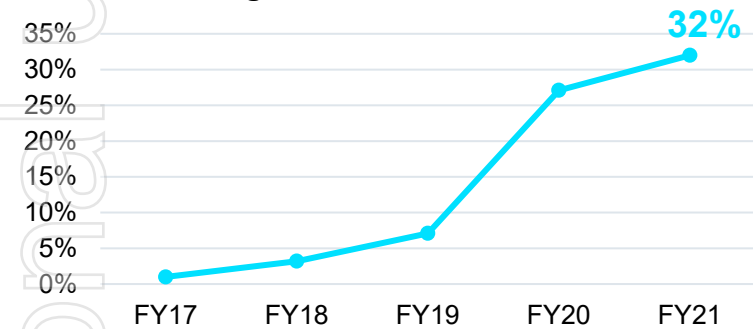


Other Metrics

Cost of revenue as a % of revenue (pre-revenue adjustment)

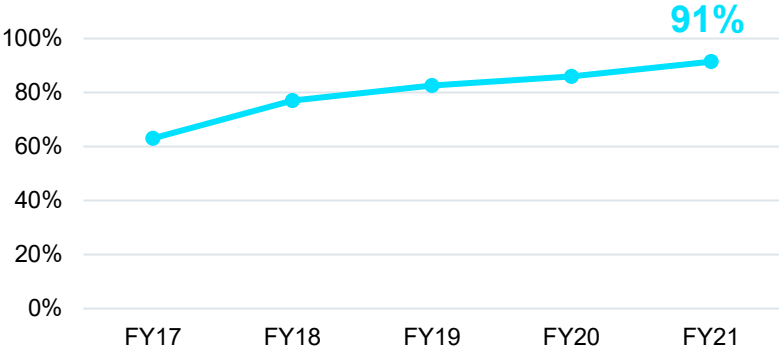


Percentage of North American market



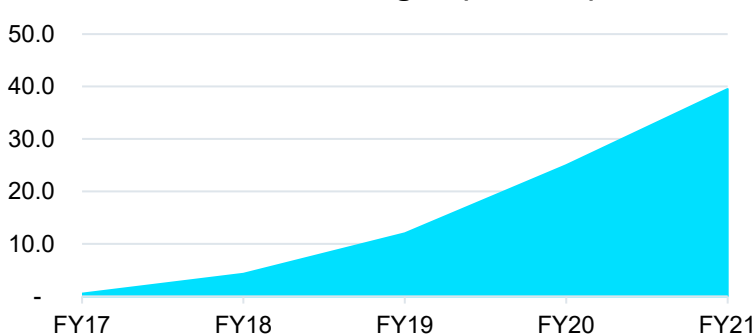
Approx. 32% of North American market.*

Gross Margin %



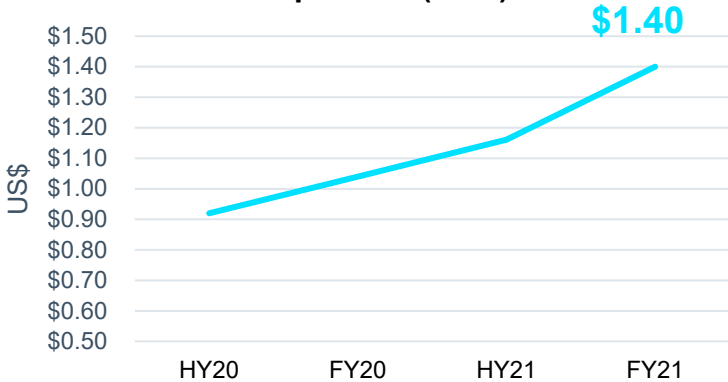
Gross Margin has increased from 86% to 91%.

Number of images (Millions)



The number of images in the cloud has increased from 25.0M to 39.5M in the last 12 months, up over 58%.

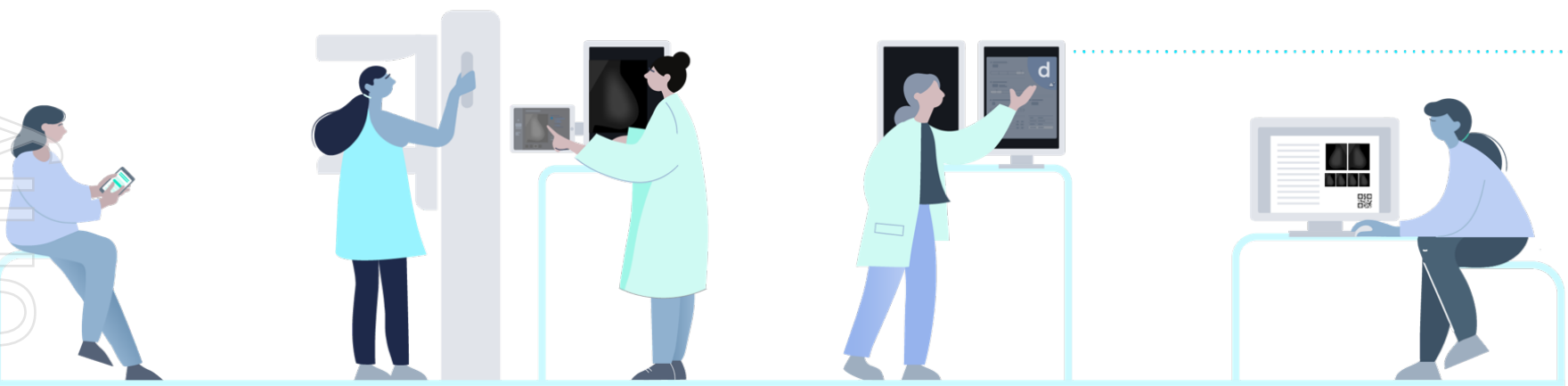
Group ARPU (USD)



Group ARPU has increased from USD1.16 in HY21 to USD1.40 in FY21.

* Percentage of market using at least one Volpara product. This provides the Group with the opportunity to cross-sell Volpara's expanded suite of products.

Breast Health Platform – AI-Powered Software



Risk

A full program for identifying and managing high-risk patients

Live

Get instant imaging feedback while the patient is still in the room

Scorecard

View patient risk insights essential for early detection

Patient Hub

Speed your workflow with customizable communications

Risk Score
patient's likelihood of developing breast cancer (Tyrer-Cuzick 8 Lifetime Risk Model)

Density Score
objective, automated breast density score to personalize breast care

Transpara™ by ScreenPoint
Detect and diagnose cancers faster

Potential triage paths



Ultrasound
Intermediate risk
High density



Genetic testing
High risk
Meet guidelines



MRI
High risk

Patient Hub

Customizable patient reporting and tracking



Analytics

Monitor your team's performance with automated image quality metrics



Based on Science



2 million

CRA Health assessments;
Interfaces and EHR
integrations



3,600

Technologists use
Volpara to monitor
performance



300

Peer-reviewed articles and
research abstracts that
include Volpara technology



13.5 million

women have had their
breast composition
assessed by Volpara



2,000

Facilities have installed
Volpara software including
top US cancer centers



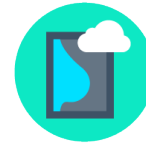
97

Patents that assist in the
delivery of personalised care



World-class software expertise in:

- Breast cancer risk assessment
- Volumetric breast density
- Mammography quality
- Artificial intelligence & machine learning



39.5 million

Mammography and tomosynthesis images have
been anonymized and evaluated for positioning
and compression, and stored in Volpara's cloud



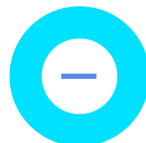
Trusted by breast
imaging centers



Clinically validated
by researchers



Born out of Oxford
and Mass General



Vendor-neutral
approach

Areas of Strategic Investment

Our mission is to Save Families from Cancer.

Today Volpara helps prevent advanced-stage breast cancer through an integrated breast health platform that assists in the delivery of personalised patient care.

FY2021 has seen an acceleration in the move towards personalised patient care.

We expect that to continue with what we are seeing from US clinical, regulatory, and government organisations and the subsequent commercial tailwinds.

Our focus for FY2022 is Risk & Genetics.

We will continue to invest and improve (as any SaaS company should) by ensuring:

- the highest quality images are being taken in the most comfortable, safe & streamlined manner
- the most accurate breast density measurements are available to the radiologist and patient
- breast cancer risk assessment is available throughout the patient's journey
- patient management is smooth, convenient, and streamlined all the way through to genetics, as needed

We will continue to apply broad themes as we go through this year—digital first, partnering for success, data & science driven, and doing what's right for patients.

Ultimately, we want to ensure all women get extremely accurate risk assessment, go onto the right pathways, and are monitored with world-class detection—that all requires data & AI.

Our focus remains Breast, but we continue to actively seek partners to help give Lung the focus it deserves.

Business Outlook

As a rapidly growing SaaS company, Volpara continues to focus on and drive toward the following goals for FY2022

Increased ARPU through selling a platform, not just a product. On 1st October 2020, we formally released the Volpara Breast Health Platform. This platform includes all our products with the additional power of multiple integrations to make the suite even more compelling. Most new sales now are for two or three products, representing significantly increased ARPU, and our relationship with genetics companies is expected to increase that further.

Organic growth, fresh. We have a pipeline of new deals lining up thanks to networks, customer referrals, and digital marketing, but the ability to go on-site and attend trade shows remains uncertain for FY2022.

Organic growth, upselling. We have a very significant upselling opportunity ahead of us as we finish upgrading MRS 6 users and start moving MRS 7 users to the far more powerful and compelling Patient Hub, along with Volpara products. Evidence so far suggests a 200–300% increase in recurring revenue for those upgraded.

Inorganic growth. We continue to explore opportunities with companies that can give us expanded customer reach or skills and products to help increase ARPU and/or provide us with technology for the future.

Continuing low churn. During the pandemic we've had low churn. Ever-increasing customer value is a key goal, and that means ever-evolving products and ever-improving customer experience.

Volpara expects revenue in FY22 of approx. NZ\$25.0M to NZ\$26.0M¹

¹ Based on a USD:NZD exchange rate of 0.70:1.00

Q&A

ersonal use only

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