

ASX RELEASE

Volpara Q2FY22 Business Update and Presentation

Highlights:

- Volpara delivers record quarterly growth in net new annual recurring revenue (ARR), adding US\$1.2M in what has been historically the slowest quarter
- Volpara now has ARR of ~US\$20.4M (~NZ\$29.0M¹), up ~10% since end Q4FY21
- The Company estimates it now has at least one software product contracted to be used in the breast cancer screening of approximately 34% of US women, equal to approximately 13.4 million women
- Volpara's Average Revenue per User (ARPU) was US\$2.04 for the quarter, and is now US\$1.46 over the entire installed base, up from US\$1.42 in Q1FY22
- Volpara closed its largest contract to date that will deliver US\$2.15M in revenue over 5 years, representing US\$430K in ARR
- The Company also entered into collaboration agreements with lung cancer AI leaders Riverain and RevealDX and a genetics collaboration agreement with Natera

Wellington, NZ, 6 October 2021: Volpara Health Technologies Limited ("Volpara," "the Group," or "the Company"; ASX:VHT), a global health technology software leader providing an integrated platform for the delivery of personalised breast care, is pleased to provide a business update for Q2 FY22, ending 30 September 2021, which has delivered the Company's strongest contract growth to date, in advance of Dr Ralph Highnam's presentation at the Morgans Conference today.

The Company recorded its largest-ever quarterly sales performance, adding US\$1.2M of ARR and bringing total ARR to US\$20.4M (approx. NZ\$29.0M¹).

Q2's sales mix included the Company's largest contract to date (see yesterday's announcement, 5 October 2021), the expansion of contracts with existing customers, and major new deals with prominent academic and healthcare centres. The prevailing trend of Volpara's customer base is their desire to facilitate personalised breast cancer care with tightly integrated breast density, cancer risk, and patient reporting.

¹ Twelve-month trailing exchange rate used of US\$0.705:NZ\$1 vs US\$0.691:NZ\$1 at end Q1FY22.

ARPU was US\$2.04 for the quarter, which increased ARPU for the entire installed base from US\$1.42 at the end of Q1FY22 to US\$1.46 at the end of Q2.

Other highlights:

- Analytics™ contract in excess of US\$200,000 per annum with a large East Coast-based university signed, originally quoted pre-COVID
- Expansion of two large existing Analytics customers by US\$70,000 and US\$35,000, respectively, taking both their contracts to approximately US\$250,000 per annum
- Expansion of another large Analytics customer to Patient Hub™, Risk™, and Scorecard™, increasing ARR by an additional US\$132,000 to over US\$200,000 at an ARPU of US\$6.37
- Multiple Patient Hub upgrades moving away from MRS 7 or MRS 6 onto multi-year SaaS contracts

Of Q2FY22, Volpara Group CEO Dr Ralph Highnam said: “Volpara has had a tremendously strong quarter despite the continuing challenges of the COVID-19 pandemic. The Volpara® Health Breast Platform™ is gaining momentum as clinics begin to understand the power of a fully integrated patient tracking, risk, and density offering. We also saw a number of large Analytics deals signed and are pleased with the continually improving ARPU as we land new customers with our larger suite of products or expand with existing customers continuing to grow with us. Promisingly, we enter Q3 with a strong pipeline and look forward to showing off our outstanding product platform at RSNA, the world’s largest radiology trade show, in early December.”

Please find attached an investor update presentation for the Morgans Conference today (6 October 2021).

Authorisation & Additional Information

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

ENDS

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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: Approximately 39M a year are imaged in the United States, most of them screening. The percentage we give is an estimate of the number of women who are imaged using at least one of Volpara's suite of products. This should be considered indicative and not definitive.

Average Price per User (ARPU): ARR per US women 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, with these capabilities being extended to lung cancer screening.



MORGANS CONFERENCE, OCTOBER 2021

Investor Update



Ralph Highnam, PhD (Oxford)

Group CEO & Founder

Ralph.Highnam@VolparaHealth.com

ASX:VHT

**1 in 8 US women
will develop
breast cancer***

**Saving Families
from Breast Cancer**

Detection to Prevention Using AI

*American Cancer Society 2021 estimates

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Volpara Health Technologies Ltd

Volpara (ASX:VHT) is a health technology software company with an integrated breast health platform designed to deliver **personalised care** for the ~92M women screened for breast cancer globally each year.

Based in Wellington, New Zealand, we have about 200 staff spread across the globe, with the United States our biggest market.

Our platform is one of the most clinically validated in the industry and features individual patient management through to enterprise-wide analytics, all licensed on a subscription basis. Sales are both direct and through electronic health record (EHR) companies, GE Healthcare, Fuji Medical, and others.

With the data we're collecting from the platform, we aim to change the paradigm of screening from detection to prevention:

Predict | Monitor | Detect & Empower™

Key commercial achievements to end Q2 (end Sept 2021):

~13.4M+

US screenings are using at least one Volpara product, that's ~34%

US\$20.4M+

Annual Recurring Revenue from 700+ customers

90%+

Gross Margin
Up from 86% in FY2020

Volpara Breast Health Platform – delivering personalised care



Patient Questionnaire

Easy to use for patients, and no data entry for clinic staff

Live

Get fast imaging feedback for relevant on-the-job training

Scorecard

View patient risk insights essential for early detection

Patient Hub

Speed your workflow with customisable communications

Risk Score

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

Density Score

Objective, automated breast density score to personalise breast care

Suspicious Findings

Detect cancers earlier with computer-aided detection scores from Transpara by ScreenPoint Medical or iCAD Profound AI

Potential triage paths



Ultrasound
Intermediate risk
High density



Genetic testing
High risk
Meet guidelines



MRI
High risk

Patient Hub

Customisable patient reporting and tracking



Analytics

Monitor your team's performance with automated image quality metrics



FY2022, accelerating out of COVID

Digital-first strategy

Drive adoption of risk & genetics – significant tailwinds present in the USA

Customer success:

- Maintain low churn
- Upsell to continue to increase revenue penetration

New growth opportunities with ideal customers:

- Larger networks of hospitals offering wide range of services

Volpara expects **strong growth again** in FY2022

Our guidance is to exceed NZ\$25M revenue, growth of **over 25%**

Events Forecast, April 2021:

- New US Director
- New partnering agreements, especially around lung cancer screening
- Analytics 3.0 release 1 October
- Analytics in Action launch, new service
- Breast Cancer Awareness Month:
 - “Project Thumb,” putting images into patient letters to better convey information
 - Density awareness campaign in A&NZ

Events Expected:

- FDA announcement on breast density

Events Coming Up:

- 6 Oct – Morgans MC21 Conference
- 13 Oct – Reach Markets – The Insider Event
- End Oct – Q2, 4C
- 26 Oct – AusBiotech Conference
- 4 Nov – Ausbiz Biotech Masterclass
- 9 Nov – Bell Potter Healthcare Conference
- 24 Nov – Morgans Technology Conference
- End Nov – Half Year Results
- Early Dec – RSNA 2021 in Chicago

Ann Custin joins the Board

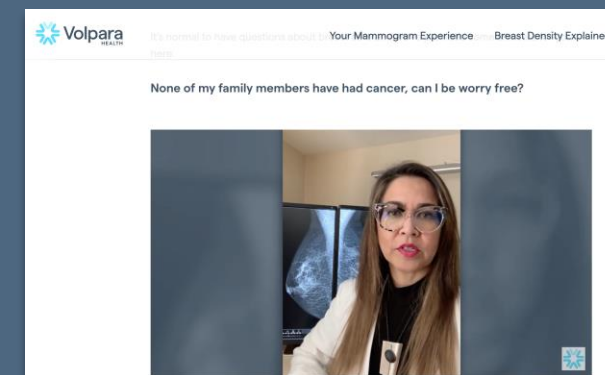
Ann joined the board in 2021 and brings a deep network of industry contacts from an extensive career in healthcare across Europe, the Americas, and Asia. Her most recent executive role was with Siemens Healthineers, where she served as both CFO and board director of Siemens Medical Solutions. Prior to this role, Ann served as chief operating and financial officer of Scient'x and President and CEO of USA Draeger Medical Systems, Inc.



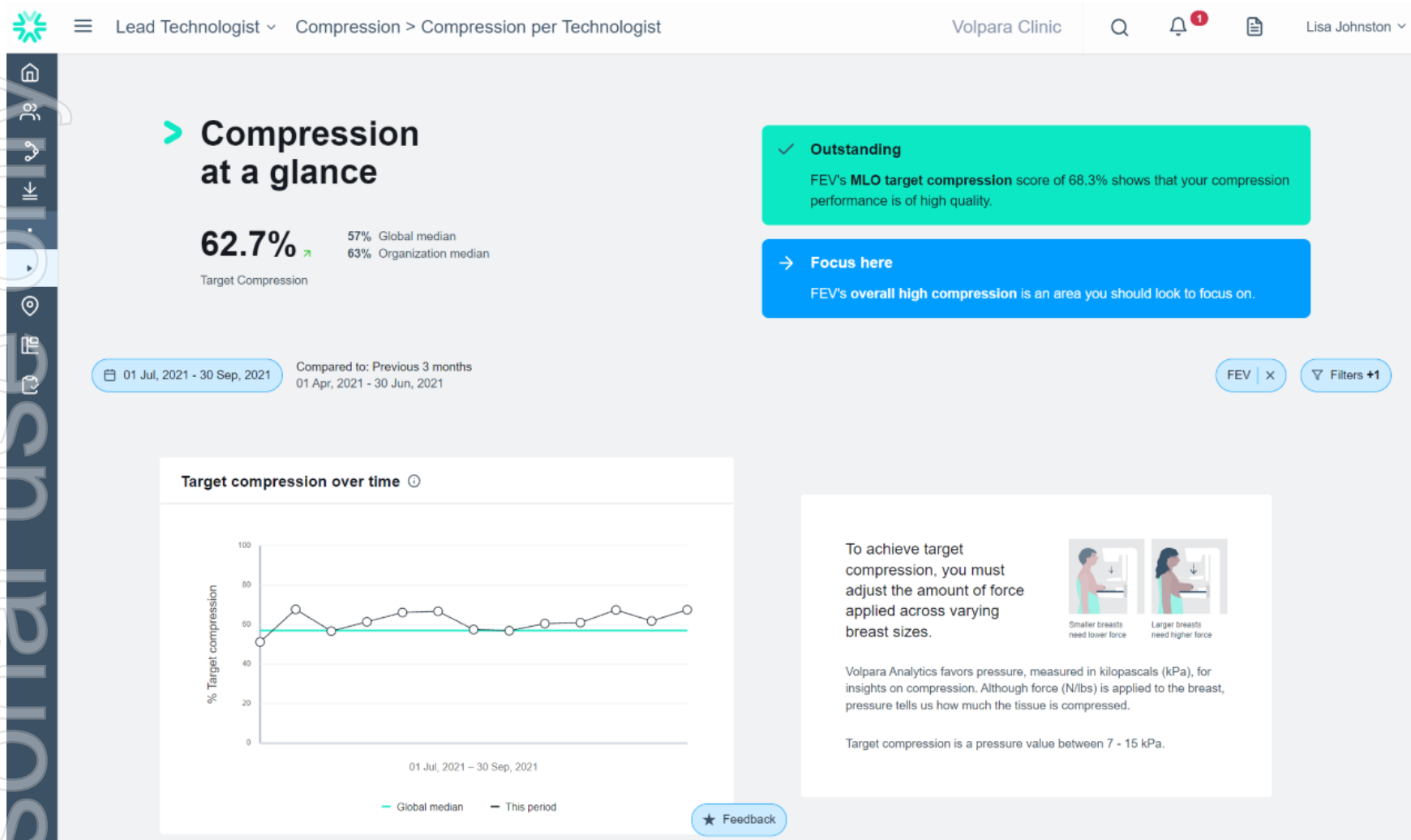
Ann is also a Non-Executive Director of NASDAQ-listed Establishment Labs Holdings Inc., a medical technology company focused on women's health, initially in the breast aesthetics and reconstruction market, that has a market capitalisation of approximately US\$1.7 billion.

Ann is based in Bethlehem, Pennsylvania.

Dr Monica Saini is now running a private practice and spending more time helping us as a luminary:



Analytic 3.0 launched



Next step is adding additional services for users, including on-site training:

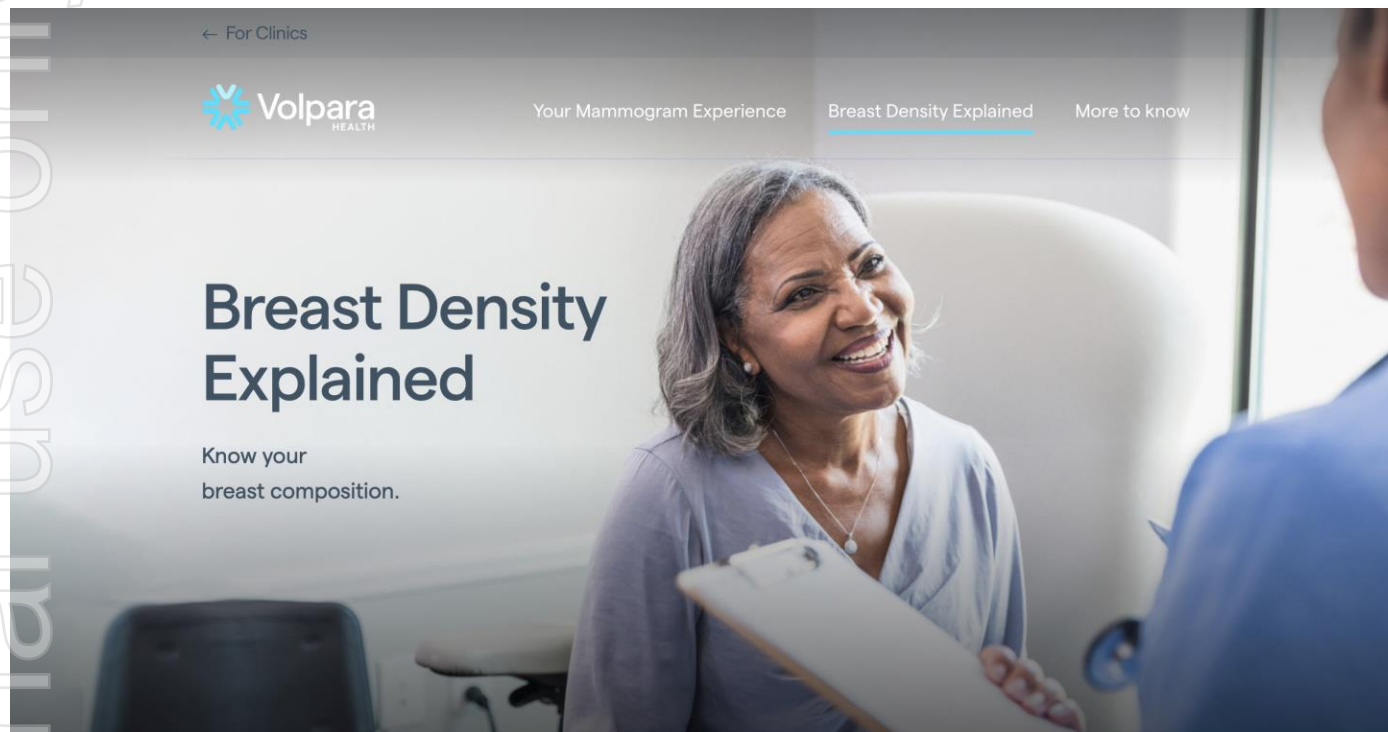


EMPOWERING WOMEN WITH KNOWLEDGE BASED IN SCIENCE

Breast density awareness campaign

29 September 2021

www.volparahealth.com/for-patients/your-mammogram-experience/



Next step is "Project Thumb," where we add the patients images to their letters to better inform about breast density, end October 2021



Partnering in Breast

~10% of all breast cancers are genetically based.

We're intent on enabling genetics counselling and testing in referring doctors and radiology settings. The key is smooth IT workflow between EHR/Patient Hub/CRA Risk and the genetics companies.

When implemented, these deals will bring Volpara additional ARPU & ARR



[Nasdaq: MYGN, ~\$2.5Bn]



[Part of Konica Minolta]



[Nasdaq: NVTX, ~\$6Bn]



[Nasdaq: NTRA, ~\$10Bn]

Volpara is partnering in Lung cancer screening

	Breast	Lung
Patient Management System (/EHR)		
Empowering Tools	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Prediction Tools	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Monitoring Tools	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Detection Tools	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Diagnosis Tools	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality Management System		
PACS & Workstations		



- Lung and breast cancer both kill tens of thousands of Americans each year
- Lung cancer screening using CT is proven, but is expensive to run; software can optimize and help reduce false negatives and false positives
- Volpara entered the lung cancer screening world in 2019 when we bought MRS Systems, Inc., with 8% of the market
- Software technology stacks are similar, except diagnostic tools are more compelling in lung due to the complexity of doing lung biopsies as compared to breast
- Commercial opportunity in lung at least equal to breast as screening ramps up—we estimate over \$400M ARR in the US alone
- By partnering with AI leaders—such as Riverain, MeVis, and RevealDX—we can build a lung platform like we deliver in breast and enter the screening market as programs are set up globally

Q2 – our biggest-ever quarter for new sales

Added net new ARR in Q2 of over **US\$1.2M**, ARR is now over

US\$20.4M

Market share increased from **33%** in Q1 to

Over 34%

At the end of Q2

Overall ARPU increased from **US\$1.42** to

US\$1.46

Or 3% compared to last quarter.

Highlights:

- Major new deals, including largest to date, US\$430,000 ARR
- Major expansion sales
- Average ARPU for new deals of US\$2.04
- Frozen COVID deal came through, US\$200,000 ARR



MORGANS CONFERENCE, OCTOBER 2021

Investor Update



Ralph Highnam, PhD (Oxford)

Group CEO & Founder

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ASX:VHT

Key Dates:

End Oct, Q2 4C

End Nov, HY 2022

Early Dec, RSNA 2021 in Chicago

International Agency for Research on Cancer. Worldwide, an estimated 19.3 million new cancer cases (18.1 million excluding nonmelanoma skin cancer) and almost 10.0 million cancer deaths (9.9 million excluding nonmelanoma skin cancer) occurred in 2020. Female breast cancer has surpassed lung cancer as the most commonly diagnosed cancer, with an estimated 2.3 million new cases (11.7%), followed by lung (11.4%), colorectal (10.0 %), prostate (7.3%), and stomach (5.6%) cancers. Lung cancer remained the leading cause of cancer death, with an estimated 1.8 million deaths



Saving Families from Cancer

Detection to Prevention Using AI