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ASX RELEASE

Appendix 4D – Volpara Half-Year Financial Results

Strong revenue growth driven by strategic wins

Key financial and operation highlights:

- **Revenue from customers up 30% to NZ$12.3M (38% or NZ$13.0M in constant currency)**
- **Subscription revenue up 35% to NZ$11.8M (42% or NZ$12.5M in constant currency)**
- **Gross margin remains above 90%**
- **Net loss for the period after tax improved 4% to NZ$8.5M**
- **Strong cash balance and cash equivalents as at 30 September 2021 of over NZ$25.0M providing solid run to execute accelerated growth strategy**
- **Normalised non-GAAP EBITDA[1] improved 4% to -NZ$6.4M**
- **Accounting revenue remains on track for management's guidance for the full year**
- **Expansion into the US lung cancer screening market with RevealDx and Riverain**
- **Collaboration agreements signed with leading genetic testing companies Natera and Invitae to expand product offering and drive revenues**

Wellington, NZ, 23 November 2021: Volpara Health Technologies ("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, has today released its Interim Financial Report together with the attached Appendix 4D and a Half-Year Results Investor Presentation for the period ended 30 September 2021 (H1 FY22).

Volpara Group CEO Dr Ralph Highnam said: "We're pleased with these half-year results: we've continued to see strong growth while continuing to keep gross margin high and the net loss decreasing. Positioned well for the rest of the financial year, we now look forward to our traditionally stronger half-year, usually kick-started by the biggest radiology trade show of the year, RSNA in Chicago."

[1] Non-GAAP measures are not prepared in accordance with NZ GAAP, do not comply with International Financial Reporting Standards and therefore are not uniformly defined. The non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation. Non-GAAP measures have been included as we believe they provide useful information for users of the financial statements that assist in understanding Volpara's financial performance.

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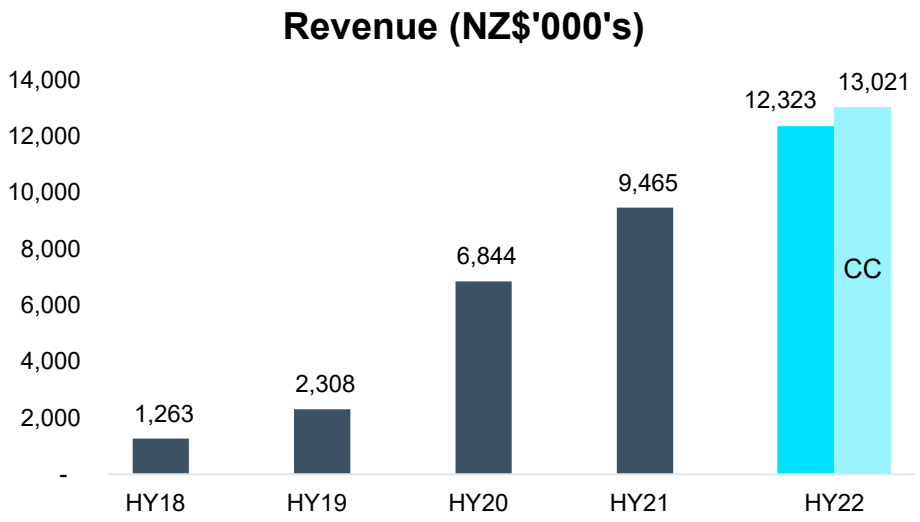
Impact

We recognize that a focus for many of our employees and investors is impact. Our software is helping millions of women get safer, more comfortable, and more accurate breast cancer screenings, and our global research and strategic commercial partnerships show that we are getting closer to not just early detection but prevention of breast cancer.

Revenue growth

Volpara increased half-year revenue for the period ended 30 September 2021 by NZ$2.9M, or 30%, from NZ$9.5M in HY21 to NZ$12.3M (or NZ$13.0M, up 38% in constant currency [CC]).

The Group's subscription revenues continue to grow at a faster rate than total revenue due to the transition to SaaS for MRS legacy products (Volpara acquired MRS Systems, Inc., in 2019) and the additional new subscription revenue resulting from the January 2021 acquisition of CRA Health, LLC (CRA). Subscription revenues grew 35%, or NZ$3M, to NZ$11.8M from NZ$8.8M. As previously announced, Volpara now has Annual Recurring Revenue (ARR) of over US$20.4M (~NZ$29.0M[2]). Additionally, the Company now estimates at least one of its software products is being used in the screening of approximately 34% of US women for breast cancer.

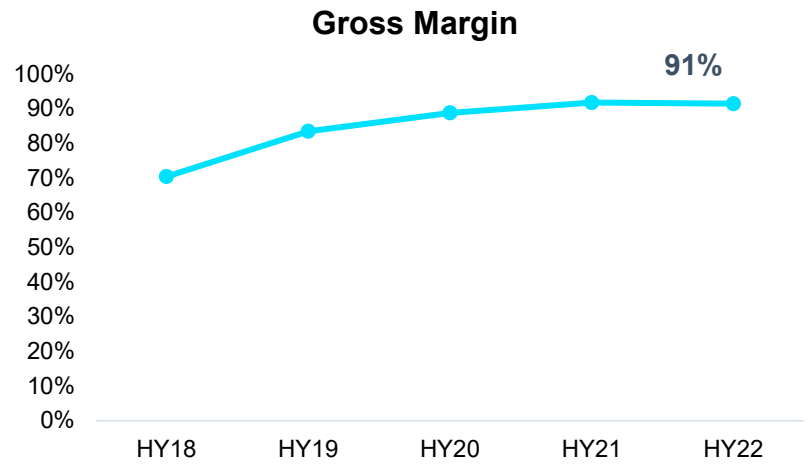


Gross margin

The Group's gross margin remained above 90% for HY22 and consistent with HY21. Volpara has maintained its focus on cost reductions and scalability, rolling out new versions of Volpara® Analytics™ software that further reduce Microsoft Azure™ costs and new technology that

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

reduces support overhead for Volpara® Scorecard™ and Analytics customers. As noted at the end of FY21, we expect gross margins to remain within 90–92% for FY22.



Operations and net loss for the period after tax

Operating costs increased NZ$3.9M from NZ$19.3M to NZ$23.2M, or 20%. Sales and Marketing and Product Research, Development, and Engineering costs were largely unchanged, increasing only 2% and 7% respectively. General and Administration costs increased NZ$3.3M, from NZ$5.5M to NZ$8.8M or almost 60%, largely as a result of the following:

- The inclusion of CRA costs in HY22 for the first time, totalling NZ$3.0M (which includes the one-off NZ$2.5M accrual for the earn-out payable to CRA upon reaching certain milestones); and
- Increased non-cash amortisation and depreciation as a result of the acquisition of CRA, totalling NZ$0.8M.

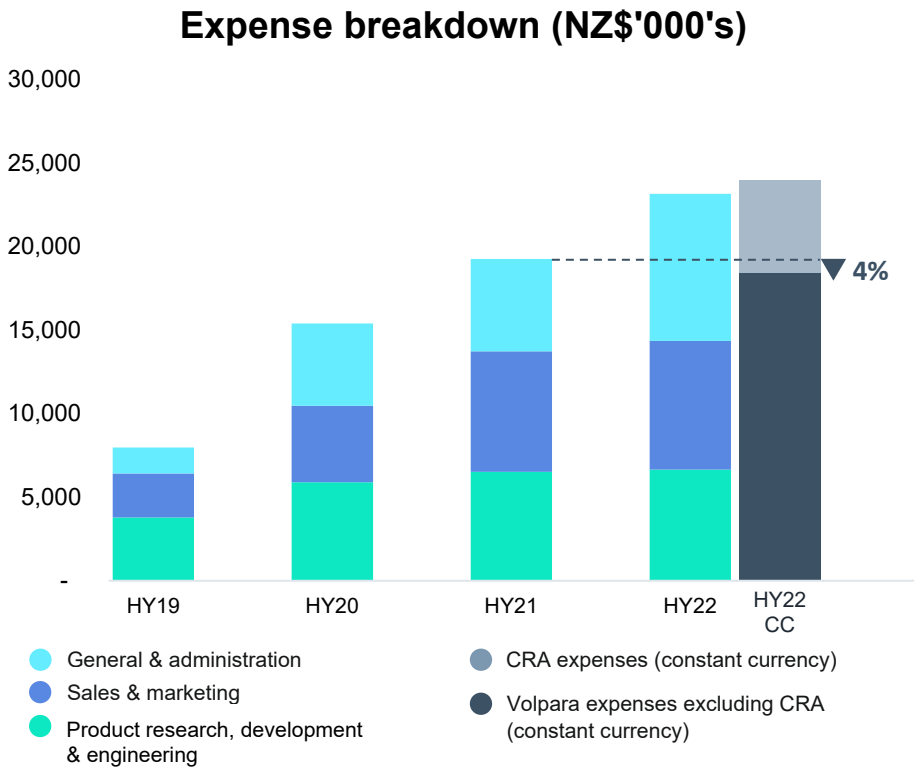
Overall, after accounting for CRA's addition to the Group's cost base, Volpara's costs, on a constant currency basis, have gone down slightly (approx. 4%) when compared with the prior period, showing the underlying scalability of the existing cost base.

Promisingly, revenues continue to grow at a faster rate than operating expenses and therefore the Group's normalised non-GAAP Earnings before interest, tax, depreciation and amortisation, impairment, one-off items, and non-cash items (normalised non-GAAP EBITDA) improved 4% from -NZ$6.6M in HY21 to -NZ$6.4M in HY22. Similarly, the Group's net loss after tax has improved 4% from NZ$8.9M to NZ$8.5M.

Volpara's net margin improved from –94% in HY21 to –69% in HY22. Per the normalised non-GAAP EBITDA result noted above, the Group's normalised net margin improved from –67% to –51%.

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Cash flows

The Group's cash receipts increased over 40% (48% in constant currency), or NZ$3.9M, from NZ$9.6M to NZ$13.5M, whereas operating payments to suppliers and employees increased only 4% from NZ$18.6M to NZ$19.4M—resulting in an overall net decrease in operating cash outflows of 30% from NZ$7.8M to NZ$5.5M. Cash receipts in HY22 have proven to be very robust, with little to no signs of any pressures as a result of the COVID-19 pandemic.

Cash balance

Volpara's cash balance as at 30 September 2021 was NZ$25.0M. During the period, the US$1.7M Paycheck Protection Program loan provided by the United States' Small Business Administration in May 2020 was fully forgiven in September 2021; as such, Volpara carries no debt.

Operational highlights

The Company delivered a number of strategically important operational achievements during the period contributing significantly to the ongoing progress and delivery of its accelerated growth strategy:

- To expand its product offering, Volpara made an initial investment into RevealDx, a lung artificial intelligence (AI) company based in Seattle, and signed a collaboration agreement with Riverain Technologies, also US based. The Company currently covers about 8% of

the US lung cancer screening market and expects to substantially improve this following the integration of RevealDx's AI capabilities.

- Volpara also secured collaboration agreements with leading US-based genetic testing companies Natera and Invitae to expand its offering and provide patients access to multiple high-quality and comprehensive genetic testing services via its own software platform. This adds to the Company's existing agreements with Ambry and Myriad and allows Volpara to provide a full-service genetic testing offering with multiple partners.
- BreastScreen South Australia, after almost two years of COVID-related delays, have announced a breast density research project using Volpara for the public screening programme in that state. This is set to launch in early February 2022. Once established, every breast imaging site in both public and private screening in South Australia will be using Volpara.
- Volpara reached the milestone of 200 peer-reviewed articles. This is an outstanding achievement and clearly sets the Company apart from the competition. It demonstrates Volpara's commitment to providing the most clinically validated breast density software available and the continual investment in research and development of core IP.
- The Company successfully piloted "Project Thumb", which is a move towards empowering women with breast density information by including their images directly into their letters. In conjunction with that we also launched a consumer facing breast density website.
- The Company achieved a new SOC certification for CRA, confirmation that its control set meets the SOC 2 Security Criteria standard for the six-month period evaluated.
- Volpara achieved MDSAP and ISO27001 certification. These key audits validate the Company's commitment to regulatory and security standards.

Outlook

While focusing on delivering the revenue guidance given at the start of this financial year, NZ$25–26M, Volpara has numerous initiatives in various stages of development or roll out, including the following:

Analytics in Action™. A client-centred service, exclusively for customers of Volpara Analytics, Analytics in Action is designed to help breast imaging facilities develop a culture of continuous performance improvement and recognise technologists that meet quality benchmarks. A pilot program with several customers commences in late November 2021.

Volpara Club™. Delivered via a branded online platform, the Volpara Club community is an integrated, relevant, and engaging digital experience that leads to long-term clinical, financial,

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and operational success for Volpara customers and results in patient retention, expansion, and advocacy.

Electronic Health Record (EHR) sales channel. Volpara Strategic Advisor Teri Thomas, previously an Epic executive, is leading the effort to strengthen this channel and leverage CRA Health's expertise in EHR.

Building out Volpara's data platform. With over 49M images in the cloud, Volpara owns one of the world's biggest data sets of breast x-rays, and the Company continues to expand its scientific value.

We also continue to await the release of the FDA's breast density legislation, delayed due to COVID, US elections, and the subsequent change of administration. The latest news we have (25 October 2021) is that the FDA is working diligently in this area. We also note that a new FDA Commissioner has now been nominated.

Investor conference call

Investors are invited to join a webcast hosted by Group CEO Dr Ralph Highnam and CFO Craig Hadfield, today at 9:00 am Australian Eastern Daylight Time (AEDT)/11:00am NZDT (Auckland/Wellington).

To register for the webcast, please follow this link:
https://us02web.zoom.us/webinar/register/WN_Up6b_eiCSpCoopHD0v4piQ
Registered participants will receive a confirmation email containing the Zoom access link and alternative phone dial-ins.

ENDS

Authorisation and Additional Information

This announcement was authorised by the Board of Directors and Group CEO Dr Ralph Highnam.

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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

VHT uses the following 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 women: 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.

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Appendix 4D

In accordance with Listing Rule 4.2A, please find attached the Half-Year Appendix 4D for the period ended 30 September 2021.

It is recommended that this Appendix 4D half-year report be read in conjunction with the Interim Financial Report for the period ended 30 September 2021, the Annual Report for the year ending 31 March 2021 and any public announcements made by the company during the half-year.

Volpara Health Technologies Limited

Results for announcement to the market
Half-Year Report 30 September 2021

Name of the Entity
Volpara Health Technologies Limited (the "Company" or "Group")

ARBN
609 946 867

Reporting Period
30 September 2021

Previous Corresponding Reporting Period
30 September 2020

Dividends
NZ$nil.

Significant changes in the state of affairs
There have been no significant changes in the state of affairs of the Group during the period ended 30 September 2021.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in the Interim Financial Report.

Net tangible assets
Net tangible assets backing per ordinary share

(NZ$0.07) (six months to 30 September 2020: NZ$0.23).

Details of associate and joint venture entities
None.

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	6 months to 30 Sept. 2021 Unaudited	6 months to 30 Sept. 2020 Unaudited	Amount change Unaudited	Percentage change Unaudited
	NZ$'000	NZ$'000	NZ$'000	%
Revenue from ordinary activities	12,351	10,466	▲ 1,885	18%
Operating deficit	(8,969)	(9,837)	▼ 868	-9%
Net loss before tax	(8,958)	(9,540)	▼ 582	-6%
Net loss after tax for the period	(8,510)	(8,865)	▼ 355	-4%

Revenue breakdown	6 months to 30 Sept. 2021 Unaudited NZ$'000	6 months to 30 Sept. 2020 Unaudited NZ$'000	Variance Unaudited NZ$'000
Software as a Service	8,804	5,408	▲ 63%
Software maintenance agreements	3,041	3,407	▼ -11%
Capital sales	420	650	▼ -35%
Other	58	-	▲ 100%
Revenue from customers	**12,323**	**9,465**	▲ **30%**
Government grants and other operating income	2,506	1,001	▲ 150%
Total revenue	**14,829**	**10,466**	▲ **42%**

Note:

The information provided in this Appendix 4D is based on the Volpara Health Technologies Limited Interim Financial Report for the financial half-year ended 30 September 2021.

Volpara Health Technologies Limited Interim Financial Report for the financial half-year ended 30 September 2021 has been subject to review by the Company's auditors. A copy of the Independent Review Report is included in the Interim Financial Report.