

Half-Year Results 2022

Investor Presentation



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Our Mission

Saving Families from Cancer

Half-year 2022: Volpara's growing impact

While noting an incredibly busy commercial HY, we recognise that for many of our employees and investors, an important outcome is **impact**. We are getting closer to not just early detection but prevention of breast cancer.

With over 13.4 million US women now using at least one Volpara product, and many women across Australia and New Zealand, it's clear we are helping more women get safer, more comfortable, and more accurate breast cancer screenings.



Results from studies like the 10-year DENSE trial show that density-based screenings lead to significant increases in the numbers of cancers caught early.



Our work with researchers in countries around the world—and an unprecedented 200 peer-reviewed papers—helps countries understand what optimal breast cancer screening might look like for their populations.



To reach and educate women directly, we have launched a consumer-facing breast density website and customised patient density notification letters.



Finally, our strategic commercial partnerships set the stage for greater reach in not only genetic testing for breast cancer but expansion into the US lung cancer market where, again, AI and software offer the prospect of saving many more lives.

Half-year 2022 highlights¹

ANNUAL RECURRING REVENUES

US\$20.4M (NZ\$29.0M)

Up from **US\$12.8M** (NZ\$19.9M)

NORMALISED NON-GAAP LOSS²

NZ\$6.4M

4% improvement

34% (approx.)

of women having a Group product applied on their images and data, **up** from approx. 27%

TOTAL REVENUE

NZ\$12.3M

Up **30%** (up 38% in constant currency)

NET OPERATING CASH OUTFLOW

NZ\$5.5M

30% improvement from NZ\$7.8M

GROSS PROFIT MARGIN

91.4%

Last year was **91.7%**

SUBSCRIPTION REVENUE

NZ\$11.8M

Up **35%** (up 42% in constant currency)

NET LOSS AFTER TAX

NZ\$8.5M

4% improvement

CASH AND CASH EQUIVALENTS

NZ\$25.0M

at end HY21, down from NZ\$32.2M at end FY21, due to normal operating activities

¹ Comparatives are Half-year 2021 results unless otherwise stated.

² Normalised non-GAAP adjusted loss is net loss before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items.

Company overview

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

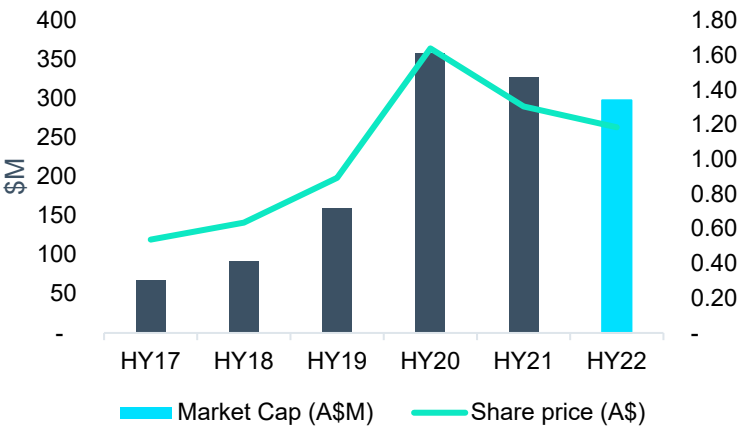
The platform—the most clinically validated in the industry—features Volpara® Scorecard™, Volpara® Analytics™, Volpara® Live™, Volpara® Patient Hub™, Volpara® Risk, and Volpara® Lung™. These are sold both direct and through leading distribution partners, such as GE Healthcare, Fuji Medical, and Electronic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

Based in Wellington, Volpara’s staff number 188 across New Zealand, Australia, the United States, the United Kingdom, and France.

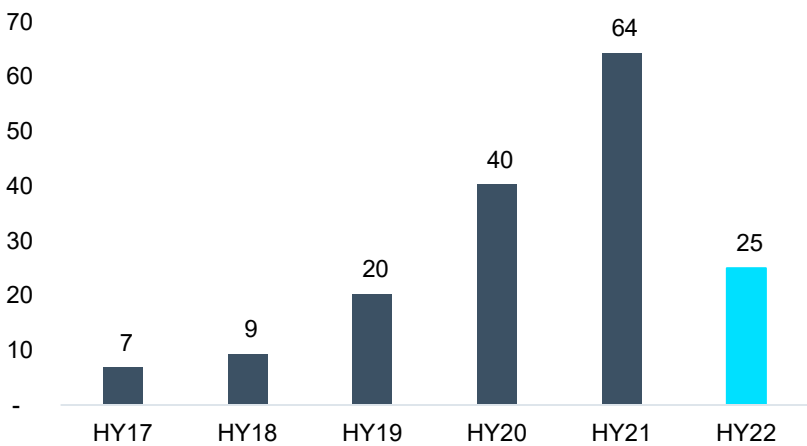
Key Corporate Data (as of 22 November)

Share price	A\$1.04
52 week low/high	A\$1.04-A\$1.67
Shares on issue	251,353,081
Market cap.	A\$261.4M
Cash ¹ (30 Sept. 2021)	NZ\$25.0M/A\$24.1M
Debt ¹ (30 Sept. 2021)	Nil
Enterprise value	A\$237.3M

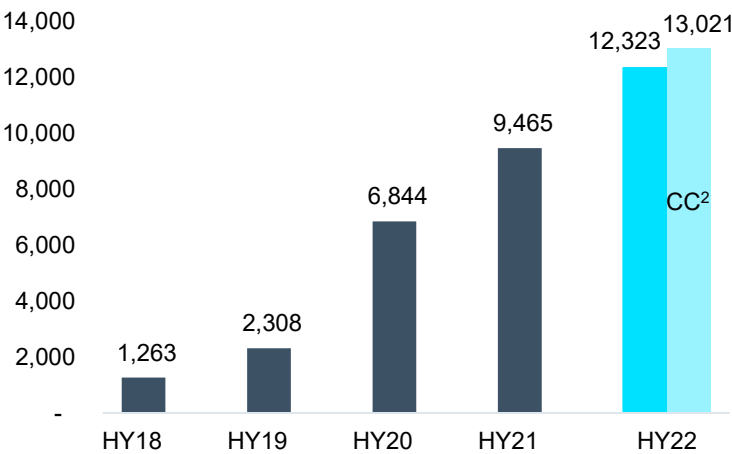
Share Price vs Market Capitalisation



Cash on hand (NZ\$M)



Revenue (NZ\$'000's)



¹ NZ\$:A\$ rate used of 1.04

² Constant currency values are calculated using the prior period average exchange rate

Company highlights and new initiatives



Significant partnerships.

Volpara made an initial investment into RevealDx, a lung AI company based in Seattle, and signed a collaboration agreement with Riverain Technologies, also US based, positioning Volpara for lung expansion.

Volpara entered into collaboration agreements with Natera and Invitae, both leaders in the genetic testing market. This adds to the Company's existing agreements with Ambry and Myriad and allows Volpara customers a choice of service provider.



Volpara Scorecard in South Australia.

BreastScreen South Australia, after almost two years of COVID-related delays, have announced the research pilot of Volpara Scorecard for the public screening programme in that state, set to launch in early February 2022.



200th peer-reviewed article.

This outstanding achievement sets the Company apart from the competition and demonstrates its commitment to providing the most clinically validated software available and the continual investment in research and development of core IP.



New SOC 2 certification for CRA.

The Company received confirmation that its control set meets the SOC 2 Security Criteria standard for the six-month period evaluated.

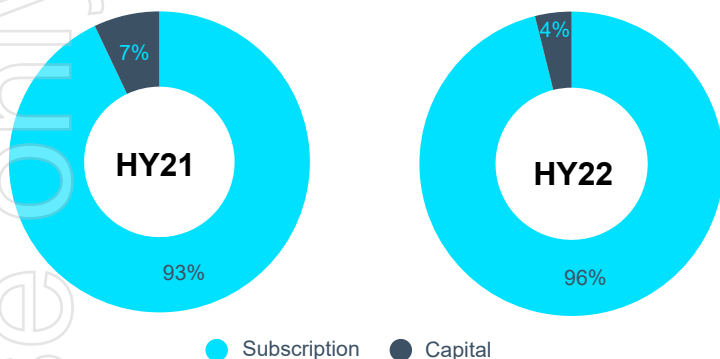


MDSAP and ISO 27001 certification.

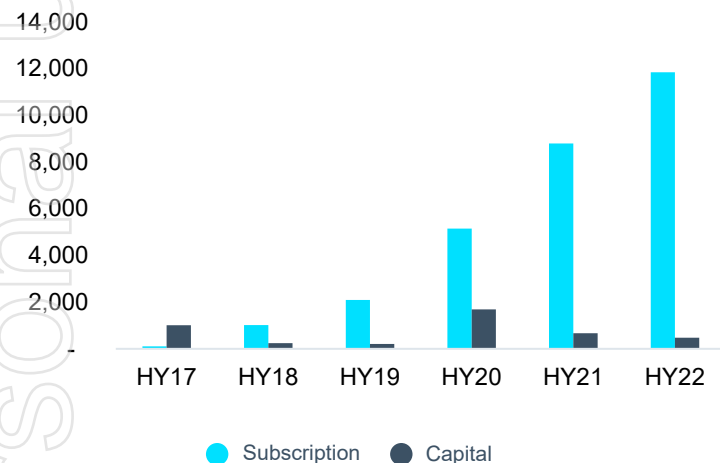
Volpara passed these key audits validating the Company's commitment to regulatory and security standards.

Revenue

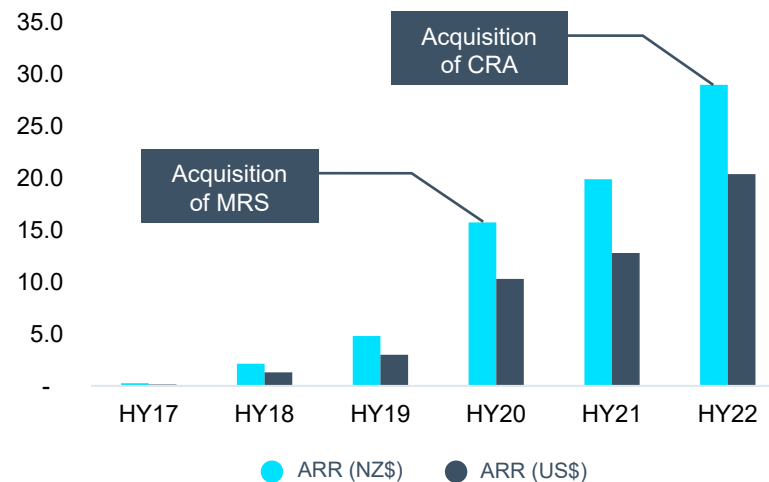
Half-year total revenue up 30% to NZ\$12.3M



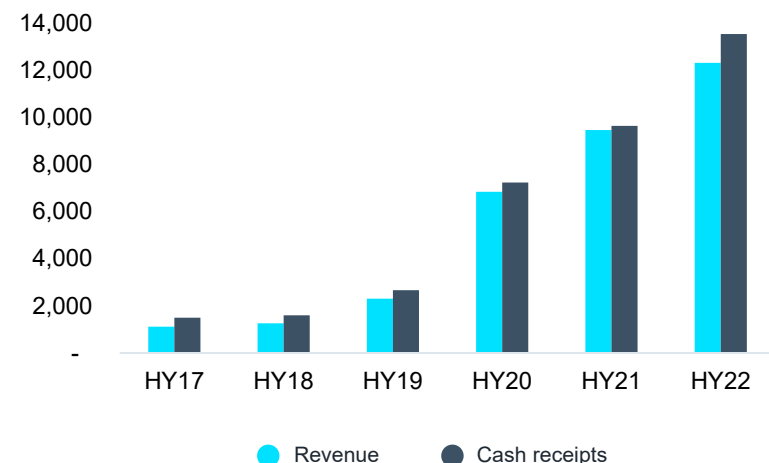
Revenue (NZ\$'000's)



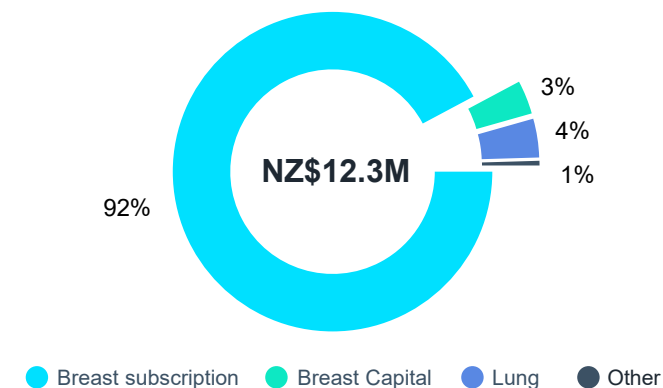
ARR in NZ\$ and US\$



Revenue vs Cash receipts (NZ\$'000's)



HY22 Revenue Mix



Subscription revenue up 35% to NZ\$11.8M

Subscription products

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

Legacy capital

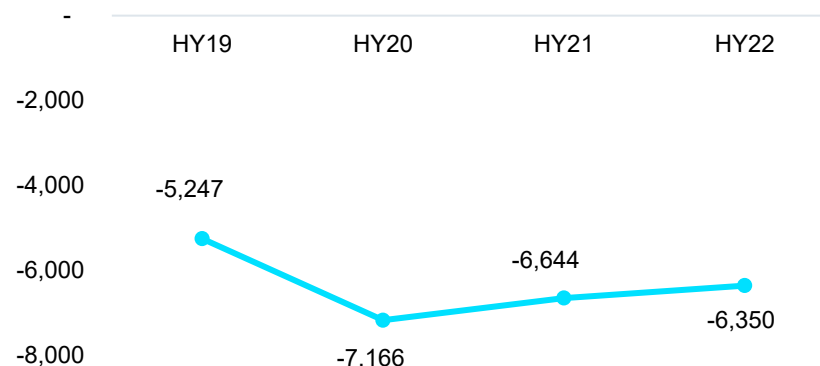
Volpara Scorecard, Volpara Patient Hub

Operating Costs

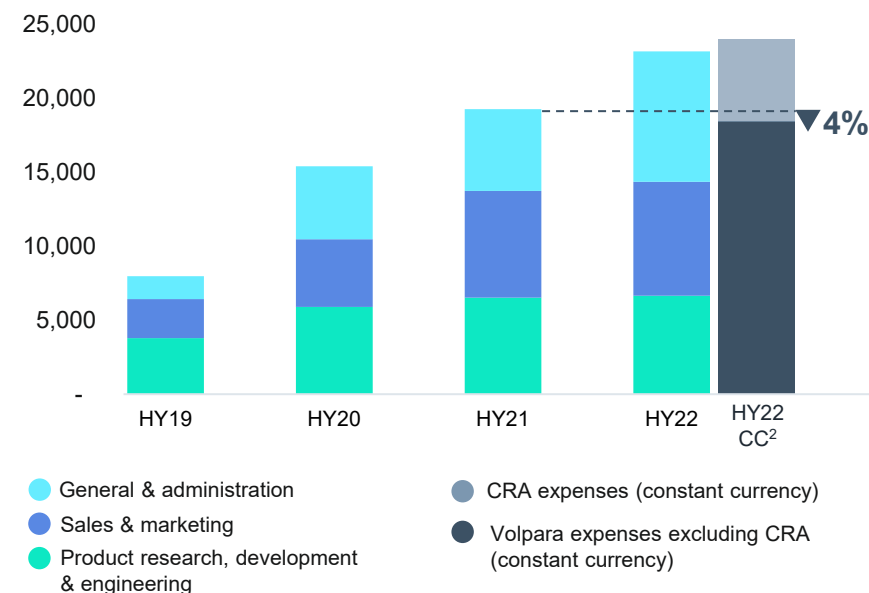
Although operating costs have increased year on year, they are largely a result of the acquisition and therefore inclusion of CRA costs and a number on non-cash costs that result from acquisitions (e.g., amortisation). After accounting for CRA's addition to the Group's costs base, Volpara's costs, on a constant currency basis, have reduced slightly (approx. 4%)² when compared with the prior period, showing the underlying scalability of the existing cost base. This is evidenced by the slow but steady improvement in Normalised non-GAAP EBITDA and Net cash used in operating activities.

Traditional face-to-face contact and trade shows are gradually returning with Volpara choosing to support the industry by having stands at the major industry trade shows, including RSNA in late November 2021. These interactions together with various operational changes (e.g., a digital marketing focus) and new initiatives (e.g., Analytics in Action and Project Thumb) either already launched or to be launched over the remainder of FY22 should stand us in good stead both in expanding with existing customers and acquiring new ones.

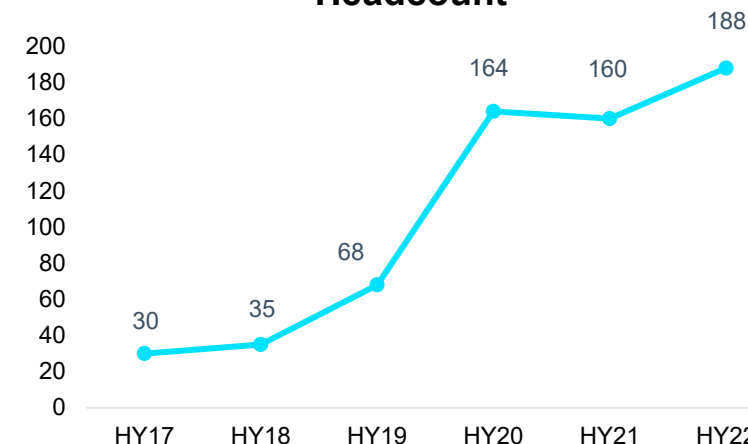
Normalised non-GAAP EBITDA¹
(NZ\$'000's)



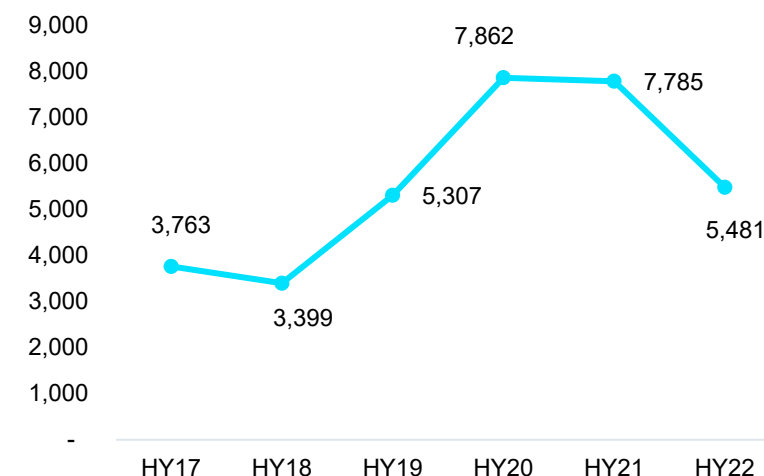
Expense breakdown (NZ\$'000's)



Headcount



Net cash used in operating activities (NZ\$'000's)



¹ Refer to the following slide regarding Normalised non-GAAP EBITDA.

² Expenses have been shown on a constant currency basis (compared to HY21) with CRA split out to show the decrease in expenses when excluding CRA.

Profit or loss summary

Highlights

Revenue of NZ\$12.3M, **up** 30% year on year (38% constant currency), with subscription revenues up 35%.

Gross profit of NZ\$11.3M, also **up** 30%, reflecting a Gross margin of 91.4%. Gross margin has remained consistent with HY21 and in line with expectations noted in the FY21 results.

Sales and marketing and product research, development, and engineering have remained largely unchanged, increasing only 2% and 7% respectively despite the introduction of CRA Health's costs into the cost base for the first time in HY22. General and administration costs have increased, largely as a result of the accrual of NZ\$2.5M for the one-off 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.

Net loss for the period after tax has **decreased** 4% year on year.

Normalised non-GAAP EBITDA¹² **decreased** 4% from NZ\$6.6M in HY21 to NZ\$6.4M in HY21.

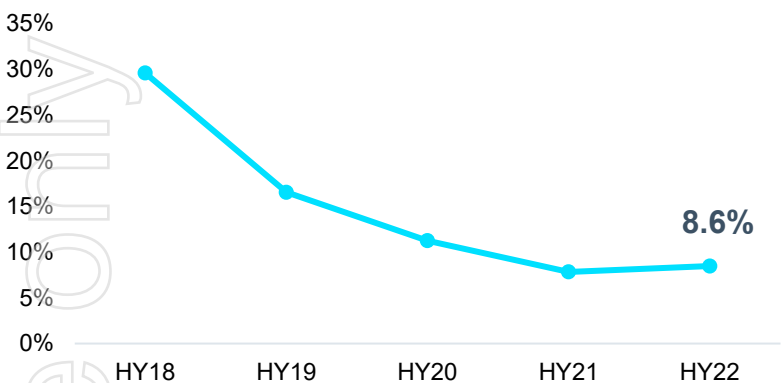
P&L SUMMARY (NZ\$'000's)	HY21	HY22	Change
Revenue from contracts with customers	9,465	12,323	30%
Cost of revenue	(783)	(1,059)	35%
Gross profit	8,682	11,264	30%
Government grants and other operating income	1,001	2,506	150%
Sales and marketing	(6,518)	(6,652)	2%
Product research, development, and engineering	(7,218)	(7,702)	7%
General and administration	(5,523)	(8,808)	59%
Foreign exchange gains/(losses)	(261)	423	-262%
Net loss for the period before interest and tax	(9,837)	(8,969)	-9%
Finance income	389	87	-78%
Finance expense	(92)	(76)	-17%
Net loss for the period before tax	(9,540)	(8,958)	-6%
Income tax benefit	675	448	-34%
Net loss for the period after tax	(8,865)	(8,510)	-4%
Other comprehensive income/(expense)	(1,885)	108	-106%
Total comprehensive loss for the period, net of tax	(10,750)	(8,402)	-22%
Normalised non-GAAP EBITDA¹²	(6,644)	(6,350)	-4%

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.

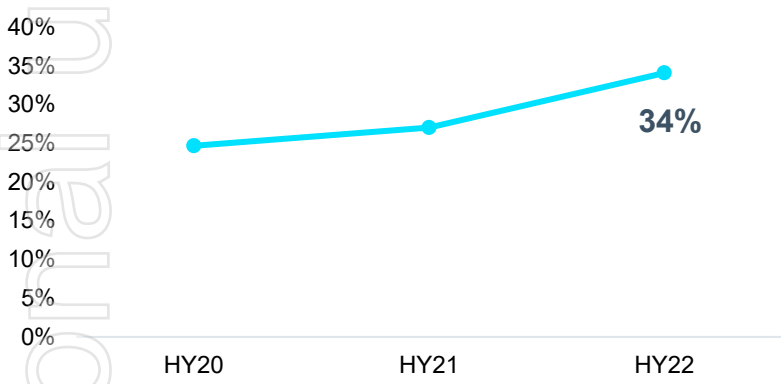
² Refer to the Director's Report in the Half-Year Financial Report for a detailed reconciliation of Normalised non-GAAP EBITDA.

Other Metrics

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

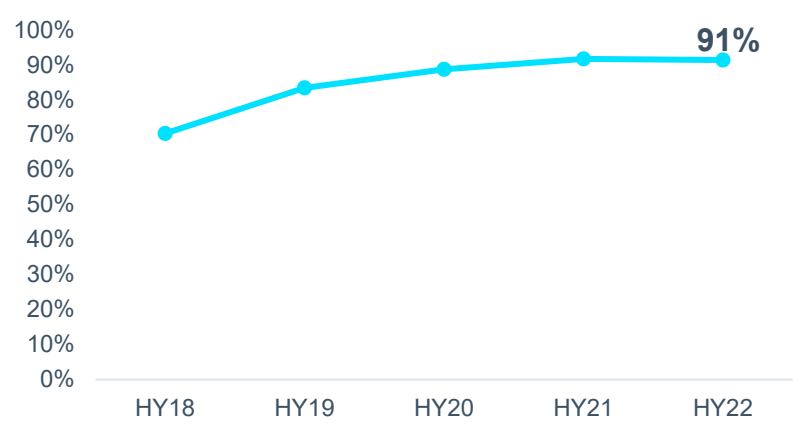


Percentage of North America market



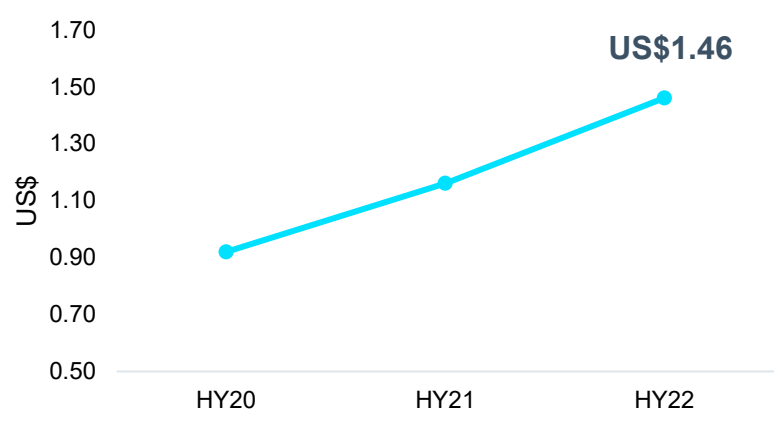
Approx. 34% of North American market.*

Gross Margin



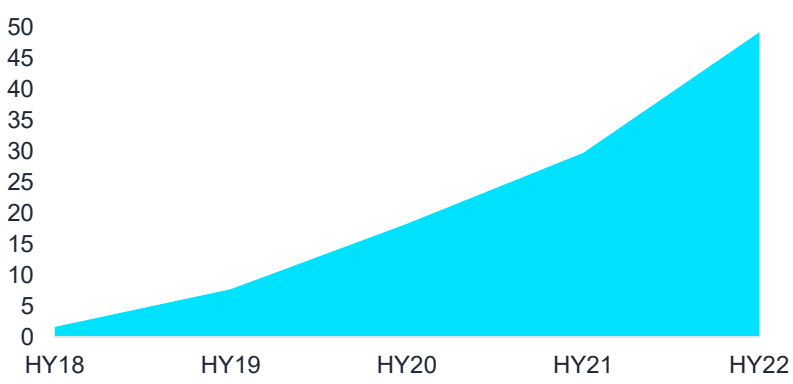
Gross Margin remains at over 90%.

Group APRU (US\$)



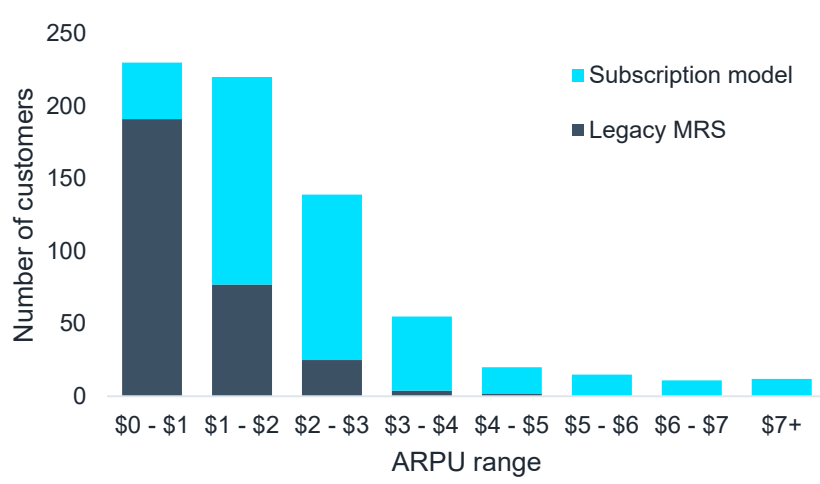
Group ARPU has increased from US\$1.16 to US\$1.46 in the past 12 months.

Number of Images (Millions)



The number of images in the cloud has increased from 29.7M to 49.2M in the last 12 months, a run rate of over 1.6M images per month.

Customer ARPU (US\$)



* 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.

Business outlook

FY2022

- Accelerating out of COVID-19
- Making an ever-greater impact

Continuing our digital-first sales and marketing strategy, we are on track to meet the revenue guidance for the financial year.

Volpara has a number of key strategic initiatives at various stages of development:

Analytics in Action™. A client-centred service designed to help breast imaging facilities develop a culture of continuous performance improvement. It provides personalised positioning, further differentiating Volpara Analytics while potentially increasing staff engagement, customer retention, and ARPU.

Volpara Club™. An integrated, relevant, and engaging digital experience aimed at leading to customers' long-term success and resulting in retainment, expansion, and advocacy. Goal: keep churn low, generate upsell and expansion opportunities, and nurture advocates to support new customer acquisition.

Expanding the 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 our data platform. With over 49M images in the cloud, we have one of the world's biggest data sets of breast x-rays—the key to our efforts to change the paradigm of screening from detection to prevention.

We also 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.

**THANK YOU FOR HELPING US
MAKE AN IMPACT**

QUESTIONS?