

## ASX RELEASE

### Appendix 4C – Q4FY22 Quarterly Cash Flow Report

#### Cash Highlights:

- Record quarterly cash receipts from customers of NZ\$8.0M, up approx. 48% compared to Q4FY21 (or over 49% constant currency)
- Subscription-based receipts in Q4FY22 of over NZ\$7.5M, up approx. 39% compared to Q4FY21 (or approx. 41% constant currency)
- Unaudited cash receipts for the full year ended 31 March 2022 of ~NZ\$28.5M (or NZ\$29.6M constant currency), up almost 45% year on year (or 50.5% constant currency)
- Net operating and investing cash outflow<sup>1</sup> in Q4FY22 of NZ\$2.9M, an improvement of 20% from NZ\$3.6M in Q3FY22
- NZ\$18.2M cash on hand at end Q4FY22

#### Software as a Service (SaaS) Highlights:

- Annual Recurring Revenue (ARR) now ~US\$22.2M (~NZ\$31.8M<sup>2</sup>), up over US\$700k on the prior quarter (Q3FY22)
- Record net new ARR added in FY22 of over US\$3.6M (NZ\$5.2M), or up ~38% on previous best ~US\$2.6M in FY21
- Coverage of over 35.5% of US women being screened, up from prior quarter of ~35%
- Average Revenue Per User (ARPU) over the installed base of US\$1.51 at end Q4; average ARPU for all deals in Q4 of US\$3.15—ranging from US\$1.00 to US\$7.50
- SaaS churn remains low

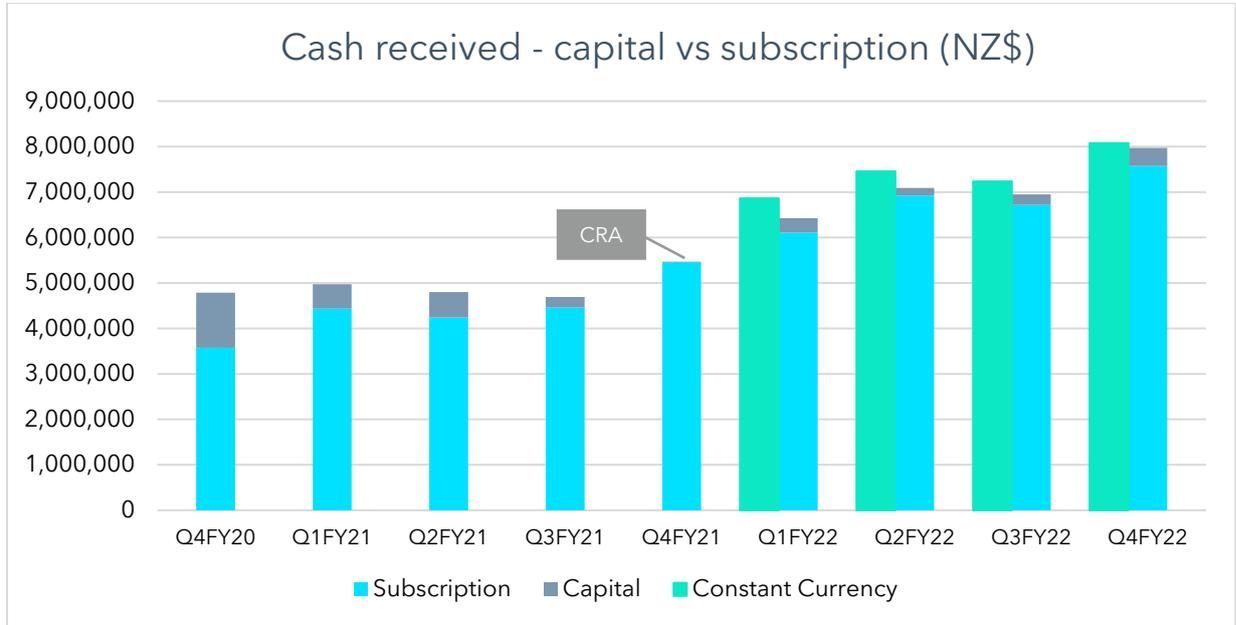
Wellington, NZ, 19 April 2022: Volpara Health Technologies (“Volpara,” “the Group,” or “the Company”; ASX:VHT), a global health technology software leader providing an integrated platform for the delivery of personalised breast care, has released its Appendix 4C Quarterly Cash Flow report for the quarter ending 31 March 2021.

On Q4FY22, Volpara Group CEO Dr Ralph Highnam said, “This was a milestone quarter for us commercially, with ~NZ\$8M of cash receipts and our net cash outflow dropping below NZ\$3M demonstrating the renewed focus we have on profitability with strong growth. It all bodes well for the future especially given the new wave of innovation we’re looking to bring to the market leveraging the data we’ve been so assiduously collecting for the last few years.”

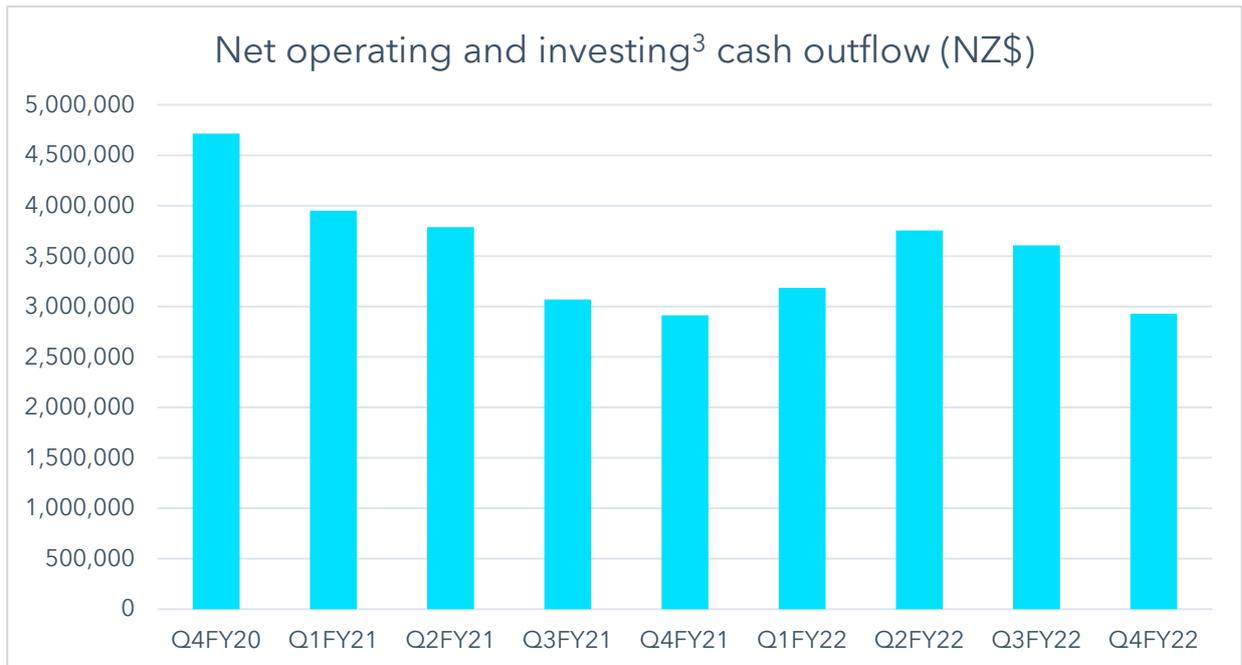
<sup>1</sup> Includes payments to acquire intellectual property from investing activities, which includes product development. Excludes one-off investment in RevealDX and settlement of net working capital adjustment related to the acquisition of CRA Health, LLC.

<sup>2</sup> Twelve-month trailing exchange rate used of US\$0.698:NZ\$1 vs US\$0.707:NZ\$1 at end Q3FY22.

Cash receipts from customers were the strongest on record with ~NZ\$8.0M received, up approx. 48% of Q4FY21 or 49% in constant currency. Volpara’s unaudited cash receipts from customers for FY22 totalled over NZ\$28.5M, up approx. 45% on prior years NZ\$19.7M, or 50.5% constant currency.



Net operating and investing cash outflow in Q4 was NZ\$2.9M,<sup>3</sup> an improvement on last quarter’s outflow of NZ\$3.6M. The direction of travel of operating cash flows continues its downward trend as we focus on continued growth in top-line cash receipts and prudent cash management.

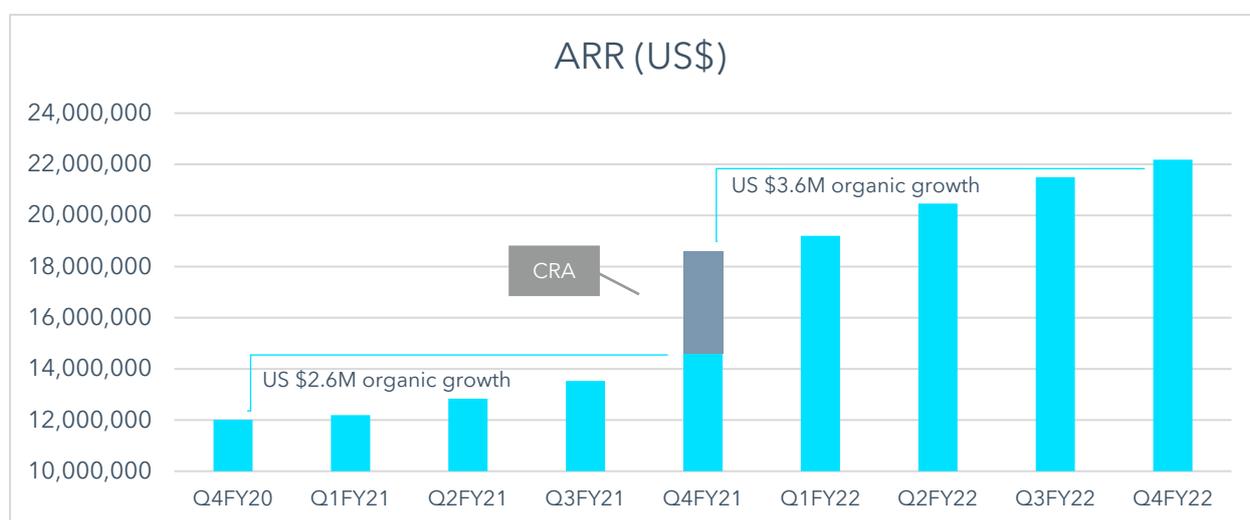


<sup>3</sup> Includes payments to acquire intellectual property from investing activities, which include product development. Excludes one-off investment in RevealDX and settlement of net working capital adjustment related to the acquisition of CRA Health LLC.

The Company maintains a strong cash position at the end of Q4, with NZ\$18.2M in the bank. Currently, Volpara has no debt on its balance sheet.

Overall, the Company added over US\$700k of ARR in Q4. Contracts continue to be signed across Volpara's full product suite as both platform deals and standalone sales, with no particular weighting towards one specific product. Dr Highnam said "Q4 was solid for sales, but we did have a number of deals move around due to the ever-increasing cyber security requirements. Fortunately, that is one area where we are particularly strong and will become a key differentiator for us in the longer term". Total net new ARR added over the whole year was US\$3.6M, approx. 38% higher than the prior year.

ARPU for the installed base increased from US\$1.47 at the end of Q3FY22 to US\$1.51 at the end of Q4, with an average ARPU for deals in Q4 of US\$3.15 and a range of US\$1.00 to US\$7.50.



### Other Recent Operational Highlights for the Quarter

#### **Giotto distribution deal and initial contracts**

Volpara has signed a distribution deal with IMS Giotto to sell Volpara® Scorecard™ software in Italy. Multiple orders are in place, with the possibility of up to 100 —leading Italian breast imaging sites part of the CONSIP x-ray equipment tender won by IMS Giotto.

#### **Fuji distribution deal with Cleveland Clinic Abu Dhabi**

In a collaboration with Fujifilm FZE (Middle East and Africa), Volpara has signed its first deal in the Middle East, with Cleveland Clinic Abu Dhabi. A not-for-profit multi-speciality academic medical center, Cleveland Clinic was recently named the top hospital in the United Arab Emirates, and placed in the top 150 global hospitals, in the 2022 World's Best Hospital index compiled by Newsweek and Statista Inc. The hospital, a Mubadala Health partner, celebrated its 100th anniversary last year.

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## **Biden's Cancer Moonshot Relaunch**

In February, Joe Biden reiterated the White House's determination to reduce cancer deaths by 50% in the next 25 years. Encouragingly, the associated documentation talked about breast density and about breast cancer risk assessment and the need for better IT to support the decision-making process; all helping build the tailwinds for Volpara's personalized screening tools.

## **EUSOBI announcement**

The European Society of Breast Imaging released new breast screening recommendations based on the results of the DENSE trial, a 10-year research study that included Volpara®Density™ software. The EUSOBI now recommends that all European mammography providers offer breast MRI to women with extremely dense breasts. This recommendation is based on a microsimulation model of the DENSE trial results, which showed a significant reduction in interval cancers in women identified by VolparaDensity as having extremely dense breasts and then receiving breast MRI. The EUSOBI considered the mounting evidence of the risks associated with extremely dense breast tissue, notably the twice-greater likelihood of developing breast cancer and the significant reduction in mammographic sensitivity. The EUSOBI's additional recommendation to notify women of their breast density at the time of screening presents a significant opportunity for Volpara to expand its presence in the sizable European market, in which 17.9 million<sup>4</sup> women are screened for breast cancer each year.

## **99th patent – breast arterial calcifications**

Volpara was granted its 99th patent by the US Patent and Trademark Office for a new method for the detection and quantification of breast arterial calcifications (BACs)—inappropriate and pathological mineral depositions in the mammary arteries. This method builds on the Company's approach to quantitative and objective breast density scoring, creating a tissue composition map that includes calcifications and vessel from a mammogram and then generating a score that indicates the likelihood of disease in the breast or other organs. This patent signals the potential for Volpara's automated, artificial intelligence-based software tools to provide objective, clinical value beyond the breast cancer space, in this case enabling the triage of patients to cardiac care and interventions, subject to further development and completing a commercial software product deploying the new patented technique.

## **100th patent – quantification of images**

Volpara was granted its 100th patent in March. The patent is for an improved automated method to quantify tissue in a medical image, based on comparison of energy to determine attenuation and thereby an estimate of tissue density.

The advantages are that a woman's breast composition and her risk of breast cancer can be calculated at an early age using low radiation dose. This improves the outcome for the patient and optimises clinical workflow.

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<sup>4</sup> [Signfiy Research](#)

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This 100th patent has been granted in China, the latest country in the international reach of the patent. China is currently the number 1 territory in the world for medical imaging patenting and the China National Intellectual Property Administration sets a very high standard for the grant of patents. All Volpara's Chinese applications have been granted so far, and with nine further applications in progress our protection in China represents a milestone for Volpara's patent portfolio.

### **Data – 60M raw breast x-ray images now in Volpara's Cloud**

Volpara hit a milestone of over 60M raw breast x-ray images from over 5.5M unique women are now stored in the Cloud, this is one of the biggest datasets globally and when those images are matched up with de-identified patient data they could become the catalyst for a new wave of innovation to help save families from cancer. Dr Highnam talked extensively about this data set and the relevant of the raw data in a recent Aunt Minnie presentation on "AI in Breast Clinical Practice" that can be found at this [link](#).

### **Other**

The payments to related parties of the entity and their associates included in item 6.1 of the Appendix 4C relates to salaries paid to executive directors and fees paid to non-executive directors.

### **Webinar details**

**Date:** Tuesday 19<sup>th</sup> April 2022

**Time:** 9:00am AEDT (Sydney/Melbourne), 11:00am NZDT (Auckland/Wellington)

**To register:** [https://us02web.zoom.us/webinar/register/WN\\_itibfTcCS4qFjLwmZVqKKA](https://us02web.zoom.us/webinar/register/WN_itibfTcCS4qFjLwmZVqKKA)

**Dial in details:** Will be provided to you upon registration

### **Authorisation & Additional Information**

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

### **ENDS**

### **For further information, please contact:**

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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.

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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](http://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.

## 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 2022 (31 March year-end)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$NZ'000</b>	<b>Year to date (12 months) \$NZ'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	7,976	28,485
1.2 Payments for		
(a) research and development	(2,418)	(9,008)
(b) product manufacturing and operating costs	(1,948)	(7,273)
(c) advertising and marketing	(335)	(1,501)
(d) leased assets	(29)	(106)
(e) staff costs	(4,168)	(16,524)
(f) administration and corporate costs	(1,555)	(5,824)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	48	173
1.5 Interest and other costs of finance paid	(33)	(138)
1.6 Income taxes paid	(138)	(53)
1.7 Government grants and tax incentives	103	492
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,497)</b>	<b>(11,277)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(131)
(c) property, plant and equipment	-	(19)
(d) investments	-	(357)
(e) intellectual property	(432)	(2,199)
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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)*	(7)	(55)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(439)</b>	<b>(2,761)</b>

\*2.5 relates to business integration and acquisition expenses.

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	225	511
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
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)*	(154)	(512)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>71</b>	<b>(1)</b>

\*3.9 relates to interest on lease repayments.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	21,321	32,230
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,497)	(11,277)

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Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(439)	(2,761)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	71	(1)
4.5	Effect of movement in exchange rates on cash held	(304)	(39)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>18,152</b>	<b>18,152</b>

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	9,683	11,173
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	8,469	10,148
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,152</b>	<b>21,321</b>

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*	221
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. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$NZ'000</b>	<b>Amount drawn at quarter end \$NZ'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	(10)	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	(10)	-
7.5 <b>Unused financing facilities available at quarter end</b>		(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 an unsecured overdraft facility with Kiwibank at a variable interest rate of 8.6%.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$NZ'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,497)
8.2 Cash and cash equivalents at quarter end (item 4.6)	18,152
8.3 Unused finance facilities available at quarter end (item 7.5)	10
8.4 Total available funding (item 8.2 + item 8.3)	18,162
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	7.3
<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: 19 April 2022

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.