

## ASX RELEASE

### Appendix 4C – Q2FY24 Quarterly Cash Flow Report

#### Cash Highlights:

- **Fourth consecutive positive net operating cash flow quarter, NZ\$1.2M. A full year and a half ahead of guidance**
- **Volpara net operating cash flow positive for over 12 months since the start of October 2022 – approx. NZ\$3.4M; and free cash flow positive for the same period – approx. NZ\$730k<sup>1</sup>**
- **Record Q2 cash receipts from customers of NZ\$11.5M+, up over 32% compared to NZ\$8.8M in Q2FY23 (or over 31% constant currency) and first quarter over US\$7.0M**
- **Volpara no longer required to provide Appendix 4C quarterly reporting updates**

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

- **Contracted Annual Recurring Revenue (CARR) now ~US\$28.4M (~NZ\$46.3M<sup>2</sup>), up over US\$1.2M on the prior quarter (Q1FY24)**
- **Annual Recurring Revenue (ARR) now ~US\$22.5M (~NZ\$36.6M<sup>1</sup>), up from US\$21.5M in the prior quarter (Q1FY24)**

Wellington, NZ, 17 October 2023: Volpara Health Technologies Ltd. (“Volpara,” “the Group,” or “the Company”; ASX:VHT), a global leader in software for the early detection of breast cancer, has released its Appendix 4C Quarterly Cash Flow report for the quarter ending 30 September 2023.

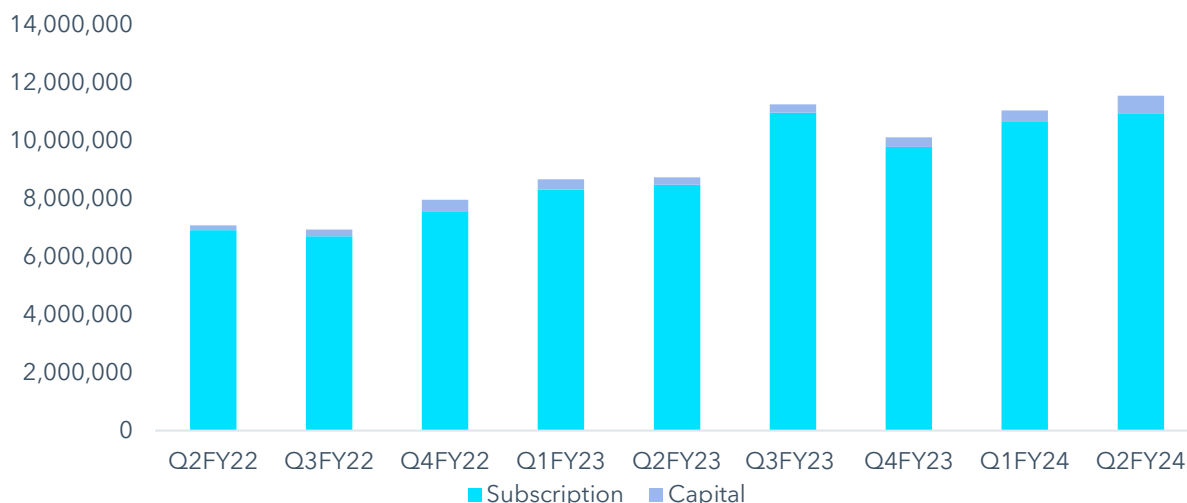
On Q2FY24, Volpara CEO & Managing Director Teri Thomas said: “What a milestone quarter for us! I’m delighted to see current customers, happy with our software, expand their use of Volpara to save even more families from cancer. We had a record number of contracts up for renewal and customers have chosen to expand and extended their contracts with us for longer, with more software than ever before. Our record cash receipts reflect the positive impact we have on families, as happy customers pay their bills. Our growth and financial strength, approaching US\$100M TCV, allows us to turn increasingly to growth endeavours like a brand-new product, called Quiver, due out next year. Leveraging our Analytics platform, this new product provides administrative simplification for mammography centres so they can spend more time with patients. We do good and we do it well and that is reflected in this positive quarter.”

<sup>1</sup> Free cash flow includes operating, investing and financing activities. Excluded is the impact of foreign exchange and the one-off receipt from the sale of the interest in Reveal-DX investment in August 2023.

<sup>2</sup> Twelve-month trailing exchange rate used of US\$0.613:NZ\$1 vs. US\$0.616:NZ\$1 at end Q1FY24.

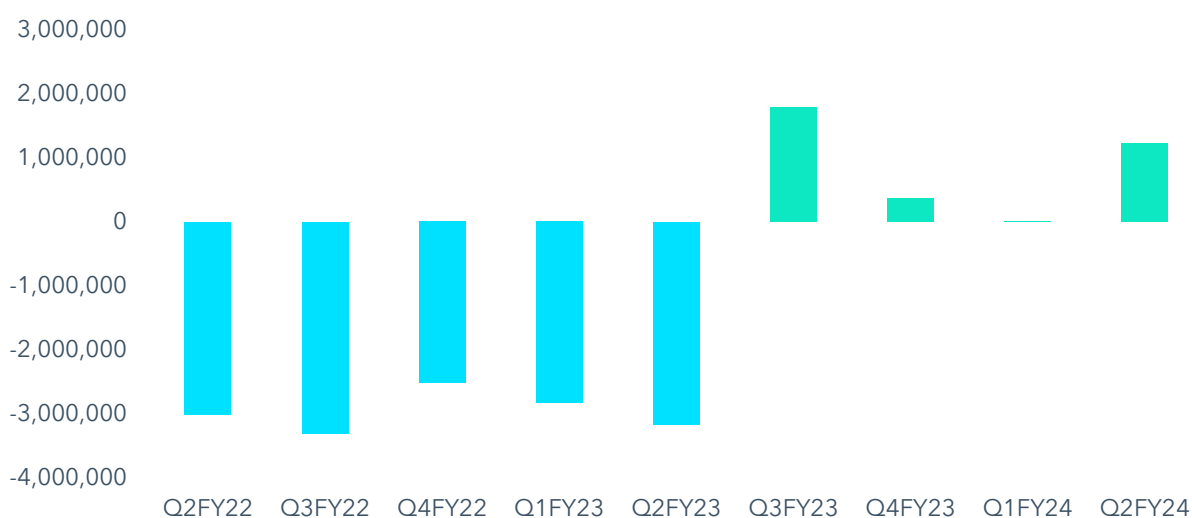
Cash receipts from customers was the strongest on record, and ahead of expectations, with over NZ\$11.5M received, up over 32% on Q2FY23, or 31% in constant currency. It was also the first quarter of customer receipts of over US\$7.0M.

Cash received - Capital vs Subscription (NZ\$)



Net operating cash inflow in Q2 was NZ\$1.23M, a significant improvement on Q2FY23's NZ\$3.2M net operating cash outflow. This also represents the Company's fourth consecutive net operating cash flow positive quarter on record. In July 2022, Volpara's revised strategy suggested net operating cash flow positive will be achieved for the first time in Q4FY24, with FY25 resulting in the first full year of net positive operating cash flow. Volpara, whilst continuing to invest in R&D, is now net operating cash flow positive for a full year through Q2FY24, a full year and a half ahead of guidance.

Net operating cash flow (NZ\$)



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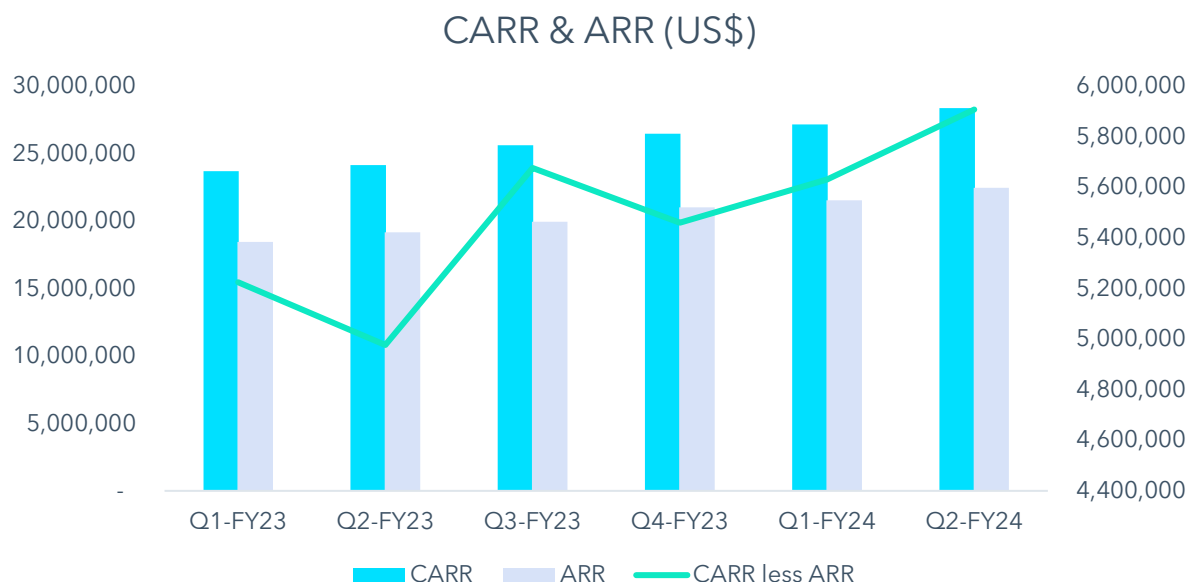
Volpara has operated in a net positive operating cash flow position since September 2022, with the cash balance remaining above \$13.1M as at 30 September 2023. Volpara has no debt and continues to maintain a revolving credit facility of NZ\$2.5M with our primary commercial bank.

Overall, the Company added US\$1.2M of CARR in Q2 – fourth largest quarter on record - increasing total CARR to US\$28.4M. Q2 included material contracts with the following customers, including two elephants and numerous calves:

- Memorial Sloan Kettering - renewed for a further 5 years for Analytics™ & Scorecard™ and added Risk Pathways™ bringing their total annual contract to over US\$165k
- Northwell Imaging – renewed for a further 5 years, expanded their contract for Analytics, Live™ & Scorecard and added Risk Pathways bringing their total annual contract to over US\$440k
- Hackensack - renewed for a further 5 years, expanded their contract for Analytics and added Risk Pathways bringing their total annual contract to over US\$250k
- Volpara continued to grow its footprint within the Veterans Affairs (VA) adding US\$171K in net new CARR during the quarter and bringing their total CARR to US\$1.07M
- Avera Health - renewed for a further 5 years and grew their portfolio of products bringing their total annual contract to over US\$258k
- Volpara also added a number of new customers during the quarter, including Northeast Georgia Medical Center, Riverside Medical Center, West Tennessee Imaging Center – all adding Risk Pathways.

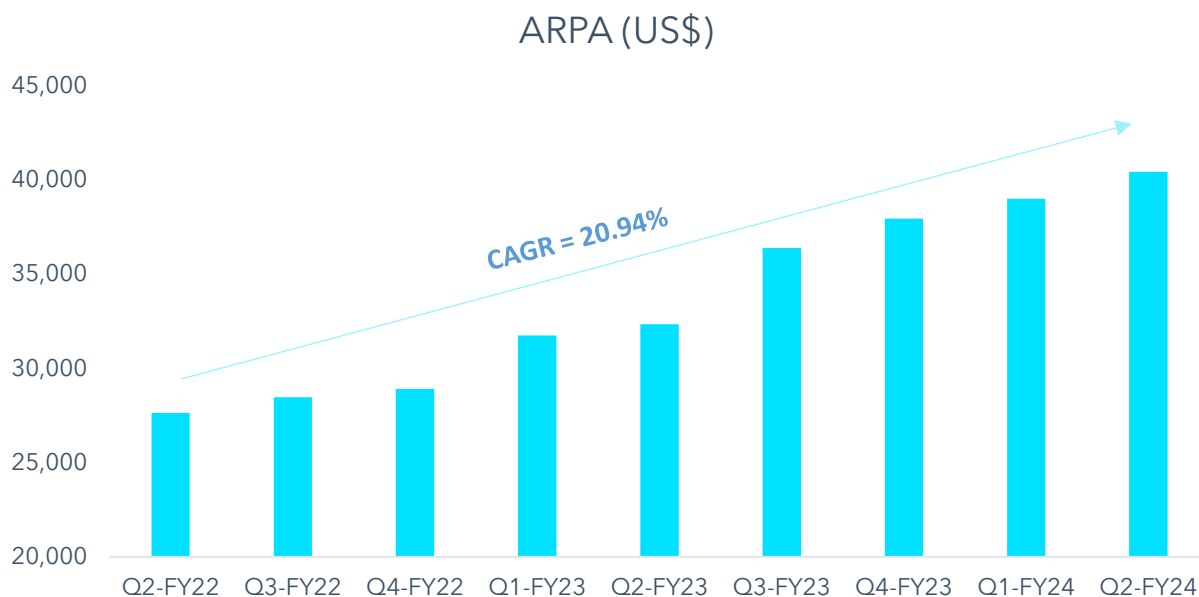
There has been a focussed selling effort on risk due to the National Accreditation Program for Breast Centers (NAPBC) recently requiring mammography providers in the United States to adhere to mandatory guidelines – these fit directly into Volpara's Risk Pathways offering, hence the large number of upsells and new customers noted above.

Annual Recurring Revenue (ARR) is now ~US\$22.5M (~NZ\$36.6M), up from US\$21.5M in Q1FY24.



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ARPA has increased from US\$39.0K at the end of Q1FY24 to US\$40.4K at the end of Q2, up 3.5% quarter-on-quarter.



### Quarterly Reporting

Following Volpara's achievement of 12 months (four consecutive quarters) positive cash flow the Company is no longer required by ASX to release an Appendix 4C under ASX listing rule 4.7B. A separate announcement will follow as required by Guidance Note 23. However, Volpara remains committed to providing regular operational and financial updates to its shareholders and will therefore release business updates periodically. In addition to sharing substantive news with investors that impact Volpara's business and revenue, Volpara will also release individual announcements for large sales.

### Other Recent Operational Highlights for the Quarter

**Update on Australian breast density screening and reporting:** Women in South Australia who receive a free mammogram will be notified whether they have dense breasts, a service only offered in one other Australian state. This follows a trial of Volpara's automated breast density software and informing women that they are at risk. According to published news reports, BreastScreen Australia and the Royal Australian and New Zealand College of Radiologists are also reviewing their positions on breast density.

### 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 17<sup>th</sup> October 2023  
**Time:** 9:00am AEDT (Sydney/Melbourne), 11:00am NZDT (Auckland/Wellington)  
**To register:** [https://us02web.zoom.us/webinar/register/WN\\_LaknaEaEQISyHNcGwTmZWw](https://us02web.zoom.us/webinar/register/WN_LaknaEaEQISyHNcGwTmZWw)  
**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)

Volpara Health Technologies makes software to save families from cancer. We help leading healthcare providers positively impact communities around the world. They use Volpara solutions to better understand cancer risk, empower patients in personal care decisions, improve and maintain quality, and guide recommendations about additional imaging, genetic testing, and other interventions.

Our focus on customer value means that our AI-powered image analysis enables radiologists to quantify breast tissue with precision and helps technologists produce mammograms with optimal image quality. In an industry facing increasing staff shortages, our software helps streamline operations and provides key performance insights that support continuous quality improvement.

A Certified B Corporation, Volpara is the preferred partner of leading healthcare institutions around the world. It maintains the most rigorous security certifications and holds over 100 patents and numerous regulatory registrations, including FDA clearance and CE marking. Since listing on the ASX in April 2016, Volpara has raised A\$132 million. Volpara is based in Wellington, New Zealand, with an office in Seattle.

For more information, visit [www.volparahealth.com](http://www.volparahealth.com)

### Definitions:

**Contracted Annual Recurring Revenue (CARR):** Total annual recurring revenue for all signed contracts, regardless of installation status.

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**Annual Recurring Revenue (ARR):** Annualised recurring revenue based on the trailing 12 months' average accounting revenue. Excludes non-recurring revenue items such as capital sales.

**Average Revenue Per Account (ARPA):** CARR per customer account.

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## 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")

Q2–30 September 2023 (31 March year-end)

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,570	22,618
1.2 Payments for		
(a) research and development	(2,053)	(3,932)
(b) product manufacturing and operating costs	(2,676)	(5,270)
(c) advertising and marketing	(290)	(534)
(d) leased assets	(31)	(61)
(e) staff costs	(4,018)	(8,660)
(f) administration and corporate costs	(1,749)	(3,400)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	112	166
1.5 Interest and other costs of finance paid	(48)	(113)
1.6 Income taxes paid	377	389
1.7 Government grants and tax incentives	2	2
1.8 Other (provide details if material)	35	35
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,231</b>	<b>1,240</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(7)
(d) investments	439	439
(e) intellectual property	(366)	(952)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(g) businesses	-	-
	(h) property, plant and equipment	-	-
	(i) investments	-	-
	(j) intellectual property	-	-
	(k) 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)*	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>73</b>	<b>(520)</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	10	8
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)*	(136)	(277)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(126)</b>	<b>(269)</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	12,107	12,711
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,231	1,240



Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	73	(520)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(126)	(269)
4.5	Effect of movement in exchange rates on cash held	(95)	28
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,190</b>	<b>13,190</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	9,525	10,307
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	3,665	1,800
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,190</b>	<b>12,107</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*	220
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.

<b>7. 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. 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	-	-
7.3 Other (please specify)	(2,500)	-
<b>7.4 Total financing facilities</b>	<b>(2,500)</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>(2,500)</b>
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.		
7.3 is a \$2.5m unsecured revolving credit facility with Kiwibank, with a line fee of 1.5% p.a. payable each quarter and interest payable at 10.35% p.a. should Volpara draw down on the facility.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$NZ'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	1,231
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,190
8.3 Unused finance facilities available at quarter end (item 7.5)	2,500
8.4 Total available funding (item 8.2 + item 8.3)	15,690
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<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: 17 October 2023  
 .....

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.

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