

ASX RELEASE

Appendix 4C Quarterly Cash Flow Report and Business Update

Wellington, NZ, 28th April 2017: Volpara Health Technologies ("Volpara"; ASX: VHT), a digital health company focused on early detection of breast cancer by improving quality of screening, has today released its Appendix 4C and Cash Flow Report for the fourth quarter, and financial year ended 31 March 2017.

With the release of VolparaEnterprise™, the company's comprehensive cloud-based breast imaging analytics platform in July 2016, Volpara has transitioned from a capital sales model to a software-as-a-service (SaaS) subscription sales model. Consequently, whilst cash receipts were slightly down on the previous year, the company has seen strong year on year growth in terms of total contract value and annual recurring revenues. In-depth analysis will be provided in the full year financials.

As of 31 March 2017, the company had NZ\$12.876m in cash. Net cash outflow for the quarter was NZ\$1.976m.

Receipts from customers totalled NZ\$424k for the quarter, with receipts for FY17 totalling NZ\$2.27m. This is slightly down on last year when the company was selling software in a capital sales model. We are particularly pleased with this result as a good proportion of this is recurring revenue under the SaaS model.

The company will release its full year audited financial results for the year ending 31 March 2017, including more detailed sales revenue analysis, on 23rd June 2017.

For further information, please contact:

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About Volpara Health Technologies Limited (ASX: VHT)

Founded in 2009 from research originally conducted at Oxford University, VHT is based in Wellington, New Zealand and facilitates the early detection of breast cancer through its digital health solutions to enable personalised, high-quality breast cancer screening based on objective measurements of breast density.

VHT has a number of patents and trademarks and regulatory clearances, including FDA and CE, supporting its technology and services. It launched its cloud based **VolparaEnterprise™** solution which incorporate breast density screening with a range of automated quality control features focused on improving quality and productivity in July 2016.

VHT listed on ASX in April 2016 after a \$10m IPO, with a further \$10m raised in November 2016 and has customers and/or research projects in 35 countries.

www.volparasolutions.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Volpara Health Technologies Limited

ARBN

609 946 867

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date \$NZ'000
1. Cash flows from operating activities			
1.1 Receipts from customers		424	2,270
1.2 Payments for			
(a) research and development		(100)	(922)
(b) product manufacturing and operating costs		(203)	(717)
(c) advertising and marketing		(201)	(1,269)
(d) leased assets		-	-
(e) staff costs		(1,061)	(4,723)
(f) administration and corporate costs		(816)	(3,202)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		23	138
1.5 Interest and other costs of finance paid		(1)	(3)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		35	177
1.8 Other (provide details if material)		-	5
1.9 Net cash from / (used in) operating activities		(1,900)	(8,246)

Appendix 4C**Quarterly report for entities subject to Listing Rule 4.7B**

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(11)	(30)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(32)	(32)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(43)	(62)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	(1)	22,430
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	4	34
3.4	Transaction costs related to issues of shares, convertible notes or options	(36)	(1,155)
3.5	Proceeds from borrowings	-	81
3.6	Repayment of borrowings	-	(86)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(33)	21,304

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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	14,860	277
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,900)	(8,246)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(43)	(62)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(33)	21,304
4.5	Effect of movement in exchange rates on cash held	(8)	(397)
4.6	Cash and cash equivalents at end of quarter	12,876	12,876

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	526	2,258
5.2	Call deposits	750	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	11,600	12,602
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,876	14,860

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 – Includes those amounts paid to directors only.

Current quarter \$NZ'000
163
-

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7. Payments to related entities of the entity and their associates	Current quarter \$NZ'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	(10)	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The credit standby arrangement is with Kiwibank at a base rate of 9.65% and it is unsecured.

9. Estimated cash outflows for next quarter	\$NZ'000
9.1 Research and development	(200)
9.2 Product manufacturing and operating costs	(250)
9.3 Advertising and marketing	(450)
9.4 Leased assets	-
9.5 Staff costs	(1,450)
9.6 Administration and corporate costs	(850)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(3,200)

The increase in spending compared to the last quarter is mainly the result of increased marketing and development costs for the next phase of product growth.

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Quarterly report for entities subject to Listing Rule 4.7B

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:
 (Director/Company secretary)

Date: 28 April 2017

Print name: Craig Hadfield

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.