

## ASX RELEASE

### Appendix 4C – Quarterly Cash Flow Report and Business Update

#### Highlights

- **NZ\$11.2m cash on hand at end of Q1**
- **Total Contract Value (TCV) for Q1 FY18 was NZ\$1.6m, up 225% from NZ\$485k in Q1 FY17**
- **Annual Recurring Revenue (ARR) at end Q1 FY18 was NZ\$1.6m up 47% from NZ\$1.1m at end of FY17**
- **19 customers signed to *VolparaEnterprise*<sup>™</sup> as of June 30**
- **Distribution partner GE Healthcare's US roadshow on breast health underway and contributing to sales pipeline and increased interest in *VolparaDensity*<sup>™</sup> - similar initiative to be launched in Europe**

Wellington, NZ, 17 July 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 Quarterly Cash Flow report for the quarter ending 30 June 2017 (Q1 FY18).

Net cash outflows from operations for the quarter were steady at NZ\$1.6m due to revenue collection of NZ\$853k and expenses remaining in check, leaving NZ\$11.2m in cash holdings at the end of the quarter.

Total Contract Value (TCV) for Q1 FY18 was NZ\$1.6m showing substantial growth of 225% over Q1 FY17 (NZ\$485k). During the quarter, Volpara has grown its contracted revenue pipeline by 55% from NZ\$2.9m at the end of FY17 (31 March) to NZ\$4.5m which will be recognised from FY18 through FY23.

Annual Recurring Revenue has seen a considerable increase, up 47% from the end of FY17 to NZ\$1.6m. Volpara is on track to achieve its target of ARR growth to exceed 200% in the FY18 financial year.

Volpara has signed five new sites to *VolparaEnterprise*<sup>™</sup> this quarter, bringing the total number to 19. Sales in the quarter include Sydney Breast Clinic, further sales across Adelaide, and the University of Texas Southwestern. Whilst Volpara has transitioned to an almost entirely SaaS business model in the US, the APAC region continues to see solid growth under the capital sales model, resulting in sales of NZ\$160k for the first quarter.

"This is a very pleasing result, that shows the momentum that we are now gathering in the market. The result this quarter is especially pleasing, given that Q1 and Q2 have historically been our softest quarters, due to budget cycles and the holidays in the US," said Volpara Chief Executive Dr Ralph Highnam.

"The sales pipeline is strong and continues to grow, giving us confidence that we remain on track to meet our target of growing annual recurring revenue by at least 200% this financial year. The pipeline is being helped by a renewed push from GE Healthcare around the US

(#EveryWomanEveryBody) and into Europe, which is highlighting risk factors such as breast density, and the benefits of personalised screening.”

### **Volpara Health Technologies Q1 Conference Call Details**

Conference ID: 786790

Time of Conference: 11:00 AM NZST (9:00AM AEST)

Date of Conference: 18 July 2017

#### **Dial-In Numbers**

Australia Toll Free:	1 800 558 698
Alternate Australia Toll Free:	1 800 809 971
Australia Local:	02 9007 3187
New Zealand Toll Free:	0800 453 055
NZ Local (Auckland):	09 929 1687
NZ Local (Wellington):	04 974 7738
NZ Local (Christchurch):	03 974 2632
China Wide:	4001 200 659
Belgium:	0800 72 111
Canada:	1855 8811 339
France:	0800 913 848
Germany:	0800 182 7617
Hong Kong:	800 966 806
India:	0008 0010 08443
Indonesia:	001 803 019 3275
Ireland:	1800 948 625
Italy:	800 793 500
Japan:	0053 116 1281
Malaysia:	1800 816 294
Norway:	800 69 950
Philippines:	1800 1110 1462
Singapore:	800 101 2785
South Korea:	00 798 142 063 275
Sweden:	020 791 959
South Africa:	0800 999 976
Switzerland:	0800 820 030
Taiwan:	008 0112 7397
Thailand:	001800 156 206 3275
UAE:	8000 3570 2705
United Kingdom:	0800 051 8245
United States:	(855) 881 1339
US Local (New York):	(914) 202 3258
US Local (Los Angeles):	(909) 235 4020
US Local (Chicago):	(815) 373 2080

ENDS.

## **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 automated, objective measurements of breast density and quality.

VHT has a number of patents and trademarks and regulatory clearances, including FDA and CE, supporting its technology and services.

VHT, an ASX-listed company that raised A\$20M through an IPO and subsequent share placement in 2016, has customers and/or research projects in 35 countries.

[www.volparasolutions.com](http://www.volparasolutions.com)

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

Ralph Highnam, CEO  
Volpara Health Technologies  
ralph.highnam@volparasolutions.com  
t: +64 21 149 0541

Kyahn Williamson  
WE Buchan  
kwilliamson@buchanwe.com.au  
t: +61 3 9866 4722

## 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")**

30 June 2017

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$NZ'000</b>	<b>Year to date \$NZ'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		853	853
1.2 Payments for			
(a) research and development		(367)	(367)
(b) product manufacturing and operating costs		(227)	(227)
(c) advertising and marketing		(316)	(316)
(d) leased assets		-	-
(e) staff costs		(1,322)	(1,322)
(f) administration and corporate costs		(633)	(633)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		201	201
1.5 Interest and other costs of finance paid		(1)	(1)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		95	95
1.8 Other (provide details if material)		73	73
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(1,644)</b>	<b>(1,644)</b>

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

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(10)	(10)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(10)</b>	<b>(10)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	8	8
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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 (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>8</b>	<b>8</b>

# Appendix 4C

## Quarterly report for entities subject to Listing Rule 4.7B

<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 quarter/year to date	12,876	12,876
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,644)	(1,644)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8	8
4.5	Effect of movement in exchange rates on cash held	(23)	(23)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>11,207</b>	<b>11,207</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$NZ'000</b>	<b>Previous quarter \$NZ'000</b>
5.1	Bank balances	2,207	526
5.2	Call deposits	1,000	750
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	8,000	11,600
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,207</b>	<b>12,876</b>

## 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.

<b>Current quarter \$NZ'000</b>
146
-

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

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$NZ'000</b>
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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$NZ'000</b>	<b>Amount drawn at quarter end \$NZ'000</b>
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 9.80% and it is unsecured.

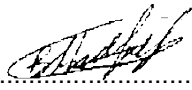
<b>9. Estimated cash outflows for next quarter</b>	<b>\$NZ'000</b>
9.1 Research and development	(320)
9.2 Product manufacturing and operating costs	(300)
9.3 Advertising and marketing	(300)
9.4 Leased assets	-
9.5 Staff costs	(1,250)
9.6 Administration and corporate costs	(800)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(2,970)</b>

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

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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:  .....  
Company secretary

Date: 17 July 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.