

ASX RELEASE

Appendix 4C – Q2 FY18 Quarterly Cash Flow Report and Business Update

Highlights:

- **Cash position NZ\$9.29m**
- **Q2 FY18 Total Contract Value (TCV) NZ\$2.32m, up 339% from NZ\$528k in Q2 FY17**
- **Annual Recurring Revenue (ARR) NZ\$2.14m at the end of Q2 FY18, up 94% from NZ\$1.1m at the end of FY17**
- **25 SaaS customers signed to *VolparaEnterprise™* software, including significant US “luminary sites”**

Wellington, NZ, 17 October 2017: [Volpara Health Technologies](#) (“Volpara”; ASX: VHT), a digital health company focused on the 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 September 2017 (Q2FY18).

Net operating cash outflows for Q2 stood at NZ\$1.75m, while cash receipts for the quarter were NZ\$750k. The company has NZ\$9.29m in cash holdings as of 30 September 2017, with no debt.

Volpara signed six new sites to *VolparaEnterprise™* software during the quarter, bringing the total number to 25 customers, including a number of significant “luminary sites”. As a result, Total Contract Value (TCV) for Q2 FY18 increased substantially to NZ\$2.32m, up 339 percent on the previous corresponding quarter.

Annual Recurring Revenue (ARR) has increased to NZ\$2.14m, up 94 percent on FY17, and is on track to exceed the Company’s 200 percent ARR growth target for FY18. SaaS revenue now accounts for 95 percent of the company’s revenue.

The company has a contracted revenue pipeline of NZ\$6.6m (up from NZ\$4.5m in the previous quarter), which provides a pipeline of revenue to be recognised over the years to FY23.

“Volpara has delivered another strong result, in what is traditionally a softer quarter, which puts us well on track to achieve our stated goal of at least a 200 percent increase in ARR during FY18. Our sales pipeline remains strong as we head into the second half and is building quite nicely,” said Volpara Chief Executive Officer, Dr Ralph Highnam.

“In a little over a year since launching *VolparaEnterprise™* software, building our direct sales force and transitioning to a SaaS model, we have secured a number of highly regarded “luminary” reference sites, and are delivering solid quarter-on-quarter growth in ARR and building a substantial pipeline of contracted revenue which will be recognised in future periods.”

Significant new customers signed during the quarter include Austin Radiology in Texas and Charlotte Radiology in North Carolina, and Melbourne-based Imaging Associates.

Other operational highlights for the quarter include the appointment of Dr Monica Saini to the role of Consultant Diagnostic Radiologist. Dr Saini is a leader in the early detection of breast cancer and was previously the Medical Director of Automated Breast Ultrasound Systems at GE.

Volpara Health Technologies Q2 Conference Call

Conference ID: 440122

Date and Time: 18th October 2017 – 9 am AEDT (11 am NZDT)

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 and based in Wellington, New Zealand, VHT 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.

VHT has a number of patents and trademarks and regulatory clearances, including FDA and CE, supporting its technology and services. An ASX-listed company that raised A\$20M through an IPO and subsequent share placement and rights issue in 2016, VHT has customers and/or research projects in 36 countries.

www.volparasolutions.com

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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 September 2017

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
1. Cash flows from operating activities			
1.1 Receipts from customers	751	1,604	
1.2 Payments for			
(a) research and development	(387)	(754)	
(b) product manufacturing and operating costs	(291)	(518)	
(c) advertising and marketing	(164)	(480)	
(d) leased assets	-	-	
(e) staff costs	(991)	(2,313)	
(f) administration and corporate costs	(714)	(1,347)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	12	213	
1.5 Interest and other costs of finance paid	(1)	(2)	
1.6 Income taxes paid	-	-	
1.7 Government grants and tax incentives	103	198	
1.8 Other (provide details if material)	(71)	2	
1.9 Net cash from / (used in) operating activities	(1,753)	(3,397)	

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	(67)	(77)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(24)	(24)
	(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	(91)	(101)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	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)	(70)	(70)
3.10	Net cash from / (used in) financing activities	(70)	(62)

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

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	11,207	12,876
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,753)	(3,397)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(91)	(101)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(70)	(62)
4.5	Effect of movement in exchange rates on cash held	(2)	(25)
4.6	Cash and cash equivalents at end of quarter	9,291	9,291

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	1,291	2,207
5.2	Call deposits	-	1,000
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	8,000	8,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,291	11,207

6.	Payments to directors of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to these parties included in item 1.2	152
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.		

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

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$NZ'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$NZ'000**

**Amount drawn at
quarter end
\$NZ'000**

-	-
(10)	-
-	-

- 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 9.90% and it is unsecured.

9. Estimated cash outflows for next quarter

\$NZ'000

9.1	Research and development	(350)
9.2	Product manufacturing and operating costs	(400)
9.3	Advertising and marketing	(350)
9.4	Leased assets	-
9.5	Staff costs	(1,480)
9.6	Administration and corporate costs	(800)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(3,380)

Appendix 4C
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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: 
Company secretary

Date: 17 October 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.