

## Appendix 4D - Volpara Half-Year Financial Results

Wellington, NZ, 9 November 2017: [Volpara Health Technologies](#) ("Volpara"; ASX: VHT), a digital health company focused on the early detection of breast cancer by improving quality of screening, is pleased to release its Appendix 4D – Half-Year Financial Results and Interim Financial Report for the period ended September 30, 2017.

### Key financial details

- Annual Recurring Revenue (ARR) is up 94% to NZ\$2.14m for the half-year, compared to NZ\$1.10m at the end of FY17. This puts the company on track to exceed its 200% growth target for FY18, given H2 is typically stronger than H1.
- Total Contract Value (TCV) for H1FY18 was NZ\$3.93m, 96% of FY17's entire TCV.
- Recognized revenue from customers (under IFRS) is up 12.87% to NZ\$1.26m, which is particularly encouraging given NZ\$1.02m is recurring, compared to the NZ\$110k recurring component for the previous half-year.
- The Company now has contracted revenue of NZ\$6.6m which provides a pipeline of revenue to be recognised over the coming years.
- Net loss after tax improved to NZ\$4.20m, 10.14% down on NZ\$4.68m in H1FY17.
- Gross margin on sales to customers exceeded 70%, in line with management expectations.

### Highlights for the period

- Recognized revenues now increasing after the switch from capital sales to Software as a Service (SaaS)
- VolparaEnterprise™ software is in demand from customers, as it:
  - Improves clinical care;
  - Improves clinical and administrative efficiencies;
  - Reduces compliance and other costs; and
  - Increases revenue by identifying "at risk" women for further screening.
- The market is ready for Software as a Service, and customer acceptance has been very encouraging
- The market is fully accepting of cloud-based applications and the benefits that accrue from such "big data" applications
- Volpara has excellent product/market fit, evidenced by increased sales, especially to industry-leading reference sites
- Volpara has no direct competitor in this large emerging market driven by the FDA and US laws
- Volpara currently has only 2 percent penetration in this very large market, with 98 percent of the market still open to us, as there are no significant competitors at this time
- Scalable IT model, with gross margins of over 70%
- Scalable sales model—costs generally flat over year, and sales increasing significantly

"The Board is pleased with this progress, which sees us move into a sweet spot for SaaS companies, where we have a wide open emerging market and no direct competition, and we have a mature product and sales team delivering a sticky service, scalable business and repeatable sales model. Our tasks now are to deliver substantial growth with more customers signing up, increasingly by word of mouth, and to deliver more services to those customers to ensure that they are increasingly successful and that we return increased fees per customer," said Dr Ralph Highnam, CEO of Volpara.

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

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# Appendix 4D

In accordance with Listing Rule 4.2A, please find attached the Half-Year Appendix 4D for the period ended 30 September 2017.

It is recommended that this Appendix 4D half-year report be read in conjunction with the Interim Financial Report for the period ended 30 September 2017, the Annual Report for the year ending 31 March 2017 and any public announcements made by the company during the half-year.

## Volpara Health Technologies Limited

### Results for announcement to the market

#### Half-Year Report 30 September 2017

##### Name of Entity

Volpara Health Technologies Limited  
(the "Company" or "Group")

##### ARBN

609 946 867

##### Reporting Period

30 September 2017

##### Previous Corresponding Reporting Period

30 September 2016

## Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the period ended 30 September 2017.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 of the Interim Financial Report.

## Highlights from reporting period

### Dividends

NZ\$nil.

### Net tangible assets

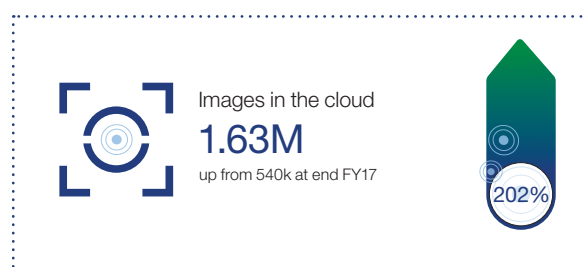
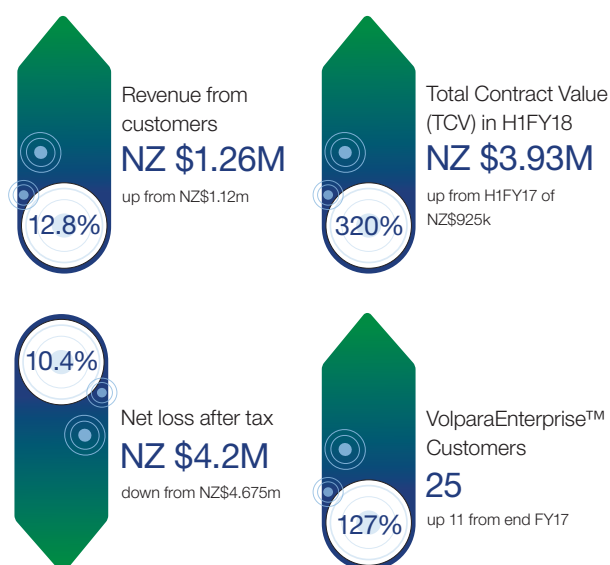
Net tangible assets backing per ordinary share (NZ\$0.06) (six months to 30 September 2016: NZ\$0.05).

### Details of associate and joint venture entities

None.

### Details of entities over which control has been gained or lost during the period

No entities were acquired during the period. No entities were disposed of due to loss of control during the period.



## Appendix 4D (continued)

	6 months to 30 Sept. 2017 Unaudited	6 months to 30 Sept. 2016 Unaudited	Amount and percentage change
	NZ\$'000	NZ\$'000	NZ\$'000
Revenue from ordinary activities	1,735	1,228	↑ 507 (41.3%)
Operating deficit	(4,365)	(4,771)	↓ 406 (8.5%)
Net loss before tax	(4,200)	(4,675)	↓ 475 (10.2%)
Net loss after tax for the period	(4,200)	(4,675)	↓ 475 (10.2%)

### Revenue breakdown

	Variance	30 Sept. 2017 Unaudited	30 Sept. 2016 Unaudited
Software as a Service	100.0%	884	-
Software maintenance agreements	24.5%	137	110
Capital sales	(76.0%)	242	1,009
<b>Revenue from customers</b>	<b>12.9%</b>	<b>1,263</b>	<b>1,119</b>
Grants	333.0%	472	109
<b>Total revenue</b>	<b>41.3%</b>	<b>1,735</b>	<b>1,228</b>

### Note:

The information provided in this Appendix 4D is based on the Volpara Health Technologies Limited Interim Financial Report for the financial half-year ended 30 September 2017.

Volpara Health Technologies Limited Interim Financial Report for the financial half-year ended 30 September 2017 has been subject to review by the Company's auditors. A copy of the Independent Review Report is included in the Interim Financial Report.