

ASX RELEASE

Appendix 4C – Q4 FY18 Quarterly Cash Flow Report

Highlights:

- **Cash receipts from customers break the NZ\$3.0m level for the year and show a 35% increase over cash receipts in FY17, indicating the switch from capital sales to SaaS has been achieved successfully**
- **Cash position NZ\$4.8m, with over-subscribed \$15m capital raise underway**
- **Annual Recurring Revenue (ARR) NZ\$3.6m at the end of Q4 FY18, up 223% from NZ\$1.1m at the end of FY17 – exceeding 200% growth target for FY18**
- **Record quarterly sales performance adding NZ\$4.1m in Total Contract Value (TCV) and 19 new SaaS customers signed to VolparaEnterprise™**
- **3.2% of US women are now subscribed via customers to VolparaEnterprise**
- **Sales growth with relatively flat costs**

Wellington, NZ, 30 April 2018: [Volpara Health Technologies](#) (“Volpara”; ASX: VHT), a MedTech company focused on early detection of breast cancer by improving quality of screening using artificial intelligence (AI), has today released its Appendix 4C Quarterly Cash Flow report for the quarter ending 31 December 2017 (Q4 FY18).

Cash receipts from customers for the quarter were NZ\$818k, bringing cash receipts over FY18 to be over NZ\$3m for the first time, an increase of 35% over FY17, and showing that we’ve successfully transitioned from a capital sales company to a SaaS company. We expect revenues for the year to be largely in-line with cash receipts.

During the quarter, Volpara signed 19 new customers to the **VolparaEnterprise™** platform, bringing the total number of SaaS customers to 57. During the quarter, NZ\$4.2m was added to the Total Contract Value (TCV), bringing us to a total of NZ\$11.2m for the year, compared to NZ\$4.1m for FY17.

Annual Recurring Revenue (ARR) increased 223 percent to NZ\$3.6m, from NZ\$1.1m at the end of FY17. This exceeds the Company’s FY18 target of 200% growth in annual recurring revenue. An additional aim was to keep costs relatively flat, and the 4C shows expenditure rose by just ~10% over the year.

The Company continues to hold no debt and held NZ\$4.8m in cash at 31 March 2018.

Volpara CEO Dr Ralph Highnam said “This has been our best sales quarter to date. We aimed high, setting ambitious milestones for the year which we’ve met both in terms of ARR and US market penetration – now at NZ\$3.6m and 3.2%, respectively. Importantly, we have managed this growth while keeping costs relatively flat”.

“The number of women to be screened under VolparaEnterprise™ contracts now stands at 1.27 million, this is a huge resource for us to produce further world-leading products to upsell to existing customers and to new ones. FY2019 is going to be exciting indeed.”

Volpara will be hosting a conference call at 9am AEST (11am NZST), Monday, 30 April 2018 to relay activity over the last quarter and update investors on the on the capital raising.

Volpara Health Technologies Q4 Conference Call

Conference ID: 815488

Date and Time: 30 April 2018 - 9am AEST (11am NZST)

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 is a MedTech company focused on the early detection of breast cancer by improving quality of screening using artificial intelligence. Its clinical support software provides real-time feedback on breast density, compression, dose and quality, while its enterprise-wide software, VolparaEnterprise, assists breast clinics to more efficiently manage their business by providing a centralized overview and wide-ranging benchmarking.

VHT has a number of patents and trademarks and regulatory clearances, including FDA and CE Mark, 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.

VHT uses the following definitions:

Total Contract Value (TCV)—the value of contracts signed in the specified period. The revenue from these deals might be recognised over one or many years, and the customer might or might not have a cancellation clause of some kind.

Annual Recurring Revenue (ARR) —the normalized amount of cash reasonably expected to be booked for the next 12 months based on the contracts signed previously, and assuming installation upon order.

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")

Q4 - 31 March 2018 (31 March year-end)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
1. Cash flows from operating activities			
1.1 Receipts from customers	818	3,072	
1.2 Payments for			
(a) research and development	(407)	(1,633)	
(b) product manufacturing and operating costs	(264)	(1,271)	
(c) advertising and marketing	(166)	(1,067)	
(d) leased assets	(2)	(6)	
(e) staff costs	(1,798)	(5,167)	
(f) administration and corporate costs	(491)	(2,591)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	122	390	
1.5 Interest and other costs of finance paid	(2)	(5)	
1.6 Income taxes paid	-	-	
1.7 Government grants and tax incentives	90	587	
1.8 Other (provide details if material)	-	(19)	
1.9 Net cash from / (used in) operating activities	(2,100)	(7,710)	

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	(14)	(116)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(19)	(43)
	(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	(33)	(159)

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)	(35)	(129)
3.10	Net cash from / (used in) financing activities	(35)	(121)

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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	7,025	12,876
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,100)	(7,710)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(159)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(35)	(121)
4.5	Effect of movement in exchange rates on cash held	(15)	(44)
4.6	Cash and cash equivalents at end of quarter	4,842	4,842

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	3,342	1,025
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	1,500	6,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,842	7,025

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	151
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.		

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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	(800)
9.2	Product manufacturing and operating costs	(500)
9.3	Advertising and marketing	(300)
9.4	Leased assets	-
9.5	Staff costs	(1,800)
9.6	Administration and corporate costs	(900)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(4,300)

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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:
 Company secretary

Date: **30 April 2018**

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.