

ASX RELEASE

Volpara Exceeds Guidance on ARR Growth, Coverage of US Women

Wellington, NZ, 8th April 2019: [Volpara Health Technologies](#) (“Volpara”; ASX: VHT), a medical technology company whose AI imaging algorithms assist the early detection of breast cancer, has exceeded its market guidance on the Company’s FY2019 commercial milestones of 85% growth in Annual Recurring Revenue (ARR) and coverage of 7% of women screened in the United States.

Volpara’s ARR now stands at NZ\$6.63m, compared to NZ\$3.6m at the end of FY18—an increase of 86% and above the market guidance of 85%. Total Contract Value (TCV), which represents the value of contracts signed in the specified period, totalled NZ\$15.8m—an increase of 42% on FY18.

In addition, approximately 7.1% of all women screened in the United States (approximately 2.8 million women) are now contracted to Volpara’s software, compared to the target of 7%.

Other highlights include:

- Maiden NZ\$1m quarterly increase in ARR: NZ\$1.05m
- Maiden NZ\$5m quarter of Total Contract Value (TCV)
- Total of 128 Volpara®Enterprise™ contracts at end FY19 vs. 57 at end FY18, an increase of 125%
- First sales of new product, the Volpara®Live!™ system
- Signing of first NZ\$1m (TCV) customer in the United States
- Signing of I-MED Radiology Network in Australia
- MD Anderson and UCSF’s joining of Memorial Sloan Kettering, UVA, and other major US clinics in using Volpara software

Volpara CEO Ralph Highnam said FY2019 was another year of very strong sales momentum, with contract sales primarily in the SaaS/VolparaEnterprise suite.

“FY2019 ended very strongly indeed with our first NZ\$1M order, our first NZ\$1M ARR quarter, and the signing of a number of prestigious clinics, including I-MED Radiology Network in Australia—all of which was capped off by the FDA’s proposal to require that every US woman be notified of her breast density. It all bodes well for future growth,” Dr Highnam said.

“We exceeded our prior guidance; furthermore, having over 7% of US women now under contract provides an astonishing amount of data for applying serious AI to enable better regulatory reporting, improved ROI for breast imaging clinics, and even better breast care outcomes for women. We’re looking forward to FY2020 with great confidence.”

Further details of the results for the financial year ended 31 March 2019 will be released with the ASX Appendix 4C at the end of April and the audited Financial Report before the end of May 2019.

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About Volpara Health Technologies Limited (ASX: VHT)

VHT is a MedTech SaaS company founded in 2009 on research originally conducted at Oxford University. VHT's clinical applications for screening clinics provide feedback on breast density, compression, dose, and quality, while its enterprise-wide software, VolparaEnterprise, provides role-specific dashboards and wide-ranging benchmarking analytics to help clinics manage their business more efficiently.

VHT's technology and services have been used by customers and/or research projects in 37 countries and are supported by numerous patents, trademarks, and regulatory clearances, including FDA clearance and CE marking. Since its listing on the ASX in April 2016, VHT has raised A\$40 million, including A\$20 million in April and May 2018. VHT is based in Wellington, New Zealand. For more information, visit www.volparasolutions.com.

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.

Churn: The percentage of revenue from customers that either discontinue or reduce their subscription in a given 12-month period.

Gross Margin: Total customer revenue minus cost of goods sold (COGS), divided by total customer revenue, expressed as a percentage. COGS includes commission, cloud costs, hardware costs (if applicable), bank charges on customer payments, and travel costs for onboarding and installations.