

## ASX RELEASE

### Appendix 4C – Q4 FY19 Quarterly Cash Flow Report

#### Highlights:

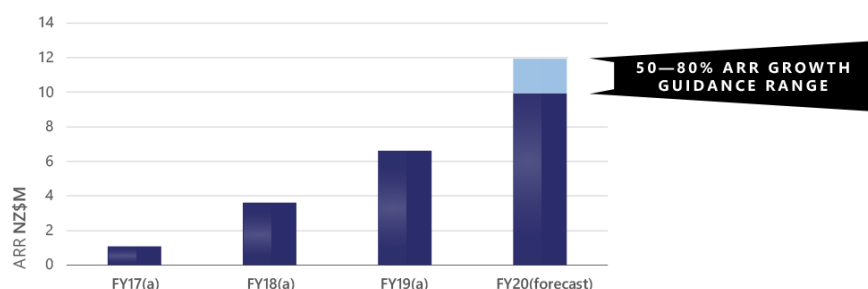
- Annual Recurring Revenue (ARR) at end Q419 of NZ\$6.63M, up 86% from Q418
- Cash receipts from customers for FY19 of NZ\$5.6M, up 83% from FY18
- Total Contract Value (TCV) for FY19 of NZ\$15.8M, up 42% from FY18
- Volpara software now used in 7.1% of US women screened for breast cancer
- Gross Margin maintained at 83%, consistent with PCP
- Cancellation churn remained low at less than 2% of ARR
- Average price per woman screened (ARPU) in the US for base Volpara<sup>®</sup>Enterprise<sup>™</sup> product of ~US\$2.17 in FY19, up 37% from FY18
- Total VolparaEnterprise customers of 128 at end of FY19, up 124% from 57 at end of FY18
- NZ\$14.4M cash on hand at 31 March 2019
- Forecasting 50–80% ARR growth, at least 10% of US women screened, and 80%+ gross margin in FY20

Wellington, NZ, 30 April 2019: [Volpara Health Technologies](#) (“Volpara”; ASX: VHT), a medical technology company whose AI imaging algorithms assist the early detection of breast cancer, has today released its Appendix 4C Quarterly Cash Flow report for the quarter ending 31 March 2019 (Q4 FY19).

Cash receipts from customers continue to be strong, with NZ\$1.04M received in Q4, up 27% on Q4 FY18. This is Volpara’s third straight NZ\$1M+ cash receipts quarter. Total cash received in FY19 was NZ\$5.6M, up 83% year on year.

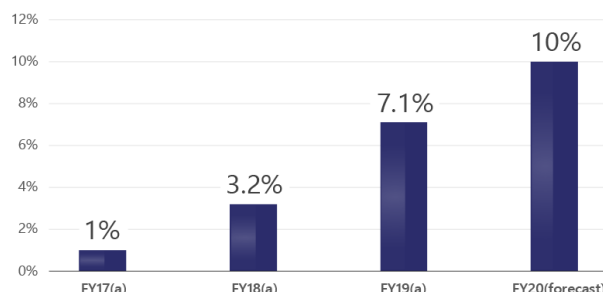
Volpara had one of the strongest quarters in its history, signing 15 new customers to the VolparaEnterprise platform, bringing the total number of customers to 128. During the quarter, Volpara also added NZ\$1.05M of ARR (its maiden NZ\$1M+ quarterly increase in ARR) and NZ\$5M of TCV (largest on record). ARR at the end of FY19 is now \$6.63M and the company is targeting 50–80% ARR growth in FY20.

#### ANNUAL RECURRING REVENUE NZ\$M



The number of US women screened now receiving the benefits of Volpara's technology approximates 2.8M at end of FY19, which is 7.1% of all US women screened per year.

% OF US WOMEN SCREENED WITH VOLPARA SOFTWARE PA



Dr Ralph Highnam, Volpara CEO, said of the results: "We're obviously pleased to have reached 86% growth in ARR over the year with low churn and a big sales pipeline ahead of us, and it's good to see cash receipts matching the ARR growth. We now look forward to another year of strong growth: in FY2020, we're expecting ARR growth to be 50 to 80%, the percentage of US women screened using a Volpara service to exceed 10%, and a strong gross margin to remain above 80%."

In line with the company's expectations, expenses increased during the year due to the expansion of the sales team in the US and the engineering team in Wellington. Net quarterly cash outflows for Q4 were NZ\$2.57M.

The company continues to hold no debt and held NZ\$14.4M in cash at 31 March 2019.

Volpara will host a conference call at 10:30 am AEST (12:30 pm NZST), Tuesday, 30 April 2019 to discuss activity over the last quarter and the 2019 financial year.

If you have not already pre-registered via the link below, you may dial in at the scheduled time using the following call details.

**Preregistration link:** <https://services.choruscall.com.au/diamondpass/volpara-287687-invite.html>

**Dial in details:** Conference ID – 287687

**Dial in numbers:**

<b>Australia Toll Free:</b>	<b>1 800 558 698</b>
Australia Local:	02 9007 3187
<b>New Zealand Toll Free:</b>	<b>0800 453 055</b>
NZ Local (Auckland):	09 929 1687
NZ Local (Wellington):	04 974 7738
NZ Local (Christchurch):	03 974 2632
China Wide:	4001 200 659

Hong Kong:	800 966 806
Singapore:	800 101 2785
United Kingdom:	0800 051 8245
United States:	(855) 881 1339

ENDS.

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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 38 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](http://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.

## 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 2019 (31 March year-end)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$NZ'000</b>	<b>Year to date (12 months) \$NZ'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,039	5,608
1.2 Payments for		
(a) research and development	(692)	(2,625)
(b) product manufacturing and operating costs	(607)	(2,332)
(c) advertising and marketing	(311)	(1,038)
(d) leased assets	(10)	(15)
(e) staff costs	(1,436)	(7,892)
(f) administration and corporate costs	(933)	(3,369)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	266	387
1.5 Interest and other costs of finance paid	(9)	(59)
1.6 Income taxes paid	(41)	(56)
1.7 Government grants and tax incentives	159	753
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,575)</b>	<b>(10,638)</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	(26)	(391)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(56)	(211)
	(e) other non-current assets	54	(89)
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>(28)</b>	<b>(691)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	21,488
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	282
3.4	Transaction costs related to issues of shares, convertible notes or options	(2)	(990)
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)	(30)	(87)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(32)</b>	<b>20,693</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	17,079	4,842
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,575)	(10,638)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(691)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(32)	20,693
4.5	Effect of movement in exchange rates on cash held	(61)	177
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>14,383</b>	<b>14,383</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	4,112	3,080
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	10,271	13,999
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>14,383</b>	<b>17,079</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$NZ'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	147
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**

<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 9.90% and it is unsecured.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$NZ'000</b>
9.1 Research and development	(800,000)
9.2 Product manufacturing and operating costs	(700,000)
9.3 Advertising and marketing	(400,000)
9.4 Leased assets	(10)
9.5 Staff costs	(2,400,000)
9.6 Administration and corporate costs	(1,000,000)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(5,310,000)</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: 30 April 2019 .....

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.