

ASX RELEASE

Volpara December Newsletter

Wellington, NZ, 18 December 2019: [Volpara Health Technologies](#) (“Volpara”; ASX: VHT), a SaaS medical technology company whose artificial intelligence (AI) imaging algorithms assist the early detection of breast cancer, is pleased to provide investors with its December Investor Newsletter.

This eNewsletter edition outlines Volpara’s recent activities and upcoming events, including:

- Message from Volpara CEO Dr Ralph Highnam
- Recap of recent RSNA meeting in Chicago
- Volpara’s strong position after half-year results
- Opening of Volpara’s new office by Lyn Swinburne AO
- Customer videos and links

The Investor Newsletter can be viewed at the end of this cover note and is also available on Volpara’s website.

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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 practice software management helps with productivity, compliance, reimbursement, and patient tracking.

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 2016, VHT has raised A\$95 million, including A\$55 million in June 2019. VHT is based in Wellington, New Zealand.

At the end of June 2019, VHT acquired MRS, a company based in Seattle, WA. MRS provides mammography reporting systems to over 1,600 breast clinics and hospitals, and to VHT a much stronger US presence, experienced local headquarters, and accelerated sales through cross-selling opportunities.

For more information, visit www.volparasolutions.com.



Message from the CEO

Dear Investor,

The past few months have seen significant foundations laid for the future with the completion of the merger of Volpara and MRS Systems, the launch of an integrated product suite, and the move to SaaS pricing for all products.



Those foundations were all on show at the world's largest radiology conference, the annual meeting of the Radiological Society of North America (RSNA), held in Chicago in early December with more than 50,000 attendees. This newsletter is our now-traditional post-RSNA update.

RSNA was very positive for Volpara. With its integrated product suite, Volpara was able to showcase its end-to-end breast cancer screening platform under the banner, "Your expertise, our platform: Intelligent cancer screening workflow". That concept and the closely integrated product suite received a strong reception and supported our sales team, which generated a record number of sales leads.

Going into the conference, we were buoyed considerably by the importance of volumetric breast density being highlighted by the publication of the DENSE trial results in the prestigious *New England Journal of Medicine (NEJM)*. The trial results received widespread coverage in major US and global media.

The DENSE trial results represent a milestone for Volpara and for breast cancer screening: they demonstrated a very significant drop in the numbers of interval and late-stage cancers. The *NEJM* editorial noted that the DENSE trial has "provided high-quality data from a randomised trial where none previously existed". That level of data is key to getting publicly run population-based screening programs around the world to adopt and adapt more personalised screening.

To that end, we are pleased to announce that a major public screening program has

formally signed up to the Volpara®Enterprise™ software package. That program will be up and running in early 2020. The provider of the public screening program is anticipated to make an announcement in due course. Our first public screening site was the Hutt DHB in New Zealand, which is using both our VolparaEnterprise and Volpara®Live!™ quality-control solutions. Outside the United States, public screening programs continue to dominate screening.

In other positive developments for the Company this year, Volpara's half-year financial results reflected the Company's growing size and strength and maturity: we have successfully integrated MRS Systems and have expanded our executive and marketing teams to drive the Company's next phase of growth and innovation.

Volpara is on track to meet its midrange forecast of annual recurring revenue (ARR) for the year of \$NZ\$17.1 million (US\$11.5 million) and its forecast of 27 percent of US women having at least one group product applied on their images and data, which illustrates some of the upselling opportunities we have in front of us.

We are still awaiting the US Food and Drug Administration to finalise its new regulations on the mandatory reporting of breast density. The new regulations will modernise breast screening and apply them across the United States at a federal level.

Volpara is entering the new calendar year with good momentum and is well placed to generate solid results for investors and better health outcomes for women fighting breast cancer.

Very best regards,

Ralph P. Highnam, PhD
CEO & Chief Scientist

RSNA Show Positive for Volpara

Volpara received a record number of sales leads following a positive reception of its new full suite of breast screening products at the radiology industry's key event, the annual meeting of the Radiological Society of North America (RSNA) meeting in Chicago.

Volpara showcased its end-to-end breast cancer screening workflow at the Chicago event from December 1 to 6. Volpara joined with MRS Systems, acquired by Volpara in June, to provide radiologists, administrators, and technologists with the practice management tools they need to improve mammographic quality and maximise resource utilisation.

Volpara CEO Dr Ralph Highnam said the combination of the Volpara and MRS product suites is resonating well. “We had a record number of leads and generally a very positive reception.”

Dr Highnam continued: “People in the industry are recognising that Volpara now has a full range of products for breast screening, not just a partial solution. Our products can improve productivity and provide a much greater standardisation of care and consistency in the short term. In the future, it should lead to much improved diagnostics as we start pooling our images and data and get into predictive healthcare.”

At the RSNA show, Volpara showed off its Aspen™ Breast reporting and tracking software, which is designed to streamline workflow, optimise facility operations, and support personalised care. Aspen Breast can generate patient letters, procedure reports for referring physicians, and medical necessity letters for insurance pre-authorisations. Reports can be configured to include the radiologist’s recommendations.

Aspen Breast combined with VolparaEnterprise software expands access to patient workflow and analytics and provides new capabilities to support EQUIP compliance and ACR accreditation.

Volpara believes that the combination of Aspen Breast and VolparaEnterprise gives breast care providers a unique view of the entire patient journey, thus facilitating personalised breast care and easier quality compliance.

Volpara also launched a new company tagline at the RSNA event: “Your expertise, our platform: Intelligent cancer screening workflow”.

“The tagline is based on the idea that our technology is not going to replace our clients,” Dr Highnam said. “We [Volpara] are going to work closely with them.”

“We believe we can win anywhere there’s cancer screening, not just in breast cancer. We believe we can win when we marry the workflow skills that MRS has with Volpara’s AI skills.”

For example, MRS is present at about 10 percent of all sites in the United States that conduct lung cancer screening.

“We’re now looking actively at what kind of AI tools we can bring in to support that platform,” Dr Highnam said.

[Watch this RSNA video interview on Reno Diagnostic Center's approach to personalised breast screening](#)



Volpara's new full suite of breast screening products was well received at the RSNA annual meeting in Chicago.

DENSE Results Published in the New England Journal of Medicine

The November publication of the positive DENSE trial results in the *New England Journal of Medicine* is a milestone for breast cancer care.

The eight-year DENSE trial, which involved more than 40,000 women in the Netherlands, is the first randomised controlled study on the clinical utility of breast MRI supplemental screening for women with extremely dense breasts.

Volpara provided the Dutch researchers with the Volpara®Density™ software used to automatically and objectively assess breast density.

The results showed that women with extremely dense breast tissue could benefit from MRI supplemental screening. The use of supplemental MRI screening in women with extremely dense breast tissue and normal results on mammography resulted in the diagnosis of significantly fewer interval cancers than mammography alone.

Interval breast cancer refers to cancer that is detected or which presents within 12 months after a mammographic screening in which findings are considered normal.

The NEJM editorial stated that the findings of the DENSE trial are important because

they provide high-quality data from a randomised trial where none existed beforehand. The editorial said the trial showed that, among women with dense breasts, the risk of interval cancers is halved following a negative mammogram with MRI screening.

Volpara CEO Ralph Highnam said the publication of the full results of the DENSE trial in the *New England Journal of Medicine* draws attention to ways of making breast screening more effective and represents a significant milestone both for Volpara and women globally.

“The evidence from this study is quite clear: using VolparaDensity to assess breast density and then offering MRI screening to women with extremely dense breasts resulted in a significant reduction of 50 percent of interval cancers,” Dr Highnam said. “Population-based screening programs now have solid evidence on which to consider the pros and cons of more personalised screening.”

Dr Highnam said women all over the world will benefit from the work of the leader of the DENSE trial, epidemiologist Professor Carla van Gils of the University Medical Centre Utrecht, and her colleagues. “I am pleased that Volpara has been a long-term partner in this effort, as it fits in perfectly with our mission to Save Families from Cancer,” Dr Highnam said.

Volpara’s Chief Medical Officer, Dr Monica Saini, said addressing interval cancers is a priority for radiologists, given the cancer’s aggressive nature and poor prognosis.

“The work of Professor van Gils and her colleagues provides a clear template for how organised screening programs can use automated density to triage women who are at greatest risk of developing interval cancers,” Dr Saini said. “By identifying these women for intervention, we can reduce the emotional, physical, and financial costs of breast cancer.”

The DENSE trial results received widespread coverage in major US media, including The New York Times, TIME, CNN, and FOX.

Volpara Health hails breast-density study

Derek Rose • AAP 🕒 Thursday, 28 November 2019 5:03 pm



Mammograms are less useful in detecting cancers in women with very dense breasts. Credit: AP.



Volpara Health Technologies is hailing the results of a study published in a prestigious medical journal that indicate its patented breast density software might be able to assist with spotting tumours.



Volpara Well Positioned after Half-Year Results

Volpara is well positioned financially for its next stage of growth and can now optimise the benefits brought by its successful acquisition and integration of Seattle-based MRS Systems.

Volpara CEO Dr Ralph Highnam said Volpara had a strong first half of the financial year, highlighted by the US\$14.6 million acquisition and integration of MRS, and a A\$55 million capital raising.

“This past half-year has positioned us well financially for our next stage of growth,” Dr Highnam said. “Also, we come to the table with a stronger offering to help our patients beat cancer.

“We have funds from a successful capital raise, a more solid cash position, stronger revenue streams, a full suite of breast screening products, and a bolstered data base

from the MRS acquisition.

“MRS Systems has been successfully integrated into Volpara, and we are already seeing our hard work translate into increased customer numbers.”

Volpara is on track to meet its midrange forecast of annual recurring revenue (ARR) for the year of \$NZ\$17.1 million (US\$11.5 million) and its forecast of 27 percent of US women having a group product applied on their images and data.

In the six months to September 30, 2019, Volpara’s total revenue from customers rose 197 percent to NZ\$6.84 million, compared to the prior corresponding period.

Annual recurring revenue (ARR) was NZ\$15.7 million, up from NZ\$4.8 million a year earlier.

The percentage of women in the key US market having a group product applied on their images and data was 25.8 percent, up from 5.6 percent in the prior corresponding period.

The cash balance and cash equivalents as at 30 September 2019 was NZ\$40.2 million. Volpara has no debt.

Volpara booked a first-half net loss of \$8.03 million, up 55 percent on the prior corresponding period. The loss reflected higher general and administration costs largely associated with increased overheads from MRS, one-off acquisition costs, non-cash share-based payments, and an expanded headcount.

Volpara Health Technologies

Stockhead TV

November 18, 2019 | Stockhead TV

90SECONDSWITH...



VIEW HERE

The screenshot shows a webpage from Stockhead. At the top, there is a navigation bar with 'STOCKHEAD' in a red box, followed by 'JUST IN', 'SECTIONS', 'FEATURES', 'PRIMERS', 'STOCKHEAD TV', and a search icon. A 'SUBSCRIBE' button is visible on the right. The main content area features a large image of a man, Tim Boreham, with a background of white lightning bolts on a black field. To the right of the image is the article title: 'Health Kick Podcast: What's holding back better breast cancer detection? And how is Volpara's tech changing the game?'. Below the title, it says 'Health & Biotech' and 'November 27, 2019 | Tim Boreham'. There are social media share icons for Facebook, Twitter, and LinkedIn. Below the image is a podcast player interface for 'The Health Kick Podcast with Tim Boreham' with a play button and a progress bar. To the right of the player are two promotional cards: one for 'FX Spreads 0.3 and ZERO commission' and another for 'Hear it first with our daily newsletter'.

LISTEN HERE

Breast Cancer Network Australia's Founder Lyn Swinburne Opens Volpara's New Office

The founder of Breast Cancer Network Australia, Lyn Swinburne AO provided a reminder of the importance of Volpara's work as she opened Volpara's new headquarters at Mercer Street in Wellington.

Ms Swinburne, a breast cancer survivor and founding Volpara board member, urged attendees to remember that improving breast screening technology really does make a difference to people's lives.

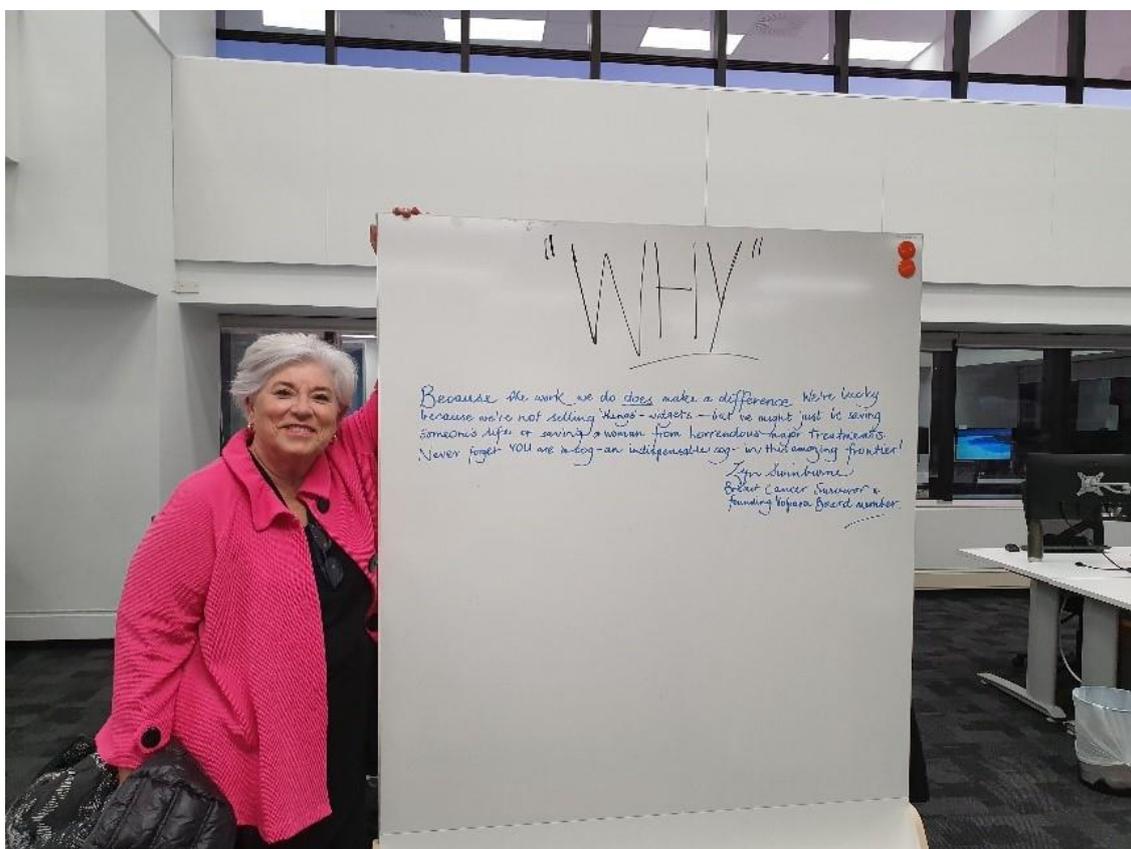
"We're lucky because we're not selling 'things'—widgets—but we might just be saving someone's life or saving a woman from horrendous major treatments," Ms Swinburne said. "Never forget that you are a cog—an indispensable cog—in this amazing frontier!"

Ms Swinburne underwent extensive treatment for breast cancer after she was diagnosed with the disease in 1993. She subsequently became a committed advocate for women with breast cancer and their families.

Ms Swinburne formally launched Breast Cancer Network Australia in October 1998.

BCNA is now the peak organisation for Australians affected by breast cancer, with a network of more than 120,000 members.

Ms Swinburne is currently the chair of the Melbourne Royal Women's Hospital board.



Breast Cancer Network Australia founder Lyn Swinburne AO reminded attendees at the opening of Volpara's new office that Volpara's work helps save lives.



A good turnout at the opening of Volpara's new office in Wellington.

Volpara's new office was profiled by **WellingtonNZ**. Click [here](#) to read the article:

Volpara's new address:

Level 14, Simpl House
40 Mercer Street
Wellington Central
Wellington 6011

On the Blog

25 November 2019:

Guide to Best Practices for Clinical Tyrer-Cuzick Risk Assessment

Kristy Manning PhD, Senior Research Scientist

Breast screening is rapidly moving into an era of personalised care, where prevention, early detection, and treatment are guided by risk assessment.

Read more [here](#)

7th November 2019

How to Get Your Patients on Their Best Screening Pathway

Kristy Manning PhD, Senior Research Scientist

The need for greater participation in breast cancer screening programs cannot be overlooked. An estimated 1 in 8 women will develop breast cancer in her lifetime. Read more [here](#)

Videos and links

Some of Volpara's clients discuss how Volpara's technology is helping them help women with breast cancer.

[Derry Imaging and VolparaLive!](#)

[Lake Medical Imaging and VolparaDensity](#)

[Lake Medical Imaging and VolparaEnterprise](#)

[Reno Diagnostic Center's approach to personalised breast screening](#)

[Volpara is being recognised as a leader on innovation!](#)

Upcoming Events

11-15 March 2020

European Society of Radiology Annual Congress
Austria Center, Vienna, Austria



The Volpara team led by CEO Dr Ralph Highnam.

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