

ASX RELEASE

Volpara Business Update

Wellington, NZ, 7 April 2020: Volpara Health Technologies Limited (**Volpara**; ASX: VHT), a medical technology company whose cancer screening software platform assists in the delivery of personalised patient care, provides a business update on FY2020, which ended 31 March 2020 against the backdrop of the global COVID-19 situation.

Highlights:

- The Company recorded Annual Recurring Revenue of NZ\$18M,¹ beating its already upgraded target for FY2020 of NZ\$17.8M (up 172% y-o-y)
- The Company now estimates it has at least one software product being used in the screening of ~27.1% of US women for breast cancer, meeting its target for FY2020
- The Company retains over NZ\$31M in the bank, with no debt
- The Company is selling SaaS into enterprise health systems; COVID-19 will affect the business in FY2021, but the exact quantum remains to be seen
- The Company is continuing to invest in its stated strategy as fundamentals for business are sound
- Prudent measures are being taken on operating expenses

Volpara CEO Dr Ralph Highnam said: "Despite COVID-19, we managed to have a very strong Q4, and closed out FY2020 meeting and exceeding our targets, including an increase in ARR of 172%, which includes a contribution from the MRS acquisition. We've been fortunate to have been a very virtual and resilient company from the start due to our location in New Zealand. Our ability to work from home, proven cloud-based products, and outstanding US sales team have all helped beat the targets."

The Company holds over NZ\$31M in the bank, with no debt. Despite the confidence in the sales pipeline looking forward, however, the company is being prudent by undertaking a review of operating expenses to reflect the new world in which we are operating and the anticipated uncertainty in the US market during FY2021. For example, some breast cancer screening sites are in lockdown for varying periods of time.

Dr Ralph Highnam continued: "These are unprecedented times, but with 500,000 women a year dying from breast cancer, screening is a service you can only disrupt for so long, or else you risk the rise of advanced breast cancers and even higher mortality. We are confident that screening will ramp back up as the world learns how to deal with COVID-19. We will continue to update the market as we learn and understand more."

ENDS.

Authorisation and Additional Information

This announcement was authorised by the Board of Directors of Volpara Health Technologies Limited, CEO Dr Ralph Highnam, and CFO & Company Secretary Craig Hadfield.

¹ Calculated using the average FY20 USD/NZD exchange rate of US\$0.648:NZ\$1.



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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 functions 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 April 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 Systems, Inc., 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.