

## ASX RELEASE

### Volpara September Newsletter

Wellington, NZ, 10<sup>th</sup> September 2020: [Volpara Health Technologies](#) (“Volpara,” “the Group,” or “the Company”; ASX: VHT), a medical technology company whose cancer screening software assists in the delivery of personalised patient care, is pleased to provide investors with its September Investor Newsletter.

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

- Message from Volpara CEO Ralph Highnam, with news on Volpara’s biggest sale to date, another significant Australian sale, FDA legislation on breast density, and an update on effects of COVID-19.
- Katherine Singson’s appointment to lead Volpara in the United States
- The return of US screening levels to pre-COVID-19 levels
- The launch of an exciting research project with the University of Melbourne
- Recent media coverage
- Recent blog stories which are of interest to investors
- Upcoming events

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

**ENDS.**

### Authorisation and Additional Information

This announcement was authorised by the CEO Dr Ralph Highnam.

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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\$132 million, including A\$37 million in April/May 2020. 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](http://www.volparasolutions.com)



## Message from the Group CEO, Dr Ralph Highnam

Dear Investor,

Much has happened since Volpara's Annual General Meeting in mid-August. Volpara has signed its biggest ever customer contract in the United States and secured another large deal in Australia.



Meanwhile, a women's advocacy group in the US has reported that the US Food and Drug Administration (FDA) ruling on breast density is close and whilst screening levels in the key US market are returning to, and in some instances exceeding, pre-COVID-19 levels, there are indications that COVID-19 may be placing added pressure on hospital IT budgets.

Before considering those points in detail, allow me to remind you that in December 2019, Volpara announced its complete breast screening software platform which included imaging tools (Volpara®Live!™), clinical tools (Volpara®Density™, Volpara®Risk™, Transpara™), and management tools (MRS, Volpara®Enterprise™). The beauty of the platform approach is that it makes integration of each component easier. Integration makes each tool more powerful. That increased power makes the whole offering more compelling and stickier and attracts much higher Average Revenue Per User (ARPU).

With that background, permit me to inform you of the following developments:

1. One of our earliest US VolparaEnterprise customers from 2017 has renewed and extended their contract, more than doubling ARPU. The contract is set to generate more than US\$1.6 million over five years for Volpara. There is further upside potential as the customer's new platform for risk-based screening settles in and the customer considers further tools from our integrated platform. This is Volpara's biggest contract to date and highlights the power of the platform approach.
2. Volpara has signed a contract to provide VolparaEnterprise and VolparaDensity to Queensland X-ray (part of the Sonic Group), which conducts private breast cancer

screening across the state. This deal, which follows an extensive trial, greatly extends Volpara's Australian coverage and offers large expansion opportunities. Given that many of our shareholders reside in Queensland, this deal is particularly pleasing.

3. The DenseBreast-info advocacy group in the United States has reported that the US Food and Drug Administration has informed it that the FDA's new breast density mandate is due for publication shortly, with the expectation being the end of October if not earlier. This will help drive global interest in informing women of their breast density and, in turn, in automated breast density tools.
4. There has been a slight increase in bigger hospital chains not renewing their support contracts for the MRS legacy software. This appears to be due to COVID-19 putting pressure on budgets at those sites (in contrast to pure breast imaging sites). Consequently, some hospital IT groups are either not renewing support contracts or are moving to a generic, hospital-wide IT system such as EPIC or Cerner. We knew this was a possibility when Volpara purchased MRS in June 2019. At the time, we felt that a fast platform rollout would alleviate the pressure, but the pandemic has changed the dynamic. Fortunately, most of these legacy MRS customers generate very low ARPU, but some of them can cover quite large numbers of women. We will update the market in our next Appendix 4C quarterly report.

In summary, Volpara continues to have a positive outlook for FY2021. We are very encouraged by some of the recent deals given that Q2 is traditionally our quietest quarter. However, COVID-19 is clearly changing the dynamics in certain segments of our market, and we need to move faster to get sites upgraded onto subscription-based contracts and onto the complete platform.

Please enjoy the newsletter content below which covers:

- Katherine Singson's appointment to lead Volpara in the United States
- The return of US screening levels to pre-COVID-19 levels
- The launch of an exciting research project with the University of Melbourne
- Recent media coverage
- Recent blog stories which are of interest to investors
- Upcoming events

We look forward to updating you on your Company's progress in our next Appendix 4C quarterly report, if not beforehand.

Very best regards,

**Ralph P. Highnam, PhD**  
**Group CEO & Chief Scientist**

## Tech expert Katherine Singson to lead Volpara in US

Volpara has appointed veteran international tech expert Katherine Singson as CEO of Volpara's US sales and marketing arm, Volpara Solutions, Inc., to drive an accelerated digital and innovation strategy for Volpara's breast cancer detection and patient tracking software.

The ongoing COVID-19 pandemic has made it clear that a shift from traditional medical marketing—which relies heavily on trade shows, site visits, and similar face-to-face contacts—will help facilitate continued growth in the Company's annual recurring revenue.



Volpara's business strategy is moving towards digital marketing, aiming to drive greater demand from clinical sites and increasing the number of women who seek to be treated with Volpara's suite of products.

Katherine has more than 30 years' experience from startups to multinationals, including Apple, Pixar, and Microsoft. She was mentored by Steve Jobs and has worked in Sydney. Katherine is also a breast cancer survivor.

Katherine's vast digital and tech expertise, and her own personal experience with breast cancer, can help Volpara tap into the power and passion of women to fight breast cancer.

We thank Mark Koeniguer, the Chief Commercial Officer who previously led Volpara's US operations, for his many contributions to the Company and wish him well for the future.

READ Volpara's ASX release on the appointment of Katherine Singson [here](#)  
LISTEN to a recording of a webinar introducing Katherine Singson [here](#)

## Breast cancer screening resumes in US

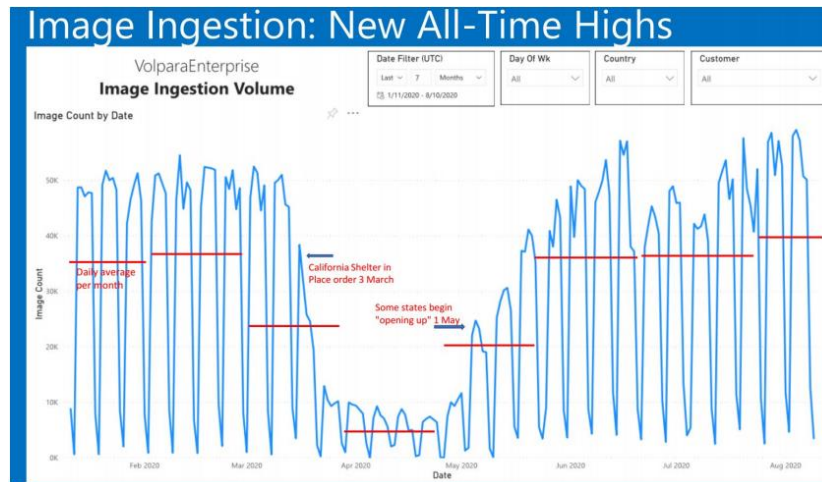


In Volpara's key US market, the volume of images being sent to Volpara's cloud-based services indicates that screening has returned to pre-COVID-19 levels. Hospitals and imaging centres that perform mammography have resumed breast cancer screening operations after a COVID-19 shutdown, and exam volumes have recovered (see graph below).

As restrictions on non-emergency healthcare services ease, imaging facilities have expanded their hours to manage the backlog of patients who had to miss their regular screening dates. Volpara is helping customers to deal with increased patient volumes following the resumption of regular screening operations.

It is estimated that the COVID-19 shutdown resulted in a downturn in overall outpatient imaging procedures at nearly 70 percent. During the shutdown, breast imaging centres were able to remotely access VolparaEnterprise to analyse their centre's performance data and develop improvement plans prior to resuming screening operations. Technologists also accessed their positioning and compression data, enabling them to review educational videos to enhance their positioning skills.

Technologists at reopened facilities are using the VolparaEnterprise data and the MRS reporting tools to track utilization and prioritise scheduling patients with high breast density and other high-risk factors.



*We're now seeing record numbers of women being imaged using our software after a COVID-19-related drop-off in April/May.*

## **Volpara collaborates with Melbourne University, Breast Screen Victoria**



Volpara is collaborating with the University of Melbourne and Breast Screen Victoria to look at next-generation breast cancer biomarkers and how they might be implemented into the Breast Screen service. The project is funded by Cancer Council Victoria.

The project leader is world-leading epidemiologist Professor John Hopper of the University



of Melbourne's Centre for Epidemiology & Biostatistics.

"Volpara is currently best of breed when it comes to breast density measurement and has an outstanding commercial record in not only Australia but also the US," says Prof Hopper. "So, we're looking forward to help them progress their measurements even further and to having some of our own research move from the computer laboratory into clinical practice."

## Media Coverage

The appointment of Katherine Singson received coverage in **The Market Herald**.

*"The medical technology company's cancer screening software facilitates care personalized to individual patients. It is increasingly digitalizing its marketing strategy, a process which will be spearheaded by Ms Singson in the United States."*

The screenshot shows the homepage of The Market Herald on Tuesday, August 11, 2020. The main headline is "Volpara Health Technologies (ASX:VHT) appoints Katherine Singson as CEO of U.S. subsidiary". The article is categorized under "Health Care" and has a market capitalization of \$326.5M. The author is Samantha Goerling, a Markets Reporter, with contact information provided. The article was published on 04 August 2020 at 17:52. The page also features a sidebar with market indices and a list of ASX gainers and losers.

ASX 200	
Tue, 11 Aug	Last Change
12:49am	6,149.7 ▲ 39.5
Currently Trading at Tue, 11 Aug 10:50am	

Australian Indices	
S&P/ASX Small...	2,714.2 ▼ 0.40 ▼ 0.01%
All Ordinaries	6,286.4 ▲ 39.3 ▲ 0.63%
S&P/ASX 100	5,084.4 ▲ 36.1 ▲ 0.72%

ASX Gainers	
SFX SHEFFIELD RES...	34.0c ▲ 58.1%
TTI TRAFFIC TECHN...	3.0c ▲ 57.9%
RGS REGENEUS LTD	16.0c ▲ 45.5%

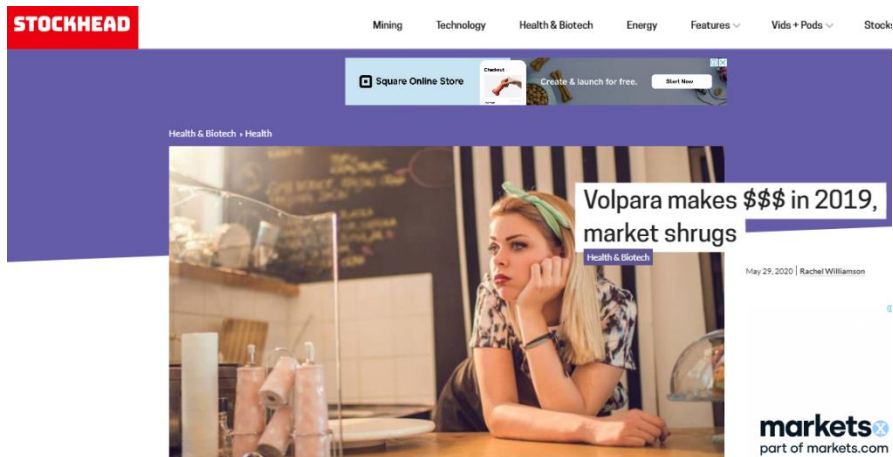
ASX Losers	
SUH SOUTHERN HE...	1.7c ▼ 45.2%
IGL IVE GROUP LIML	62.5c ▼ 21.9%
BAR BARBA RESOUR...	2.6c ▼ 16.1%

[READ the article here](#)

Volpara's full-year results received positive coverage on **Stockhead**.

"The financial results released today showed a step change in both revenue and costs from the year prior."





[READ the article here](#)

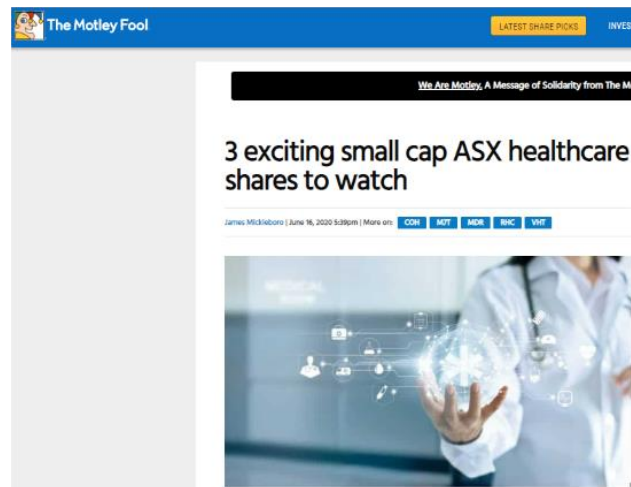
Volpara also received coverage in **The Australian**...

“Here are three mid-cap medical tech stocks worth checking out...Volpara.”



## The Motley Fool

“A final small cap ASX healthcare share to watch is Volpara Health Technologies.”



[READ the article here](#)

## ...and Diagnostic Imaging.

“Facilities that have seen limited scheduling and significant drops in patient volumes must now prepare for higher-than-normal volumes to resolve backlogs.”—Dr Monica Saini, MD, Chief Medical Officer, Volpara Solutions

### Mammography Screening Begins Solid Bounce-Back During COVID-19

Jun 09, 2020  
Whitney J. Palmer



Relevant Topics +

More than 75 percent of breast imaging environments are close to re-capturing pre-pandemic imaging volumes.



[READ the article here](#)

## On the Blog



14 July 2020

### **Monitoring Team Performance in Positioning and Compression Metrics**

*By Danielle L. Higgins, Manager, Eisenhower Health, Schnitzer/Novack Breast Center*

Objective data can inform both quality and training direction for technologists.

READ the full article [here](#)

1 July 2020

### **Catching Up with Catching Cancer Early: Reflections from a TME Webinar**

*By Belimar Velazquez, Volpara Solutions Personalized Screenings*

Adopting the right technology and innovation can yield improved patient access and outcomes as the industry navigates the backlog of elective procedures from screening to surgery.

READ the full article [here](#)

29 June 2020

### **Using Automated Breast Density Assessment for Triage**

Personalized screening recognizes that every woman is different, with varied mammographic sensitivity and risk of developing breast cancer.

REQUEST the White Paper [here](#)

16 June 2020

### **Tips for Optimizing Operations during COVID-19 with VolparaEnterprise**

During this unprecedented time, we know that nothing is as it used to be. Facilities have seen limited scheduling and significant drops in patient volume. In some cases, they closed altogether for a period of time.

Many facilities are restarting operations while exercising extreme caution for the safety of their patients by limiting scheduling. Therefore, it is important to have the tools necessary to optimize operations. As such, we want to provide some helpful hints on how you can use VolparaEnterprise to make sure all your patients due for screening are contacted and put on your schedule.

READ the full article [here](#)

8 June 2020

### **Reopening Breast Screening Operations Amid COVID-19, Part 2**

*By Catherine Hill, Chief of Modality, Mammography for Dr Jones & Partners Medical Imaging*

From the outset, the impact of the COVID-19 pandemic on breast imaging wasn't as great as on other areas of imaging, at least at our facility. Numbers dropped off initially, but not too significantly. For example, we still saw elderly patients who had been told by their referring physician that they absolutely must get their breast pain checked out, when instead they should have been self-isolating at the care home, where they live with other vulnerable individuals.

READ the full article [here](#)

2 June 2020

### **Reopening Breast Screening Operations Amid COVID-19**

Across the United States, hospitals and imaging centres are beginning to resume non-emergency healthcare services, including breast imaging. There's no doubt that mammography has been strongly impacted by shutdowns related to the COVID-19 pandemic, with some estimates placing the downturn in overall outpatient imaging procedures at nearly 70 percent.

READ the full article [here](#)

27 May 2020

### **Aspen Lung “Patient Due” report can help during COVID-19**

During this unprecedented time, we know that nothing is as it used to be. Facilities have seen limited scheduling and significant drops in patient volume. In some cases, they are closing altogether.

While many of you are on limited scheduling, we want to provide some helpful hints to make sure all your patients due for screening are contacted and put on your schedule.

READ the full article [here](#)

## **Upcoming events (subject to change)**



### **Bell Potter Emerging Leaders Conference**

September 16-17, 2020

### **Morgans Queensland Conference**

October 7-9, 2020

### **Medical Imaging Convention**

November 9-10, 2020

Birmingham, UK

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